



EXECUTIVE CHAMBERS
HONOLULU

March 15, 2022

TO: The Honorable Senator Joy A. San Buenaventura, Chair
Senate Committee on Human Services

FROM: Scott Morishige, MSW, Governor's Coordinator on Homelessness

SUBJECT: **HB 2233 HD1 – RELATING TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.**

Hearing: Tuesday, March 15, 2022, 3:30 p.m.
VIA VIDEO CONFERENCE
Hawaii State Capitol, Conference Room 225

POSITION: The Governor's Coordinator on Homelessness supports this measure, provided that its passage does not replace or adversely impact priorities indicated in the executive budget.

PURPOSE: The purpose of the bill is to authorize the Department of Human Services (DHS) to provide housing assistance subsidies of up to \$500 per month to TANF and TAONF program participants who are participating in the first-to-work program. The bill also appropriates funds for this purpose.

The Coordinator appreciates the amendments by the House Committees on Housing and Health, Human Services, and Homelessness to broaden the scope of the appropriation to include system modifications for TANF program participants.

This measure will address a key barrier to housing for many low-income families with minor children, including those experiencing homelessness or at risk of homelessness, by providing ongoing shallow subsidies for rental housing. Specifically, nearly one-third (27%) of renter households in Hawaii are severely housing cost-burdened, meaning that over half of their monthly income goes to rent and utilities. A shallow rental subsidy of \$500 per month

targeted to First-To-Work participants will reduce the housing cost burden for low-income families working to transition off public assistance.

In December 2021, the Hawaii Interagency Council on Homelessness (HICH) prioritized affordable housing programs for people transitioning from homelessness, including support for shallow rental subsidies, as a key priority for the 2022 legislative session.

The proposed housing assistance subsidy is similar to the state rent supplement program administered by the Hawaii Public Housing Authority. The state rent supplement is capped at \$500 per month per household and effectively reduces and prevents homelessness. Because of the shallow amount of the rental subsidy, the state rent supplement program can serve a higher number of households than programs, such as permanent supportive housing or the Section 8 Housing Choice Voucher program, that provide deeper subsidies.

The ongoing COVID-19 pandemic highlights the need for programs that address the needs of low-income households, including those at risk of homelessness. In January 2021, the Economic Roundtable released a report that projected the pandemic recession would increase chronic homelessness in the United States by 49% over the next four years. Similarly, historical data for the statewide homeless Point in Time (PIT) count also indicates that demand for homeless services is likely to increase in the wake of the current economic recession. Following the last significant downturn in 2009, the statewide PIT count increased 37% between 2009 and 2016. The proposed housing assistance subsidy program will provide ongoing housing support and is an additional tool to prevent at-risk families with minor children from experiencing housing instability or falling into homelessness.

Providing shallow rental subsidies is just one piece of a more comprehensive effort to address homelessness and housing instability. In addition to prioritizing the implementation of housing subsidies, the HICH prioritizes low-income housing development for individuals transitioning out of homelessness, reducing upfront barriers to rental housing, and expanding programs that assist key homeless sub-populations (e.g., unsheltered youth, adults with severe mental illness, etc.). For more information about the 2022 HICH policy priorities, please visit <https://homelessness.hawaii.gov/advocacy>.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR



CATHY BETTS
DIRECTOR

JOSEPH CAMPOS II
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

March 14, 2022

TO: The Honorable Joy A. San Buenaventura, Chair
Senate Committee on Human Services

FROM: Cathy Betts, Director

SUBJECT: **HB 2233 HD1 – RELATING TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.**

HEARING: March 15, 2022, 3:30 p.m.
Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this measure and provides additional comments. The Department respectfully requests that passage of this measure does not replace or adversely impact budget priorities identified in the executive budget. Also, DHS requests an amendment that the measure becomes effective upon approval.

PURPOSE: The purpose of this measure authorizes the Department of Human Services to provide housing assistance subsidies of up to \$500 per month to Temporary Assistance for Needy Families (TANF) and Temporary Assistance for Other Needy Families (TAONF) program participants who are participating in the first-to-work program. Appropriates funds. Effective 7/1/2050. (HD1). The HD1 amended this measure by:

1. Broadening the appropriation to include system modifications for Temporary Assistance for Needy Families Program participants;
2. Changing the effective date to July 1, 2050, to encourage further discussion; and
3. Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

This measure will provide additional housing support to TANF and TAONF recipients while engaging in First To Work (FTW) activities such as education, vocational training, job readiness services, community work experience, and employment. With the pandemic, housing costs in Hawaii have increased while wages have not kept up with inflation. Housing stability, especially for families with children, supports a family's health and well-being, children's or parents' educational and career success, and strengthens communities. Furthermore, this measure will allow the State to access available TANF funds and ensure equity amongst eligible families.

As of January 2022, there was an average of 4,532 TANF recipient families and 1,116 TAONF recipient families per month. About 62% of recipient families received less than 24 months of benefits and about \$647 of financial assistance benefits per month. Of the recipient families, 3,184 or 70% of TANF recipients, and 665 or 60% of TAONF recipients, participated with the FTW program. Approximately 65% of FTW participants were from single-parent households.

