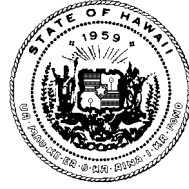


DAVID Y. IGE  
GOVERNOR



CATHY BETTS  
DIRECTOR

JOSEPH CAMPOS II  
DEPUTY DIRECTOR

STATE OF HAWAII  
**DEPARTMENT OF HUMAN SERVICES**

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

February 14, 2022

**TO:** The Honorable Chair Donovan M. Dela Cruz  
Senate Committee on Ways and Means

**FROM:** Cathy Betts, Director

**SUBJECT: SB 2150 SD1 – RELATING TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.**

**HEARING:** Tuesday, February 15, 2022, 10:30 AM  
Via Videoconference, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports this measure and provides additional comments. DHS also respectfully requests that passage of this measure does not replace or adversely impact priorities identified in the executive budget.

**PURPOSE:** The purpose of this measure 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. Effective 12/31/2050.

The committee on human services amended this measure by (1) Inserting an appropriation amount of \$3,557,520 necessary for fiscal year 2022-2023 to fund the housing assistance subsidies for the TAONF program from the general revenues of the State; (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; (4) Inserting an effective date of December 1, 2050, to encourage further discussion; and (5) Making technical, nonsubstantive amendments for clarity and consistency.

As of December 2021, there was an average of 4,547 TANF recipient families and 1,127 TAONF recipient families. About 62% of recipient families received less than 24 months of benefits and about \$658 of financial assistance benefits per month. Of the recipient families, 3,232 TANF recipients, or 82%, and 692 TAONF recipients, or 18%, participated with the FTW program. Approximately 64% of FTW participants were from single-parent households.

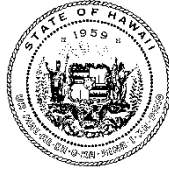
This measure would provide additional support to TANF and TAONF recipients while engaging in FTW activities such as education, vocational training, job readiness services, community work experience, and employment. With the pandemic, housing costs in Hawaii have increased while wages have not kept up 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.

DHS projects that if 3,924 TANF and TAONF FTW participants were issued a monthly housing assistance subsidy of \$500, this would total \$1,647,000 a month, or \$19,764,000 annually. DHS estimates that \$16,206,480 federal TANF funds are required to cover the costs for TANF recipients, and \$3,557,520 in State general funds are necessary to cover the cost for TAONF recipients. Importantly, this measure will allow the State to access available TANF funds and ensure equity amongst eligible families.

DHS clarifies that the appropriation in Section 5 could be a federal fund appropriation as TANF funds can cover technology and system-related costs to carry out a TANF purpose.

Lastly, DHS respectfully requests any appropriation not result in a reduction or deletion of budget priorities identified in the executive budget.

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



**STATE OF HAWAII**  
**STATE PROCUREMENT OFFICE**

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

TESTIMONY  
OF  
BONNIE KAHAKUI, ACTING ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE  
ON  
WAYS AND MEANS  
FEBRUARY 15, 2022, 10:30 AM

SENATE BILL 2150  
RELATING TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the committee, thank you for the opportunity to submit testimony on Senate Bill 2150. The State Procurement Office (SPO) provides comments to the exemption language on page 5, SECTION 2, 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



**LATE**

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 WAYS AND MEANS  
ON  
SENATE BILL NO. 2150, S.D. 1

**February 15, 2022**  
**10:30 a.m.**  
**Room 211 and Videoconference**

**RELATING TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**

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

Senate Bill No. 2150, S.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 \$3,557,520 in general funds and \$16,206,480 in federal funds in FY 23 to DHS to fund the subsidies and appropriates \$200,000 in general funds in FY 23 to DHS to make system changes to facilitate the subsidy payments.

B&F notes that, with respect to the general fund appropriations 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.

# PARTNERS IN CARE

*Oahu's Continuum of Care*

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

## TESTIMONY IN SPPORT ON SB 2150 SD1 RELATING TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

TO: Senate Committee on Ways and Means,  
FROM: Partners In Care (PIC)  
Hearing: Tuesday, February 15<sup>th</sup>, 2022, 10:30am via videoconference  
Position: **SUPPORT**

Chair Dela Cruz and Members of the Senate Committee on Ways and Means:

Partner In Care, Oahu's Continuum of Care, stands in support of **SB 2150 SD1 RELATING TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.**

Partners In Care appreciates the opportunity to submit testimony in support of SB 2150 SD1. Rental costs in Hawaii prevent many of our families from attaining and maintaining housing. Temporary Assistance for Needy Families provides an essential resource to enable families to maintain their housing in our communities. Extending the time frame for this program will make a huge difference in so many lives across Hawaii.

