

**DAVID Y. IGE**  
GOVERNOR



**EXECUTIVE CHAMBERS**  
HONOLULU

January 27, 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: SB 2150 – RELATING TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.**

Hearing: Thursday, January 27, 2022, 3:10 p.m.  
VIA VIDEO CONFERENCE  
Conference Room 225, State Capitol

**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.

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.

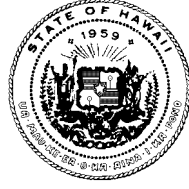
The proposed housing assistance subsidy is similar to the state rent supplement program administered by the Hawaii Public Housing Authority. The state rent supplement is capped at \$500 per month per household and effectively reduces and prevents homelessness. Because of the shallow amount of the rental 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 <http://homelessness.hawaii.gov/wp-content/uploads/2022/01/GCH-Legislative-Priorities-2022-Overview.pdf>.

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

January 26, 2022

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

**FROM:** Cathy Betts, Director

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

**HEARING:** Thursday, January 27, 2022, 3:10 pm  
Via Videoconference, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports this measure and provides additional comments. DHS appreciates the work and collaboration of Representative Nakamura and her staff, as well as other members of House leadership who worked on this proposal. DHS also respectfully requests that passage of this measure does not replace or adversely impact budget priorities identified in the executive budget.

**PURPOSE:** The purpose of this measure is 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 engaged in the First-To-Work (FTW) program.

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.

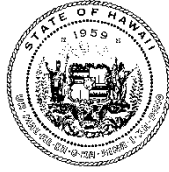
This measure would provide additional housing support to TANF and TAONF recipients while engaging in FTW activities such as education, vocational training, job readiness services, community work experience, and employment. With the pandemic, housing costs in Hawaii have increased while wages have not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

Also, the Department requests an appropriation of \$200,000 needed for system enhancements to its case management and payment system to implement this measure.

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  
HUMAN SERVICES  
JANUARY 27, 2022, 3:10 PM

SENATE BILL 2150  
RELATING TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Chair San Buenaventura, Vice Chair Ihara, Jr., and members of the committee, thank you for the opportunity to submit testimony on SB 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.

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

**STATE OF HAWAII  
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

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

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  
SENATE BILL NO. 2150

**January 27, 2022  
3:10 p.m.  
Room 225 & 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 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 unspecified amounts of general funds and federal funds in FY 23 to DHS to fund the subsidies.

B&F notes that 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:

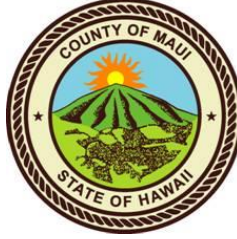
- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level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



**MICHAEL P. VICTORINO**  
Mayor  
**LORI ANN TSUHAKO**  
Director  
**LINDA MUNSELL**  
Deputy Director



DEPARTMENT OF HOUSING AND HUMAN CONCERNS  
COUNTY OF MAUI  
2200 MAIN STREET, STE. 546  
WAILUKU, HI 96793  
PHONE: (808) 270-7805 | FAX: (808) 270-7165  
Website: <https://www.mauicounty.gov/117/Housing-Human-Concerns>

January 26, 2022

TO: The Honorable Joy A. San Buenaventura, Chair  
The Honorable Les Ihara Jr., Vice Chair  
Members of the Senate Committee on Human Services

FROM: Tasha Ham-Deponete, Homeless Program Specialist on behalf of The County of Maui Department of Housing and Human Concerns (DHHC)

SUBJECT: **SB2150 – RELATING TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**

Thank you for the opportunity to provide written testimony regarding SB2150. The purpose of this bill is to extend the TANF/TAONF housing subsidies up to \$500 per month from two months to five years for those in first-to-work programs.

The COVID-19 pandemic led to high unemployment and underemployment rates, raising the demand for needs-based benefits. Despite this, more people exited homelessness to permanent housing in 2021 compared to 2020 -- Maui County specifically had an overall reduction of 31.09% of homeless individuals and families; a trend that we hope continues.

With rising housing costs and unspent TANF block grant funds, it is imperative that the expansion of TANF/TAONF programs are utilized so as to continue filling in the gaps and providing additional benefits to those in our most vulnerable populations. Thus, the passage of SB2150 is one that we are in **SUPPORT** of.

Mahalo Nui Loa,

A handwritten signature in blue ink, appearing to read "Tasha Ham-Deponete".

Tasha Ham-Deponete  
Homeless Program Specialist  
County of Maui



## CATHOLIC CHARITIES HAWAI'I

### TESTIMONY IN SUPPORT OF SB 2150: 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, January 27, 2022; 3:10 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 SB 2150**, 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 month 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 [bettylou.larson@catholiccharitieshawaii.org](mailto:bettylou.larson@catholiccharitieshawaii.org) 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)



**SB-2150**

Submitted on: 1/26/2022 3:06:01 PM

Testimony for HMS on 1/27/2022 3:10:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Kristen Alice	Testifying for HOPE Services Hawai'i	Support	Yes

Comments:

HOPE Services Hawai'i strongly supports the expansion of TANF and TAONF benefits.

**LATE**



HAWAII HEALTH  
& HARM REDUCTION CENTER  
*The New Chapter for Life Foundation and The CHOW Project*

## TESTIMONY IN SUPPORT OF SB 2150

TO: Chair San Buenaventura, Vice-Chair Ihara, & Committee Members

FROM: Nikos Leverenz  
Grants & Advancement Manager

DATE: January 27, 2022 (3:10 PM)

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Hawai'i Health & Harm Reduction Center (HHRC) supports SB 2150, which authorizes the state 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.

The economic disruption precipitated by the COVID-19 pandemic has substantially worsened the condition of our state's most under-resourced populations. This includes immigrants and COFA migrants who are unable to access the range of support available to non-immigrant and non-migrant populations.

HHRC's mission is to reduce harm, promote health, create wellness, and fight stigma in Hawaii and the Pacific. We work with many individuals impacted by poverty, housing instability, and other social determinants of health. Many have behavioral health problems, including those related to substance use and mental health conditions. Many of our program clients and participants have also been deeply impacted by trauma, including histories of physical, sexual, and psychological abuse.

Thank you for the opportunity to testify on this measure.



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 Human Services

Re: **SB 2150 – Relating to Temporary Assistance for Needy Families**  
Hawai'i State Capitol, Conference Room 225 & Videoconference  
January 27, 2022, 3:10 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 SB 2150, 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>



**Testimony of the Hawai'i Budget and Policy Center**  
**SUPPORTING SB2150**– Relating to TANF  
Conference Room 225 & Videoconference  
Thursday January 27th, 2022 at 3:10PM

Aloha Chair San Buenaventura and the Committee on Human Services,

Thank you for the opportunity to provide testimony supporting 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 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. 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.

# PARTNERS IN CARE

*Oahu's Continuum of Care*

**LATE**

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

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

TO: Senate Committee on Human Services,  
FROM: Partners In Care (PIC)  
Hearing: Thursday, January 27<sup>th</sup>, 3:10pm via videoconference  
Position: **SUPPORT**

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

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

Partners In Care appreciates the opportunity to submit testimony in support of SB 2150. 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