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March 25, 2019

TO: The Honorable Representative Sylvia Luke, Chair
House Committee on Finance

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 1227 HD1 – RELATING TO POVERTY**

Hearing: March 27, 2019 at 2:30 p.m.
Conference Room 308, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this administration proposal that will further the work of DHS to assist our clients' ability to achieve their full human potential, improve the well-being of individuals, their families, and the community. DHS requests an amendment to effect the date by amending section 4 to read "This Act shall take effect upon its approval."

PURPOSE: The purpose of this bill requires DHS to use an integrated and multigenerational approach to delivering human services to reduce the incidence of intergenerational poverty and dependence on public benefits. The House Committee on Human Services & Homelessness defected the effective date. (HD1)

DHS has a large stake in ending poverty in Hawaii. DHS provides benefits and services to one in four Hawaii residents, or nearly 360,000 individuals, and provides medical insurance coverage for nearly one-half of Hawaii's children. DHS has the largest operating budget of any state department, approximately \$3.3 billion, to provide benefits and services relating to homelessness, education, employment, health care, child care, food security, protective services, and vocational rehabilitation.

DHS is part of the national movement to improve the delivery of human services lead by the National Governors Association, the American Public Human Services Association, and Ascend of the Aspen Institute, the Urban Institute, and others. DHS is adopting a service integration and multigenerational approach, is redesigning its business processes, and continues to improve its technology systems.

DHS is also engaged in its first departmental strategic plan to improve overall program outcomes and establish outcome measures of services for children, parents, and families geared to reduce adverse risks and increase protective factors that promote educational attainment and wage progression that lead to economic self-sufficiency. Through service integration and addressing the needs of multiple generations in a family concurrently, efforts and resources will be better targeted to support the well-being of individuals and families. Investment is also being directed to improving the human services workforce by supporting professional development to improve the work environment, encourage retention, and renew employees' dedication to helping Hawaii's vulnerable residents reach their human and economic potential.

Ultimately, the goals of transformation are to improve well-being of individuals, families, and the community, reduce intergenerational poverty, reduce dependence on public benefits, and reduce the human and fiscal costs of poverty. This administration bill will underpin the department's transformation from a siloed service delivery model to an integrated and multi-generational model.

Multiple studies identify the consequences of growing up in poverty: "individuals who grow up in poor families are more likely to be poor in early adulthood;" and "the chances of being poor in early adulthood increases sharply the longer the time spent in poverty in early childhood." See, Robert L. Wagmiller, Jr., and Robert M. Adelman, "Childhood and Intergenerational Poverty: The Long-Term Consequences of Growing up Poor."

The groundbreaking 1988 Adverse Childhood Experiences (ACE) Study showed clear linkage of the number of ACEs a child experienced to negative health outcomes in adulthood.

Further, a 2015 Swedish study, similarly confirmed the findings of the ACE study using Swedish population data, and concluded that "creating equal opportunities for

educational attainment may help to reduce the long-term effect of a disadvantaged childhood and postpone functional health problems." See N. Agahi, B. Shaw, S. Fors, "Social and economic conditions in childhood and the progression of functional health problems from midlife into old age," *J Epidemiol Community Health* 2014; 0:1–7. doi:10.1136/jech-2013-20369.

Preliminary analysis of data from Hawaii's Supplemental Nutrition Assistance Program (SNAP) show that a percentage of Hawaii's SNAP recipients experience intergenerational poverty. For those born from 1987-1996 (currently, 21-30 years old), over 35,000 received SNAP benefits in childhood and as adults, or 21 percent of (166,081) the total number of those born from 1987-1996 who received SNAP benefits during their lifetime. For those born, during the period 1977-1986 (currently, 31-40 years old), more than 33,000 received SNAP benefits in childhood and as adults, or 23.5 percent of (140,930) the total number of those born during the period 1977-1986 whoever received SNAP.

Of concern are individuals in the above age groups represent parents of young children. To change the trajectory of these families and individuals, DHS must transform its practices and provide services more effectively in a way that will support the child's, parent's and other individual's social capital, educational and economic potential to become self-sufficient, and reduce their dependence on public benefits.

Thank you for the opportunity to provide comments on this measure.