Based on the January 2022 figures, DHS projects that if 3,849 TANF and TAONF FTW participants were issued a monthly housing assistance subsidy of \$500, this would total \$1,924,500 a month, or \$23,094,000 annually. DHS estimates that 83% of the annual cost, or \$19,168,020 federal TANF funds, are required to cover the costs for TANF recipients, and 17% of the annual cost, or \$3,925,980 in State general funds, are necessary to cover the cost for TAONF recipients. An additional \$200,000 in federal TANF funds will be needed to cover the cost for system modifications.

The Department requests that any appropriation not reduce or replace budget priorities identified in the executive budget.

Lastly, DHS respectfully requests an amendment that the measure becomes effective upon approval.

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



‘Ōlelo Hō‘ike ‘Aha Kau Kānāwai

LATE

**HB2233, HD1
RELATING TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.**

Ke Kōmike ‘Aha Kenekoa o ka Lawelawe Kānaka
Senate Committee on Human Services

Malaki 15, 2022

3:30 p.m.

Hālāwai Keleka‘a‘ike / Lumi 225

The Office of Hawaiian Affairs (OHA) **SUPPORTS HB2233, HD1**, which authorizes the Department of Human Services (DHS) to provide housing assistance subsidies of up to \$500 per month to TANF and TAONF program participants who are participating in the first-to-work program.

During the pandemic, Temporary Assistant For Needy Families (TANF) and Temporary Assistant for Other Needy Families (TAONF) were lifelines to needy families, aiding over 20 thousand individuals (or 6,790 cases), including nearly 13 thousand children, on average each month in fiscal year 2021. One-third of participants were Native Hawaiian.¹ Comparatively, during fiscal year 2019, less than 12 thousand individuals (or 4,371 cases) participated in TANF and TAONF on average each month, of which 37 percent were Native Hawaiian.²

The dramatic increase in TANF and TAONF cases is evidence of how precarious living circumstances are for Hawai‘i families. This is unsurprising considering 42% of Hawai‘i households and 54% of Native Hawaiian households had incomes below the ALICE threshold in 2018.³ Unfortunately, economic recovery from the pandemic will likely follow trends seen after the Great Recession, harming lower income families more and for longer than higher income households.

Fear of houselessness will only worsen our state’s chance to recover as one. By utilizing the potential of TANF and TAONF, DHS can help provide stability for families as they seek opportunities to build back their self-sufficiency. Fortunately, Hawai‘i has more than \$350 million in unspent TANF reserve funds, which is more than three times our annual TANF block grant.⁴ We have time to find long-lasting solutions for factors that may impede recovery for all of Hawai‘i’s families.

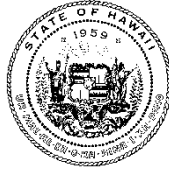
OHA urges the Committee to **PASS HB2233, HD1**. Mahalo piha for the opportunity to testify on this measure.

¹ Hawai‘i Department of Human Services, Databook, December 2021

² Hawai‘i Department of Human Services, Databook, January 2020

³ DHS Databook, 2021

⁴ Center on Budget and Policy Priorities, <https://www.cbpp.org/research/family-income-support/to-promote-equity-states-should-investmore-tanf-dollars-in-basic>



**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 586-0554
email: state.procurement.office@hawaii.gov
<http://spo.hawaii.gov>

TESTIMONY
OF
BONNIE KAHAKUI, ACTING ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE
ON
HUMAN SERVICES
MARCH 15, 2022, 3:30 PM

HOUSE BILL 2233, HD1
RELATING TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Chair San Buenaventura, Vice-Chair Ihara, and members of the committee, thank you for the opportunity to submit testimony on House Bill 2233, HD1. The State Procurement Office (SPO) provides comments to the exemption language on SECTION 2, page 5, lines 5 to 7 set forth below.

“... Expenditure of funds for the administration of housing assistance subsidies shall be exempt from chapters 103D and 103F.”

The SPO objects to the procurement exemption for the administration of this program and recommends removing this exemption language.

The Hawaii Public Procurement Code (code) is the single source of public procurement policy to be applied equally and uniformly, while providing fairness, open competition, a level playing field, government disclosure and transparency in the procurement and contracting process vital to good government.

Public procurement's primary objective is to provide everyone equal opportunity to compete for government contracts, to prevent favoritism, collusion, or fraud in awarding of contracts. To legislate that any one entity should be exempt from compliance with both HRS chapter 103D and 103F conveys a sense of disproportionate equality in the law's application.

Exemptions to the code mean that all procurements made with taxpayer monies will not have the same oversight, accountability and transparency requirements mandated by those

procurements processes provided in the code. It means that there is no requirement for due diligence, proper planning or consideration of protections for the state in contract terms and conditions, nor are there any set requirements to conduct cost and price analysis and market research or post-award contract management. As such, Agencies can choose whether to compete any procurement or go directly to one contractor. As a result, leveraging economies of scale and cost savings efficiencies found in the consistent application of the procurement code are lost. It also means Agencies are not required to adhere to the code's procurement integrity laws.

