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STATE OF HAWAII  
**DEPARTMENT OF HUMAN SERVICES**

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March 27, 2022

TO: The Honorable Representative Ryan I. Yamane, Chair  
House Committee on Health, Human Services, & Homelessness

FROM: Cathy Betts, Director

**SUBJECT: HCR 58/HR 52 - REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO ESTABLISH A ONE-YEAR PILOT PROGRAM TO PROVIDE A BASIC INCOME TO QUALIFIED ADULTS WHO ARE VERIFIED VICTIMS OF SEX TRAFFICKING OR WHO ARE FEMALE OR SEXUAL AND GENDER MINORITY INDIVIDUALS SEEKING TO EXIT THE SEX TRADE.**

**HEARING:** March 29, 2022, 10:00 a.m.  
Via Videoconference, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) appreciates the intent of these resolutions and offers comments.

**PURPOSE:** These resolutions request the Department of Human Services to establish a one-year pilot program to provide a basic income to qualified adults who are verified victims of sex trafficking or who are female or sexual and gender minority individuals seeking to exit the sex trade.

The Department agrees that a basic income pilot would be an innovative program to assist victims of sex trafficking. Communities across California and Canada have initiated successful universal or guaranteed basic income initiatives. For example, the Stockton Economic Empowerment Demonstration (SEED) showed positive findings of the 125 randomly selected participants that received \$500 per month. Research of 1-year data from SEED participants showed increased full-time employment and improvements in their financial,

physical, and emotional health. Notably, the SEED program was privately funded and implemented by a nonprofit. Basic income programs tend to limit the number of participants; some have application processes, require proof of residency, and set participant income limits. Additionally, programs differ in whether the amount should cover all monthly expenses "universal basic income," or whether the amount is a supplement or floor – described as "guaranteed" income. Also, other programs target low-income populations versus a specific group.

The Department is currently not aware of initiatives that address supporting victims exiting the sex trade, and it does not regularly take the lead role in exploratory research.

The Department recognizes that economic viability is a strong preventive factor against recidivism to being sex trafficked. Women, people of color, and members of the LGBTQIA+ community are exploited at higher rates than others, and DHS notes that men and boys, heterosexual and otherwise, are also exploited and often overlooked.

For DHS to develop and administer the proposed program requires an appropriation and a session law that gives authority to DHS to administer the proposed program.<sup>1</sup> The Department currently administers cash assistance programs that are means-tested and require mandatory federal or state compliance by a recipient to participate in employment, a training program, or a treatment plan. The resolution proposes a program that does not impose such requirements or require income eligibility testing.

Also, for the Legislature's information, the \$2,000 proposed amount exceeds the other monthly cash assistance amounts and is higher than what DHS is allowed to provide per section 346-53, that limits the standard of need to,

"no higher than sixty-two and one-half per cent of the standard of need and set no lower than thirty-four per cent of the standard of need. The standard of need shall

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<sup>1</sup>DHS would need state general funds appropriations for additional positions and to fund the benefit to administer this pilot program. The current funding for positions that administer and operationalize the cash assistance programs is cost allocated to the federal programs and is limited to those federal programs' target population and service objectives.

The Department requires a minimum of two FTEs to administer the program as proposed and procurement of services to operationalize the program, including the issuance of the proposed payments. The Department further recommends adding a procurement exemption to streamline the process given the one-year time frame.

be determined by dividing the 2006 federal poverty level by twelve and rounding down the quotient[.]"<sup>2</sup>

There is also an issue of equity to consider if DHS implements the program. For example, the Child Welfare Services Branch has a program to respond to minors identified as trafficking victims. However, the rate of eligible board payments for foster youth is much less than \$2,000 per month, though those minors and young adults would also be eligible to apply for Medicaid coverage.

Regarding access to health care coverage, for a single adult participant of this proposed program, this income and other household income would be counted as income for Medicaid eligibility. The proposed \$2,000 per month would be above Medicaid's Low Income Adult standards; the single participant would not qualify. However, if a program participant were in a household of 2 or more, they may qualify for Medicaid.

Further, the federal Supplemental Nutrition Assistance Program (SNAP) considers the proposed benefit as countable unearned income for SNAP eligibility. Consequently, if the participant applies for SNAP or is a current SNAP recipient, DHS will count the proposed income benefit as unearned income, which may reduce the amount of SNAP benefits. The reduction of SNAP would be a cost shift from federal funds to state funds available for food.