**Testimony to the House Committee on Finance
Wednesday, March 27, 2019; 2:30 p.m.
State Capitol, Conference Room 308**

RE: SUPPORTING SENATE BILL NO. 1227, HOUSE DRAFT 1, RELATING TO POVERTY.

Chair Luke, Vice Chair Cullen, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** Senate Bill No. 1227, House Draft 1, RELATING TO POVERTY.

The bill, as received by your Committee, would require the Department of Human Services to use an integrated and multigenerational service delivery approach to reduce the incidence of intergenerational poverty and dependence on public benefits consistent with the nationally recognized best practices. The bill would take effect on January 1, 2059.

Federally Qualified Health Centers (FQHCs) provide desperately needed medical services at the frontlines in rural communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of health.

In 1854, Abraham Lincoln wrote that the *"object of government is to do for a community of people whatever they need to have done, but cannot do at all, or cannot so well do, for themselves, in their separate and individual capacities."* Lincoln believed, in other words, that government is how we organize our responsibilities to each other.

The path envisioned by Lincoln, where government naturally assumes a smaller role -- not by refusing to meet its responsibilities, but because in meeting those responsibilities fully, the need for government diminishes, would appear to be at the heart of the proposed bill.

Taking responsible steps to reduce poverty is not merely a moral imperative but an economic one. And government should act now. This bill ensures that the State of Hawaii firmly moves toward that end.

Testimony on Senate Bill No. 1227, House Draft 1
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President Lincoln couldn't have envisioned the complex problems we face now. But when he wrote that government "*embraces all which, in its nature, and without wrong, requires combined action, as public roads and highways, public schools, charities, pauperism, orphanage, estates of the deceased, and the machinery of government itself,*" he had a good handle on what it meant to use government as a tool to provide the stability and opportunity needed to attack poverty.

Accordingly, we **SUPPORT** this measure and urge your favorable consideration.

In advance, thank you for your consideration of our testimony.



SB1227 HD1 Multigenerational Poverty Support

COMMITTEE ON FINANCE:

- Rep. Luke, Chair; Rep. Cullen, Vice Chair
- Wednesday, Mar. 27 2019: 2:30 pm
- Conference Room 308

Hawaii Substance Abuse Coalition Supports SB1227 HD1:

GOOD MORNING CHAIR, VICE CHAIR AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the current chair of the Hawaii Substance Abuse Coalition (HSAC), a statewide organization of almost 40 non-profit alcohol and drug treatment and prevention agencies.

What Is It?

Situational temporary poverty, when involving severe health problems or unresolved traumas in a family, can often lead to multigenerational poverty. The next generation of family members can suffer from poor educational performance, behavioral problems, lack of motivation, and feelings of despair. The result is a complex set of social and emotional problems with recurring stressors that can lead to cognitive and emotional impairment as well as health and safety issues.

What Happens:

Being raised in a high-poverty neighborhood in one generation has a substantial negative effect on a child's cognitive ability in the next generation. A family's exposure to neighborhood poverty across two consecutive generations reduces a child's cognitive ability by more than half a standard deviation.¹ Disadvantaged neighborhood environments makes everyday living a struggle. Multiple inherent risks rebound off of each other in such a manner that one problem contributes to another and then another until the sum total of the consequences becomes devastating. (Atzaba-Poria, Pike, & Deater-Deckard, 2004). Longer term adverse experiences can lead to depression and mental illness. As with many behavioral health issues, denial and shame from stigma often prevents them from seeking the necessary help for recovery.

¹ The Legacy of Disadvantage: Multigenerational Neighborhood Effects on Cognitive Ability (2012): <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3286027/>

Neighborhood inequality over time influences children and family trajectories causing a cumulative effect that lingers on beyond that neighborhood. ([Sampson, Sharkey, and Raudenbush 2008](#)). Living in low income neighborhoods often means being subject to lower-quality services, higher crime rates, more concerns for safety, more crowded, noisy conditions, and more deteriorating housing conditions. For children especially, it can become a struggle to survive, both emotionally and cognitively.

The persistence of neighborhood disadvantages across generations adds considerable complexity to the relationship between neighborhoods and child development. Poor children have less quality in their schooling experience, often relying on the influence of peers for emotional and social support rather than adults. A parent's daily life can result in the family having less opportunities to develop the child's cognitive abilities, which can even impact their mental health. Often, the parents and children's living environment is disruptive or unstable. Single family households are common, which means stressed resources resulting in less time for relationship building such as parenting or responding cognitively or emotionally to a child's development. Young children who are subject to more negative reinforcers than positive reinforces are especially vulnerable to low self-esteem and minimal self-development opportunities that can lead to poor adaptive social skills.