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

Aloha



## CATHOLIC CHARITIES HAWAI'I

### TESTIMONY IN SUPPORT OF SB 2150 SD1: RELATING TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

TO: Senate Committee on Ways and Means  
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i  
Hearing: **Tuesday, February 15, 2022; 10:30 AM; via videoconference**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members, Committee on Ways and Means:

Thank you for the opportunity to provide testimony **in Strong Support** of **SB 2150 SD1**, 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 one 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 is impacted by economic stress and especially homelessness. Children who grow up in a homeless family have a much higher risk for becoming homeless as adults. The long-term impact of these new rental housing 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](mailto:alohabettylou@hotmail.com) if you have any questions.



CLARENCE T. C. CHING CAMPUS • 1822 Ke'eaumoku Street, Honolulu, HI 96822  
Phone (808)373-0356 • [bettylou.larson@CatholicCharitiesHawaii.org](mailto:bettylou.larson@CatholicCharitiesHawaii.org)







Hawaii  
**Children's Action Network Speaks!**  
Building a unified voice for Hawaii's children

*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 Ways and Means

Re: **SB 2150 – Relating to Temporary Assistance for Needy Families**  
Hawai'i State Capitol, Conference Room 211 & Videoconference  
February 15, 2022, 10:30 AM

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and committee members,

**On behalf of Hawai'i Children's Action Network Speaks!, I am writing in SUPPORT of SB 2150 SD1, 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.<sup>1</sup>

It is also well established that housing instability has harmful effects on children's health and educational outcomes<sup>2</sup> and that the stresses of childhood poverty have both immediate and long-term effects on keiki's physical and mental health, behavioral self-control, academic achievement, and earnings as adults.<sup>3</sup>

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.<sup>4</sup> That's the equivalent of \$2,923 per person living in poverty in Hawai'i, which places us among the three states with the most TANF reserve funds per person living in poverty.<sup>5</sup>

With so many of our state's families struggling to make ends meet, this is the time to spend down those funds. Mahalo for the opportunity to provide this testimony. Please pass SB 2150.

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

<sup>1</sup> <https://reports.nlihc.org/oor/hawaii>

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

<sup>3</sup> <https://www.apa.org/pi/ses/resources/indicator/2014/06/childhood-poverty>

<sup>4</sup> <https://www.cbpp.org/research/family-income-support/to-promote-equity-states-should-invest-more-tanf-dollars-in-basic>

<sup>5</sup> <https://www.propublica.org/article/states-are-hoarding-52-billion-in-welfare-funds-even-as-the-need-for-aid-grows>

**SB-2150-SD-1**

Submitted on: 2/14/2022 9:43:48 AM

Testimony for WAM on 2/15/2022 10:30:00 AM

| <b>Submitted By</b> | <b>Organization</b>                             | <b>Testifier Position</b> | <b>Remote Testimony Requested</b> |
|---------------------|---|---------------------------|-----------------------------------|
| Heidi Teraoka       | Testifying for<br>Neighborhood Place of<br>Kona | Support                   | No                                |

Comments:

Neighborhood Place of Kona strongly supports SB2150 SD1. Neighborhood Place of Kona's mission is to ensure the well-being of children and families by promoting environments of peace and safety. The future of keiki and their families are affected by SB2150 SD1, especially many families facing the traumatic possibility of homelessness during the pandemic. Neighborhood Place of Kona helps strengthen families working toward reaching their goals, and strongly supports SB2150 SD1 to provide much needed assistance during historic times.

Mahalo,

Heidi Teraoka

Executive Director

Neighborhood Place of Kona

[www.npkona.org](http://www.npkona.org)



**Testimony of the Hawai'i Appleseed Center for Law and Economic Justice**  
**SUPPORTING SB2150** – Relating to TANF and TAONF  
Conference Room 329 & Videoconference  
Tues, February 15<sup>th</sup>, 2022 at 10:30 AM

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the committee,

Thank you for the opportunity to stand **in strong support of SB2150** and offering **comments**.

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.

We encourage this committee to consider increasing the maximum benefit amount and also increasing the number of families that are eligible to receive the benefit. The cost of living has increased in the past 10 years while the benefit amount has not and the income threshold should also be adjusted so that more families can qualify. As stated in this bill, Hawai'i is 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. With all the families that are experiencing financial hardship due to COVID and the high cost of living in Hawai'i, it is disheartening to know that \$57M in assistance funds went unspent. 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 that all of the \$98M in TANF funds go to low-income families 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 or be about \$100 million. The Hawai'i reserve amount of \$400 million is a result of program rules that have not been updated in a decade and have left our lowest income families with less and less inflation-adjusted dollars every year.