The National Association of State Procurement Officials state: "Businesses suffer when there is inconsistency in procurement laws and regulations. Complex, arcane procurement rules of numerous jurisdictions discourage competition by raising the costs to businesses to understand and comply with these different rules. Higher costs are recovered through the prices offered by a smaller pool of competitors, resulting in unnecessarily inflated costs to state and local governments."

When public bodies, are removed from the state's procurement code it results in the harm described above. As these entities create their own procurement rules, businesses are forced to track their various practices. Moreover, a public body often can no longer achieve the benefits of aggregation by using another public body's contract because different state laws and regulations may apply to the various public bodies making compliance more difficult.

Each year new procurement laws are applied to state agencies causing state agency contracts to become more complex and costly, while other public bodies, such as agencies with strong legislative influence, are exempted. Relieving some public bodies from some laws by exempting or excluding them from compliance with a common set of legal requirements creates an imbalance wherein the competitive environment becomes different among the various jurisdictions and the entire procurement process becomes less efficient and costlier for the state and vendors.

Thank you.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON HUMAN SERVICES
ON
HOUSE BILL NO. 2233, H.D. 1

March 15, 2022
3:30 p.m.
Room 225 and Videoconference

RELATING TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 2233, H.D. 1, amends Section 346-261, HRS, to: 1) authorize the Department of Human Services (DHS) to provide housing assistance subsidies of up to \$500 per month to Temporary Assistance for Needy Families (TANF) and Temporary Assistance for Other Needy Families households participating in the First-To-Work Program; 2) require TANF expenditure plans developed pursuant to Section 346-51.5, HRS, to account for the subsidies; and 3) exempt administrative expenditures for the subsidies from Chapters 103D and 103F, HRS. The bill also appropriates an unspecified amount of general funds in FY 23 to DHS to fund housing assistance subsidies and an unspecified amount of federal funds in FY 23 to DHS to fund housing assistance subsidies and make system modifications.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

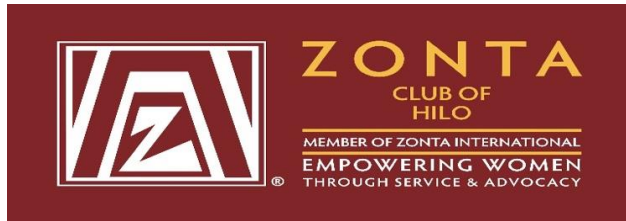
- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



March 12, 2022

Senate Committee on Human Services

DATE: Tuesday, March 15, 2022, Hearing

TIME: 3:30 p.m.

To: Senator Joy Ssn Buenaventura, Chair, Senator Les Ihara, Jr., Vice Chair, and Committee Members

RE: Zonta Club of Hilo SUPPORTS HB 2233 HD1, HSCR 915--22, Relating To Temporary Assistance To Needy Families

The Zonta Club of Hilo supports **HB 2233 HD1**, and its companion Senate Bill 2150, SD2. Both bills “crossed over” for hearings.

The Zonta Club of Hilo is part to of an international network of professionals who support empowering women and girls, worldwide and locally. We support the Department of Human Services’ and Governor’s Coordinator on Homelessness in HB 2233, HD 1 and SB 2150, SD 2, purpose and intent “to authorize the Department of Human Services to provide housing assistance subsidies of up to \$500 per month to temporary assistance for needy families (TANF) and temporary assistance for other needy families (TAONF) program participants who are also participating in the First-to-Work program.” Testimony submitted by DHS and the Governor’s Coordinator On Homelessness provide more details of those served and impact of the State’s high housing costs.

The State’s TANF’s Funds has a surplus to address the funding amounts recommended by the Director of Human Services. These costs would be: “ (2) Inserting an appropriation amount of \$16,206,480 necessary for fiscal year 2022-2023 to fund the housing assistance subsidies for TANF program participants from the federal funds received by the State; (3) Inserting an appropriation amount of \$200,000 necessary for the Department of Human Services to make enhancements to its case management and payment system to implement this measure.”

Hawaii continues to be ranked with Tennessee in the amount unspent funds as a share of annual block grant. Earlier, Hawaii had \$352 million in unspent funds, which is 357% of the annual block grant. In 2019, the state had more than \$338 million available. In 2020, that increased to \$364 million. Currently, it’s \$405,437,243. Here’s why \$400M in federal funds available for needy Hawaii families is going unspent.

<https://www.hawaiinewsnow.com/2022/01/08/heres-why-400m-federal-funds-available-needy-hawaii-families-is-going-unspent/>

Hawaii continues to gain negative recognition for the unspent TANF Funding. TANF: Hawaii Hoards \$364M Federal Welfare Money > Hawaii Free Press

<http://www.hawaiifreepress.com/Articles-Main/ID/29886/TANF-Hawaii-Hoards-364M-Federal-Welfare-Money>

Under federal law these funds may only be used for: (1) assisting needy families so children can be cared for in their own homes or the homes of relatives; (2) reducing the dependency of needy parents by promoting job preparation, work, and marriage; (3) preventing pregnancies among unmarried persons; and (4) encouraging the formation and maintenance of two-parent families and therefore cannot be redirected to other economic needs in the state. *

Needy Families of Immigrants are covered by TAONF, which funds come from state, not federal, dollars. However, Hawaii has a practical approach to handling immigrants considering Hawaii's history and connections to these nations. Without these supports, these families would find themselves homeless and unable to engage ways to support themselves economically and provide safe homes for their dependent children.