Chemical dependence and depression have a high prevalence among the multigenerational families living in poverty. Feelings of isolation or lack of support as well as unhappy life experiences can often lead to low protective factors that contributes to drug abuse, risky behaviors, disease, disability and social problems.

The Hawai'i Substance Abuse Coalitions stands ready to help make a difference.

What To Do:

People suffering with multigenerational poverty can benefit with increased support, specific interventions, including behavioral health counseling, and educational approaches tailored to children and adults in multigenerational poverty. Multigenerational programs that focus on building communities that are rich in support, improve social trust, provide helpful information and establish positive family norms can achieve substantive progress in health goals. Programs that build social supports through participation in community and social networks can help people in poverty to learn how to make positive connections with family, friends and neighbors.

Often, what is needed for people with multiple complex problems and illnesses is to start with comprehensive, integrated health approaches to address chronic health conditions such as with substance use disorder treatment that includes treatment for co-occurring mental health issues. They need the proper tools to help them become part of a unified social network that promotes equal opportunities.

We appreciate the opportunity to provide testimony and are available for questions.



LATE

SB1227 HD1
RELATING TO POVERTY
House Committee on Finance

March 27, 2019

2:30 p.m.

Room 308

The Office of Hawaiian Affairs (OHA) **SUPPORTS** SB1227 HD1, which requires the Department of Human Services to use an integrated and multigenerational approach to delivering human services to reduce the incidence of intergenerational poverty and dependence on public benefits.

Meaningful, holistic poverty relief may be of particular need by the Native Hawaiian community, as OHA research and accounts from multiple Native Hawaiian serving institutions reveal that Native Hawaiian ‘ohana experience high rates of poverty and housing insecurity.¹ For example, according to OHA data, Native Hawaiian females have higher poverty rates than the statewide average from birth to age 34, and the highest rates of poverty for children in Hawai‘i occur among Native Hawaiian keiki kāne aged 5 (29.3%).³ It is common for older wāhine to live in multi-generational homes as they are often caregivers, or are receiving care from their children.² Native Hawaiian families are also disproportionately represented among the homeless and “hidden homeless” population³ and are more likely to live in multi-generational households.⁴

Unfortunately, living in poverty is often accompanied by associated challenges, such as accessing basic needs including shelter, food, and healthcare, along with myriad of other compounding risks and outcomes that can persist through generations. For example, many in poverty already experience depression and anxiety while facing the pressures of ensuring adequate health care and medical treatment for all members of the family; compounding factors such as unstable employment and the threat of losing one’s home can exacerbate such pressures and mental health challenges. A combination of such factors and others can in turn destabilize families emotionally, socially, and economically, creating a cycle of poverty that traps entire families.

By focusing on integrated, multigenerational solutions, human services delivery can assist families in the integrated ways they need to survive and thrive. By addressing the myriad compounding pressures and conditions that accompany and exacerbate poverty and poverty-associated challenges, such a service delivery approach can offer innovative and holistic relief to the burdens of poverty, while overcoming longstanding barriers that have kept many families, including Native Hawaiian ‘ohana, from improving their

¹ See generally, OFFICE OF HAWAIIAN AFFAIRS, HAUMEA—TRANSFORMING THE HEALTH OF NATIVE HAWAIIAN WOMEN AND EMPOWERING WĀHINE WELL-BEING (2018).

² OFFICE OF HAWAIIAN AFFAIRS, HAUMEA—TRANSFORMING THE HEALTH OF NATIVE HAWAIIAN WOMEN AND EMPOWERING WĀHINE WELL-BEING (2018).

³ In addition to high rates of homelessness, 14.1% of Native Hawaiian households include a “hidden homeless” member, compared to the only 4.2% of other households. HAWAI‘I HOUSING FINANCE AND DEVELOPMENT CORPORATION, 2016 HAWAI‘I HOUSING PLANNING STUDY 73 (2016), available at https://dbedt.hawaii.gov/hhfdc/files/2016/12/State_HHPS2016_Report_111416-FINAL-122216.pdf.