We urge the committee to use TANF 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.





**LATE**

*Building strength and stability through shelter*

Committee on Ways and Means  
Tuesday, February 15, 2022  
Video Conference, 11:30 a.m.

### **SB2150 SD1 – STRONG SUPPORT**

Aloha Committee Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the committee,

I am submitting testimony in my capacity as Program Manager of Hawaii Habitat for Humanity Association (HHFHA). We are a nonprofit community development financial institution and Affiliate Support Organization for the direct service Habitat for Humanity organizations across the state. Our organization **STRONGLY SUPPORTS SB2150 SD1**.

This measure will provide households receiving TANF/TANOF benefits with an additional \$500/month with participation in the First-to-Work Program to go toward housing assistance.

We applaud the efforts of the legislature to provide low-income families with additional income, especially considering the TANF/TANOF benefits amount has been unchanged since 2011 while cost of living in Hawaii skyrockets. This has left our lowest income families with less and less inflation-adjusted dollars every year.

It is well known that Hawaii has the highest housing costs in the nation. Because of this, work income is stretched very tight between housing costs and the many other costs of raising a family in Hawai'i. According to the National Low-Income Housing Coalition, the "housing wage" needed to afford a two-bedroom apartment in Hawaii in 2021 was \$37.69. Meanwhile, the average renter's wage comes in at \$17.56 per hour and our state's minimum wage remains at \$10.10/hour. Over 50% of our state's households are "cost-burdened" – spending more than 30% of income on housing. Looking at Hawaii's lower income demographic, for which the TANF/TANOF program benefits, that percentage of cost burdened households steeply increases to 83%. With low wages and high housing costs, these families simply do not have enough money for necessities like food, transportation, and cleaning supplies, after paying for housing.

As stated in this bill, Hawai'i is 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. With all the families that are experiencing financial hardship due to COVID and the high cost of living in Hawai'i, it is disheartening to know that \$57M in assistance funds went unspent. This is money that can help families immediately and will be spent in the local economy.

We urge this committee to ensure that all of the \$98M in TANF funds go to low-income families and that we stop building up a reserve fund that is already over \$400M and is the largest reserve fund in the country. No other state has a reserve fund that is four times the annual TANF allocation. A normal reserve fund amount would cover program expenses for one year or be about \$100 million.

**We need to leverage all available resources to help families in Hawaii work towards building their capacity to not only survive, but thrive.** We encourage this committee to consider increasing the maximum benefit amount and also increasing the number of families that are eligible to receive the benefit. The cost of living has increased in the past 10 years while the benefit amount has not and the income threshold should also be adjusted so that more families can qualify.

The rules for first-to-work allow participants to receive housing assistance. However, the maximum is one 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 without constant shortages or fear of homelessness. An increased housing subsidy could make their lives stable instead of remaining in crisis each month, struggling to pay their housing costs.

Our organization supports any measure that assists families secure stable housing. TANF/TANOF housing benefits can be used for either rent or mortgages. Housing stability, and in particular homeownership, contributes to better health, safety and long-term family stability. It has been linked to better physical and mental health, academic achievement, and increased wage earnings. Homeownership additionally provides opportunities to build equity, leverage educational investments, and encourages community and civic participation. For many families, it's a pathway out of poverty.

We sincerely thank the legislature in recognizing the importance of this measure. Mahalo for your time, leadership and consideration. Please contact me directly at 425.829.8231 or [susan@hawaiihabitat.org](mailto:susan@hawaiihabitat.org) should you have any questions or need additional information.

Sincerely,

*Susan Le*

Susan Le  
Program Manager

**LATE**

**SB-2150-SD-1**

Submitted on: 2/14/2022 6:23:14 PM

Testimony for WAM on 2/15/2022 10:30:00 AM

| <b>Submitted By</b> | <b>Organization</b> | <b>Testifier Position</b> | <b>Remote Testimony Requested</b> |
|---------------------|---------------------|---------------------------|-----------------------------------|
| Matthew Ua          | Individual          | Support                   | No                                |

Comments:

Aloha,

Thank you for allowing myself the opportunity to submit testimony in support of SB2150. I currently work with a total of twenty-two TANIF clients who would greatly benefit from additional \$500.00 in rent assistance. One such client is a single mother with two teenage daughters who's only goal in life is to provide a safe place to live and hot food for her small yet strong family. I urge you all to approve SB2150 and bring more support to those in Hawai'i who really need all of our help.

Mahalo,

Matthew Ua  
Housing Locator  
Hope Services Hawai'i INC.