The First To Work program provides case management, employment and support services to work eligible individuals of TANF households. TANF has time limits to aid. In addition, the FTW Program services other work eligible individuals that are unable to work due to temporary disability, rehabilitation from substance abuse, and with domestic violence status. Single women with children continue to be disproportionately represented in these eligible categories, particularly with domestic violence.

The Zonta Club of Hilo supports HB2233, HD 1, HSCR 915-22. Thank you for your consideration of our testimony.

Mahalo,
Zonta Club of Hilo Legislative Advocacy Committee
Charlene Iboshi

Zonta International is a leading global organization of professionals empowering women worldwide through service and advocacy. Zonta International envisions a world in which women's rights are recognized as human rights and every woman is able to achieve her full potential. In such a world, women have access to all resources and are represented in decision making positions on an equal basis with men. Our membership includes both current and former small business owners in Hilo.

*Arloc Sherman and Tazra Mitchell, "Economic Security Programs Help Low-Income Children Succeed Over Long Term, Many Studies Find," Center on Budget and Policy Priorities, July 17, 2017.
National Academies of Sciences, Engineering, and Medicine, "A Roadmap to Reducing Child Poverty," 2019.

Greg Duncan and Katherine Magnuson, "The Long Reach of Early Childhood Poverty," *Pathways*, Winter 2011.

PARTNERS IN CARE

Oahu's Continuum of Care

Our mission is to eliminate homelessness through open and inclusive participation and the coordination of integrated responses.

TESTIMONY IN SUPPORT HB 2233 HD1 RELATING TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

TO: Senate Committee on Human Services

FROM: Partners In Care (PIC)

Hearing: Tuesday, March 15th, 2022, 3:30pm

Position: **SUPPORT**

Chair San Buenaventura and Members of the Senate Committee on Human Services:

Partner In Care, Oahu's Continuum of Care, stands in **support** of **HB 2233 HD 1 Relating to Temporary Assistance for Needy Families.**

For many within our community, the difference between being housed and living in a shelter, out on the streets or in overcrowded housing is a few hundred dollars. The TANF/TAONF provides support for these families who are on the edge and working so hard to secure and maintain housing. This program has helped families move into more sustainable jobs which in turn can prevent them from entering homelessness. The relatively low cost of this program will have a huge impact on families who have been struggling to make ends meet and keep a roof over the heads of their children and themselves

Thank you for the opportunity to testifying on this measure. Please do not hesitate to contact us if you have any questions.

Aloha



Because every child deserves a home.

March 14, 2022

RE: HB2233, relating to Temporary Assistance for Needy Families

Since 2006, Family Promise of Hawaii has provided shelter, housing, and supportive services for over 5,700 parents and children experiencing housing instability on Oahu. A majority of the families we serve struggle to make ends meet due to our high cost of living and low-wage jobs. About 26% of the families we have served participate in TANF and the first-to-work program. Family Promise helps these families search for housing as they transition out of homelessness which is extremely difficult without rental assistance support.

Providing an ongoing rental subsidy is an excellent way to expend some of the TANF funds which are currently going into a reserve fund. Approximately \$57 million goes into this fund annually. Funding would be well spent to maximize the housing stability of these families during their temporary stay on TANF.

We strongly support this measure.

With Much Aloha,

A handwritten signature in black ink, appearing to read "SAC", is written over a faint, light-colored signature line.

Samantha Church, MSW
Executive Director



CATHOLIC CHARITIES HAWAI'I

TESTIMONY IN SUPPORT OF HB 2233 HD1: RELATING TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

TO: Senate Committee on Human Services
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i
Hearing: Thursday, 3/15/22; 3:30 PM; via videoconference

Chair San Buenaventura, Vice Chair Ihara, and Members, Committee on Human Services:

Thank you for the opportunity to provide testimony **in strong support of HB 2233 HD1**, which authorizes the Department of Human Services to provide housing assistance of up to \$500 per month to TANF and TAONF participants who are in the first-to-work program. I am Rob Van Tassell, with Catholic Charities Hawai'i. We are also a member of Partners In Care (PIC). **This bill is a critical step forward in enabling the very poorest of families with children to have a chance to obtain housing and to stabilize their family long term.**

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 75 years. CCH has programs serving elders, children, families, homeless, and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i. Catholic Charities Hawai'i has a long history of working in the areas of affordable housing and homelessness.