Alternatively, the Legislature may consider appropriating funds to an organization through a Grant in Aid, per Chapter 42F, HRS.

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

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<sup>2</sup> See [https://www.capitol.hawaii.gov/hrscurrent/Vol07\\_Ch0346-0398/HRS0346/HRS\\_0346-0053.htm](https://www.capitol.hawaii.gov/hrscurrent/Vol07_Ch0346-0398/HRS0346/HRS_0346-0053.htm)

**HCR-58**

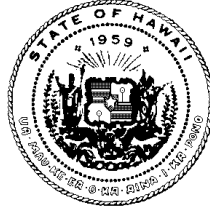
Submitted on: 3/25/2022 4:55:18 PM

Testimony for HHH on 3/29/2022 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Dara Carlin, M.A.	Individual	Support	Written Testimony Only

Comments:

Stand in Support.



‘O kēia ‘ōlelo hō’ike no ke  
**Komikina Kūlana Olakino o Nā Wāhine**

Testimony on behalf of the  
**Hawai‘i State Commission on the Status of  
Women**

Support for H.C.R. 58  
March 29, 2022

Dear Chair Yamane, Vice Chair Tam, and Honorable Members,

The Hawai‘i State Commission on the Status of Women supports H.C.R. 58 for a pilot program to provide a basic income to qualified adults who are victims of sex trafficking *and* who are women or LGBTQ people seeking to exit the sex trade.

The Hawai‘i State Commission on the Status of Women has been listening closely to people with lived experience in the sex trade about what they need to successfully leave prostitution. Despite narratives of choice, most people in the sex trade need assistance to leave, but not in the form of police raids and proselytizing.

This Legislative Session, the Hawai‘i State Commission on the Status of Women and other anti-trafficking advocates attempted to outright decriminalize people in the sex trade but were opposed by State law enforcement agencies, who argued that decriminalization of exploited people could encourage more women to enter this dangerous industry. If the State is not ready to end the unjust punishment of marginalized women and gender minorities exchanging sexual acts for male strangers to survive, then it must provide deep support to be able to survive without the sex trade. This is a chance to build a strong support infrastructure that does not include police involvement.

Please pass H.C.R. 58.

Mahalo,  
Khara Jabola-Carolus, Executive Director, HSCSW

**HCR-58**

Submitted on: 3/28/2022 12:09:41 PM

Testimony for HHH on 3/29/2022 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Ashley Galacgac	AF3IRM Hawaii	Support	Written Testimony Only

Comments:

Mahalo for the opportunity to express our strong support of HCR58 to establish a pilot program to provide up to one year of guaranteed income to people who are economically coerced or trapped into the sex trade, including sex trafficking victims, and those seeking to exit the sex trade. Invest in this pilot program to develop a sustainable intervention and prevention of harm and violence of predominantly black, brown, indigenous, and women of color and gender minorities.

Economic support for survivors who have experienced incredible trauma affords the time to focus on healing and the opportunity to build a support system and to access housing, shelter, education, substance abuse counseling, and/or gender-based violence support. Survivors deserve the right to exit the sex trade as we build a world without sexual exploitation. This impact will also extend to survivors' families, loved ones, and our broader community here in Hawai'i.

Please pass HCR58.

**HCR-58**

Submitted on: 3/28/2022 3:43:10 PM

Testimony for HHH on 3/29/2022 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Nikki-Ann Yee	Individual	Support	Written Testimony Only

Comments:

**Aloha Chair, Vice Chair, and Honorable Members:**

**Please pass HCR58, which would create a guaranteed income pilot program to assist people struggling to leave the sex trade, including those seeking to recover from sex trafficking.**

**Leaving prostitution is often challenging for the majority of people in the sex trade due and involves a constant fight for resources. PTSD, STIs, addiction, sexual assault, physical trauma, depression are all common "occupational hazards" in prostitution that require intensive recovery. Acquiring and maintaining employment during the transition out of the life is not realistic.**

**This one-year pilot program would buy time and safety for people seeking to exit the sex trade as they navigate the support system for adult survivors.**

**Mahalo for the opportunity to testify.**