⁴ OFFICE OF HAWAIIAN AFFAIRS, NATIVE HAWAIIAN DATA BOOK (2019).

economic and overall well-being for generations. SB1227 HD1 would encourage the exploration, development, and implementation of such human services delivery solutions, and allow the state to focus on truly systemic solutions that can meaningfully improve the well-being and self-sufficiency of Hawai'i's indigent families, now and for generations to come.

Accordingly, OHA urges the Committee to **PASS** SB1227 HD1. Mahalo nui for the opportunity to testify on this measure.



**Parents And
Children Together**

BUILDING THE RELATIONSHIPS THAT MATTER MOST

LATE

TO: Chair Luke, Vice Chair Cullen, and Members of the House Committee on Finance

FROM: Ryan Kusumoto, President & CEO of Parents And Children Together (PACT)

DATE/LOCATION: March 27, 2019; 2:30 p.m., Conference Room 308

RE: TESTIMONY IN SUPPORT OF SB 1227 HD 1– RELATING TO POVERTY.

We ask you to support SB 1227 which requires the Department of Human Services to use an integrated and multigenerational approach to delivering human services to reduce the incidence of intergenerational poverty and dependence on public benefits.

Poverty across the globe has reached epidemic proportions. In Hawaii, it is no different. As one of Hawaii's social service providers, serving over 15,000 clients annually, we have a vested interest in helping Hawaii's residents to break the cycles of poverty. Over 90% of the clients PACT serves are living in deep poverty. Many factors contribute to poverty: political and economic structures, community conditions, exploitation and the least of which is an individual's choice. We would be remiss in not supporting the department in clarifying their vision for addressing poverty in a way that it is aligned with best-practice and supports those in poverty.

The number of individuals and families whose lives are affected by poverty in Hawaii is disheartening. The existence of intergenerational poverty is prevalent. The costs associated with poverty are also well documented. The long-term effects of poverty on individuals and families, especially children, are harmful and detrimental to the potential for healthy and promising futures.

- Aloha United Way's ALICE (Asset Limited Income Constrained, Employed) Report notes:
 - 48% of Hawaii's families with children have incomes below the ALICE survival budget
 - 37% of senior households in Hawaii qualify as ALICE.
 - \$72,336 is the average annual Household Survival Budget for a family of four living in Hawaii.
 - Housing represents a Hawai'i family's greatest expense—an average of \$1,362 per month for a two-bedroom apartment (Source: U.S. Department of Housing and Urban Development).

- National Center for Children in Poverty notes:

- Poverty can impede children's ability to learn and contribute to social, emotional, and behavioral problems.
- Poverty contributes to poor health and mental health.
- Risks are greatest for children who experience poverty when they are young and/or experience deep and persistent poverty.
- **Poverty is the single greatest threat to children's well-being.**

In Marcella Wilson's book *Diagnosis Poverty*, she encourages us to think about "treating poverty as condition that can be treated by proper assessment, standards of care, and quality-control measures. After decades of well-intentioned but ineffective remedies... poverty needs nothing less than a scalable, sustainable, national standard of care to treat the condition of poverty that requires verifiable and accountable coordination among human services, healthcare, education, and government programs."

DHS provides services to nearly one in four Hawaii residents or close to 360,000 individuals on an annual basis. Social service agencies like Parents And Children Together attempt to focus our services on "integrated, multigenerational approach[es] to addressing poverty and dependence of public benefits". It behooves us to support DHS in their mission to continue their Ohana Nui efforts which focus on reducing the time children, families, and individuals spend in poverty and supporting every person's ability to meet their human and economic potential.

Founded in 1968, Parents And Children Together (PACT) is one of Hawaii's not-for-profit organizations providing a wide array of innovative and educational social services to families in need. Assisting more than 15,000 people across the state annually, PACT helps families identify, address and successfully resolve challenges through its 18 programs. Among its services are: early education programs, domestic violence prevention and intervention programs, child abuse prevention and intervention programs, childhood sexual abuse supportive group services, child and adolescent behavioral health programs, sex trafficking intervention, poverty prevention, community building and economic development programs.

Thank you for the opportunity to testify in **support of SB 1227 HD1**, please contact me at (808) 847-3285 or rkusumoto@pacthawaii.org if you have any questions.