In 2021, Catholic Charities Hawai'i helped over 70 families on TANF to search for housing including 24 homeless families in our Family Assessment Center. This bill would greatly assist these families and other TANF/TAONF families to both locate housing and increase their housing stability. The first-to-work program helps these families to support their children by preparing for, accepting and retaining employment. With our high cost of living, work income is stretched very tight for rent and the many other costs of raising a family in Hawai'i. The rules for first-to-work allow participants to receive housing assistance. However, the maximum is a one time payment not exceeding two months of rent. While this may assist the family to first obtain housing, we also need to improve these families' ability to continue paying rent without constant shortages or fear of homelessness. A rental subsidy of up to \$500/month could make their lives stable instead of remaining in crisis each month, struggling to pay their ongoing rent

Providing an ongoing rental subsidy is an excellent way to expend some of the TANF funds which are currently going into a reserve fund. Approximately \$57 million goes into this fund annually. Funding would be well spent to maximize the housing stability of these families during their temporary stay on TANF. Without constant economic stress, these families could focus on their children, their work, and their health which often are impacted by economic stress and especially homelessness. **This bill would enhance their ability to become self-sustaining and independent, once TANF ends.** The long-term impact of these subsidies would be great.

We urge your support for this bill. Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or alohabettylou@hotmail.com if you have any questions.





TO: Chair San Buenaventura, Vice Chair Ihara, and Members of the Senate Committee on Human Services

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

DATE/LOCATION: March 15, 2022; 3:30 p.m., Conference Room 225/Videoconference

RE: TESTIMONY IN SUPPORT OF HB 2233– RELATING TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

We strongly support HB 2233 which authorizes the department of human services to provide housing assistance subsidies of up to \$500 per month to TANF and TAONF program participants who are participating in the first-to-work program. Housing in Hawaii continues to be a family's biggest expense. Housing subsidies would greatly help many of our low-income individuals and families who are most heavily impacted by Hawaii's high cost of living.

A recent Aloha United Way ALICE (Asset Limited, Income Constrained, Employed) Study reported that there are 190,390 households living at or below the poverty level, a majority of whom are employed and still struggle to make ends meet. This includes almost 40% of our seniors and roughly 50% of our families with young children. Two thirds of these individuals and families spend more than 50% of their income on housing and are battling housing increases that continue to rise at a much faster rate than wage increases.

As a provider of services to a majority of low-income and ALICE individuals and families, we see the struggles that our clients face daily. Some of these individuals and families hold steady jobs and work hard but still struggle to make ends meet. After paying rent, utilities, bills and putting food on the table, there is little to no income left. Families who are struggling to make ends meet are often forced to make difficult choices when their income doesn't cover basic costs. They may end up having to choose to cut back on healthcare, healthy food options for their children, childcare or, worst of all, lose their housing. While these choices seem to save money or balance the bills in the short term, they directly affect the health, safety and future of these individuals and families and end up having long-term negative effects. Keeping a roof over their heads would bring safety, security and stability to, often, unstable lives.

The additional \$500 housing subsidy for TANF and TAONF first-to-work participants would provide a boost to those individuals and families and help to alleviate some of the stress associated with balancing the budget and making difficult choices. By setting good public policy and supporting individuals and families to break the cycles of poverty, we encourage them to create promising futures and we build a stronger Hawaii community.

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 under-resourced families. Assisting more than 17,000 people across the state annually, PACT helps families identify, address and successfully resolve challenges through its 20 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 and community strengthening programs.

Thank you for the opportunity to testify in **support of HB 2233**, please contact me at (808) 847-3285 or rkusumoto@pacthawaii.org if you have any questions.



Hawai'i Children's Action Network Speaks! is a nonpartisan 501c4 nonprofit committed to advocating for children and their families. Our core issues are safety, health, and education.

To: Senate Committee on Human Services

Re: **HB 2233, HD1 – Relating to Temporary Assistance for Needy Families**
Hawai'i State Capitol, Conference Room 225 & Videoconference
March 15, 2022, 3:30 PM

Dear Chair San Buenaventura, Vice Chair Ihara, and committee members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in SUPPORT of HB 2233, HD1, relating Temporary Assistance for Needy Families. This bill would authorize the Department of Human Services to provide housing assistance subsidies of up to \$500 per month to Temporary Assistance for Needy Families (TANF) and Temporary Assistance for Other Needy Families (TAONF) program participants who are participating in the first-to-work program.

It is well known that Hawai'i has the highest housing costs in the nation. According to the National Low-Income Housing Coalition, the "housing wage" needed to afford a one-bedroom apartment in Hawai'i in 2021 was \$28.86. Meanwhile, the average renter's wage didn't even come close, at \$17.56 per hour.¹

Research shows that housing instability has harmful effects on children's health and educational outcomes² and that the stresses of childhood poverty have both immediate and long-term effects on keiki's development, behavioral self-control, academic performance, physical and emotional health,³ and earnings as adults.⁴

That's why providing housing assistance subsidies to our state's TANF and TAONF participants is so important, both to address our current homelessness crisis, and also to ensure better outcomes for our keiki.

And we can afford it. Hawai'i has more than \$350 million in unspent TANF reserve funds, which is more than three times our annual TANF block grant – in fact, we rank second in the nation for the most unspent TANF funds as a share of the annual block grant.⁵ That's the equivalent of \$2,923 per person living in poverty in Hawai'i, which places us in the top three states with the most TANF reserve funds per person living in poverty.⁶

With so many of our state's families struggling to make ends meet, this is the time to spend down those excess funds. Mahalo for the opportunity to provide this testimony. Please pass this bill.

Thank you,
Nicole Woo, Director of Research and Economic Policy

¹ National Low-Income Housing Coalition, <https://reports.nlihc.org/oor/hawaii>

² Housing Matters, <https://housingmatters.urban.org/articles/how-housing-affects-childrens-outcomes>

³ Child Trends, <https://www.childtrends.org/publications/5-ways-poverty-harms-children>

⁴ American Psychological Association, <https://www.apa.org/pi/ses/resources/indicator/2014/06/childhood-poverty>

⁵ Center on Budget and Policy Priorities, <https://www.cbpp.org/research/family-income-support/to-promote-equity-states-should-invest-more-tanf-dollars-in-basic>

⁶ Pro Publica, <https://www.propublica.org/article/states-are-hoarding-52-billion-in-welfare-funds-even-as-the-need-for-aid-grows>



LGF Consulting Hawaii

808.854.9629

lgfconsultinghawaii@gmail.com



March 14, 2022

Hearing: HMS 3/15/2022 HB2233 Relating to TANF/TAONF

Aloha,

I am writing in support of HB2233, which would provide housing assistance subsidies of up to \$500 per month to TANF and TANOF program participants who are participating in the first-to-work program.

I have had the experience of working as an Employment Counselor and Job Readiness trainer in the first-to-work program, and have seen the impact for families when participants are able to create stability and security using the tools and resources available through the program. Housing is the largest expense for most families, especially here in Hawaii. Housing assistance subsidies can provide relief to overburdened families struggling to meet household expenses like grocery, energy, and transportation. These expenses continue to increase at a rate greater than inflation, and families are losing ground in building their own capacity to become self-sufficient. I have seen first hand the difference in a family's ability to grow capacity for economic improvement when they can be assured that they can meet their current financial demands.

Housing is fundamental in keeping families stable, healthy, and safe. Please consider supporting HB2233.

Mahalo,

Lori Ferrin



Inspiring Hope, Changing Lives

Visit us on the web: www.hopeserviceshawaii.org

Connect via email: info@hopeserviceshawaii.org

HOPE Help Line: 808-935-3050

TESTIMONY IN SUPPORT OF HB 2233: RELATING TO TANF

TO: Committee Chair, Vice-Chair and Members
FROM: Brandee Menino, CEO, Hope Services Hawai'i, Inc.
Hearing: HMS on 03-15-22

LATE

Aloha,

Thank you for the opportunity to provide strong support for HB 2233, which would authorize the Department of Human Services to provide housing assistance subsidies of up to \$500 per month to TANF and TAONF program participants who are participating in the first-to-work program.

As Hawai'i Island's largest homeless services provider, a significant portion of HOPE Services' work is dedicated to Diversion and Prevention—keeping people from entering homelessness, and helping them find alternative living arrangements so they do not enter the system. We also devote a substantial amount of energy to helping recently housed people build and budget their incomes; however, with low wages and high housing costs, they often simply do not have enough money for necessities like food, transportation, and cleaning supplies, after paying the rent. With nearly half our state struggling below the ALICE (Asset-Limited, Income-Constrained, Employed) threshold, we need your help to leverage all available resources to help families in Hawai'i work towards building their capacity to not only survive, but thrive.

My colleague Dale Roskamp, who is a Housing First Case Manager in Hilo, shared the story of "Annette," a single mother of two teenagers. Annette and her family are part of the **41% of the households we served** last year who received TANF payments, and who would benefit from an expansion of benefits. Annette receives general assistance payments and SNAP benefits, but her total income is still too low to afford the cost of living. Dale shared that he has taken money out of his own pocket to buy bleach and cleaning supplies to help her out. "She never asks for anything else," Dale says. "How could I turn her down?"

One way we can immediately help families like Annette's is to tap into our reserve of federal TANF funds and expand benefits that would help **keep families like hers stabilized in housing**. We also respectfully request that you consider increasing the number of eligible families and raising the maximum benefit amount, which has not been updated in over a decade.

Mahalo nui for considering our testimony in support of HB2233.

Sincerely,


Brandee Menino,
Chief Executive Officer



ADMINISTRATIVE OFFICE
357 Waiianuenu Avenue
Hilo, HI 96720
phone: (808) 935-3050
fax: (808) 935-3794

BOARD OF DIRECTORS
President
Dean Au
Vice-President
Peter Hoffmann

Secretary
Patrick Hurney
Treasurer
Charlene Iboshi

Directors
Gwen DeCoito
David Kurohara
Anne Harpham
Rev. Robert Stark, SSS
Michael Stimson

EXECUTIVE LEADERSHIP
Chief Executive Officer
Brandee Menino

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, Authorize DHS to Provide Housing Assistance Subsidies

BILL NUMBER: HB 2233 HD 1

INTRODUCED BY: House Committees on Housing and Health, Human Services & Homelessness

EXECUTIVE SUMMARY: Authorizes the department of human services to provide housing assistance subsidies of up to \$500 per month to TANF and TAONF program participants who are participating in the first-to-work program. Appropriates funds.

SYNOPSIS: Amends section 346-261, HRS, to allow DHS to provide eligible households receiving benefits under the temporary assistance for needy families (TANF) or temporary assistance for other needy families (TAONF) programs with housing assistance subsidies of up to \$500 per month during their participation in the first-to-work program. Any plan for expenditure of TANF funds developed pursuant to section 346-51.5 shall be updated to account for expenditures for housing assistance subsidies. Expenditure of funds for the administration of housing assistance subsidies shall be exempt from chapters 103D and 103F.

EFFECTIVE DATE: July 1, 2050.

STAFF COMMENTS: One of the ways our government provides a safety net for those less fortunate is through a program called Temporary Assistance for Needy Families, or TANF. TANF was enacted in 1996 as a program that replaced Aid to Families with Dependent Children (AFDC), which used to provide cash assistance to families with children experiencing poverty. Under TANF, the federal government provides a block grant to the states, which then use these funds to run their own programs. To receive federal funds, states must also spend some of their own dollars on those programs and face severe fiscal penalties if they fail to do so. This state-spending requirement, known as the “maintenance of effort” (MOE) requirement, replaced the state match that AFDC required.

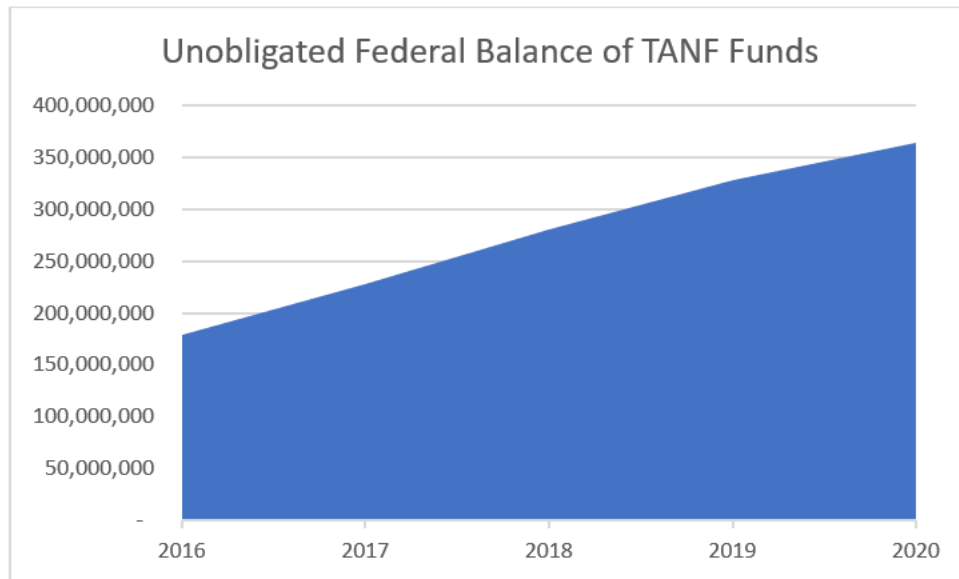
States can use federal TANF and state MOE dollars to meet any of the four goals set out in the 1996 law: (1) assisting needy families so children can be cared for in their own homes or the homes of relatives; (2) reducing the dependency of needy parents by promoting job preparation, work, and marriage; (3) preventing pregnancies among unmarried persons; and (4) encouraging the formation and maintenance of two-parent families.

These goals are broad, giving states lots of freedom to use these federal dollars in a way that they think brings about positive outcomes.

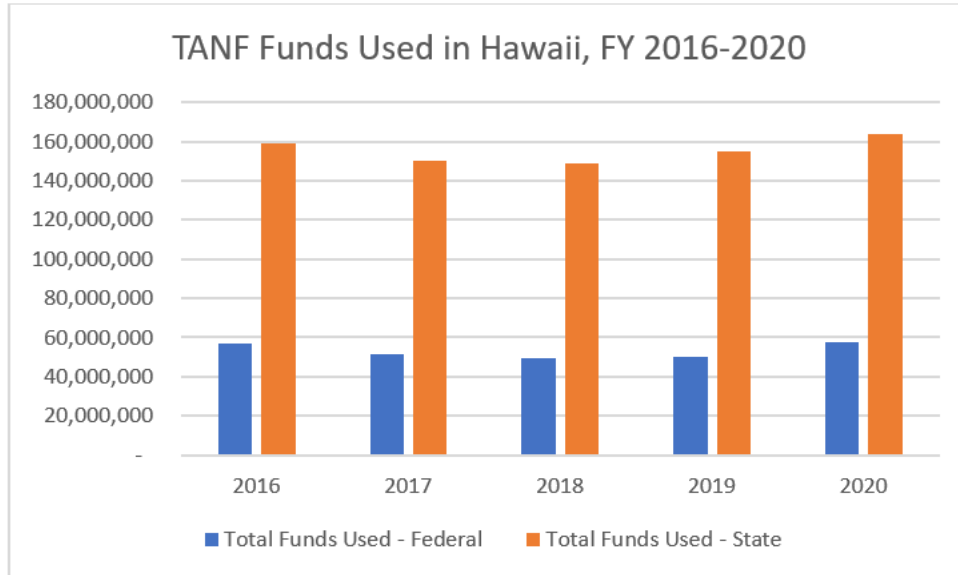
So what have we done with the federal TANF money?

We’ve let lots of it pile up unused.

ProPublica, a nonprofit newsroom that investigates abuses of power, recently published an unflattering article that calls out several states for doing nothing at all with large sums of money. It reports: “According to recently released federal data, states are sitting on \$5.2 billion in unspent funds from the federal Temporary Assistance for Needy Families program, or TANF. Nearly \$700 million was added to the total during the 2019 and 2020 fiscal years, with Hawaii, Tennessee and Maine hoarding the most cash per person living at or below the federal poverty line.”



As this graph shows, the “unobligated balance” of the federal block grants, meaning federally authorized money that we haven’t spent, has been rising steadily over the last five fiscal years. In federal fiscal year 2020 (the year starting Oct. 1, 2019, and ending Sept. 30, 2020), our unobligated balance was \$364 million, equivalent to almost \$3,000 per person living in poverty. Certainly, we have been using part of the TANF money. But we have been spending quite a bit of our own funds:



According to ProPublica, a Hawaii state spokesperson said that our state government plans to use its surplus to extend employment services like job coaching and placement for noncustodial parents who have children receiving TANF and to provide diaper assistance to families that are eligible for the program. The state is also considering increasing benefits and offering monthly housing assistance.

The question, however, is why has it taken so long for our bureaucrats to come up with ways to put that money to good use? It certainly won't help alleviate poverty if it's sitting in some bank somewhere.

Digested: 2/22/2022

HB-2233-HD-1

Submitted on: 3/13/2022 7:09:05 AM

Testimony for HMS on 3/15/2022 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Rosemarie Muller	Individual	Support	Written Testimony Only

Comments:

Aloha

My name is Rosemarie Muller and I live in Keaaau, Hawai'i. I support this bill HB 2233.

Thank you

Benjamin Duke

Kailua-Kona

March 14, 2022

Re: HB2233 HD1

Committee on Human Services

Senator Joy A. San Buenaventura, Chair

Senator Vice-Chair Les Ihara Jr., Vice Chair

Aloha Chair San Buenaventura, Vice Chair Ihara, and Members of the
Committee,

I would like to express my support for HB2233 HD1.

Families continue to struggle financially because of the pandemic and inflation. Housing continues to be the biggest expense for most families in the state and the recent spike in housing costs has only made things worse.

Families deserve some help, and HB2233 HD1 would make a huge difference for families. This legislation could enable families to stay in the state as opposed to moving to the mainland where housing costs are cheaper.

Mahalo,

Benjamin Duke

HB-2233-HD-1

Submitted on: 3/14/2022 1:51:51 PM

Testimony for HMS on 3/15/2022 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
David Deges	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Sylvia Luke, Vice Chair Kyle Yamashita, and members of the finance committee,

Thank you for the opportunity to stand **in strong support of HB2233 HD1.**

We applaud the efforts of the legislature to provide very low-income families with an additional \$500 of rent assistance, especially since the maximum monthly payment for a family of three is only \$610 a month and has not been updated since 2011. Even with an extra \$500 a month, a parent with two kids will find it hard to make ends meet on \$1,110 a month. The cost of living has increased in the past 10 years while the benefit amount has not so this extra \$500 towards rent assistance would help the program keep pace with inflation.

Additionally, it is a tremendous missed opportunity for Hawai'i to be spending less than half of our allocated federal amount of \$98 million per year. Meanwhile we have families experiencing houselessness and living without basic necessities who could be benefitting from the \$57 million in unspent funds. This is money that can help families immediately and will be spent in the local economy.

We urge this committee to ensure that Hawai'i spend all of the \$98M in TANF funds and that we stop building up a reserve fund that is already almost \$400M and is the largest reserve fund in the country. A normal reserve fund amount would cover program expenses for one year and amount to about \$100 million. Hawai'i should aim to not only spend our yearly allocation but to also spend down our reserve fund to a more reasonable level.

We urge the committee to use TANF and TAONF program funds for rental assistance and to also make other program adjustments to ensure we are not leaving federal funds on the table that help our most vulnerable.

Mahalo for the opportunity to testify.

HB-2233-HD-1

Submitted on: 3/14/2022 4:44:51 PM

Testimony for HMS on 3/15/2022 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Nikki-Ann Yee	Individual	Support	Written Testimony Only

Comments:

Thank you for the opportunity to testify in support of HB 2233, which would authorize the Department of Human Services to provide housing assistance subsidies of up to \$500 per month to TANF and TAONF program participants who are participating in the first-to-work program.