

JOSH GREEN, M.D.
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII

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STATE OF HAWAII
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
EXECUTIVE OFFICE ON AGING
NO. 1 CAPITOL DISTRICT
250 SOUTH HOTEL STREET, SUITE 406
HONOLULU, HAWAII 96813-2831

Testimony in SUPPORT of SB3003
RELATING TO THE HAWAII ABLE SAVINGS PROGRAM

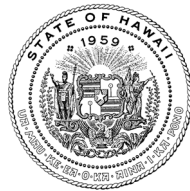
Senator Joy A. San Buenaventura, Chair
Senator Henry J.C. Aquino, Vice Chair
Committee on Health and Human Services

Testimony of Caroline Cadirao
Director, Executive Office on Aging
Attached Agency to the Department of Health

Hearing: Wednesday, February 14, 2024, 1:00 P.M. Conference Room 224

- 1 **EOA Position:** The Executive Office on Aging (EOA), an attached agency to the Department of
- 2 Health (DOH) supports this measure.
- 3 **Fiscal Implications:** Appropriates funds to Department of Budget and Finance to provide
- 4 incentive payments to Hawaii public school ABLE account holders and supports a a **1.0 full time**
- 5 **equivalent (FTE)** within the Department of Health's State Council on Developmental Disabilities.
- 6 **Purpose and Justification:** Approximately 23,000 individuals with developmental disabilities in
- 7 the State of Hawaii are eligible to open an ABLE Savings Program and an additional 20,000
- 8 individuals with other disabilities are also eligible for an ABLE Savings Program.

- 1 The 1.0 full time equivalent position within the DOH, State Council on Developmental
- 2 Disabilities would provide outreach and education about the Able Savings Program and increase
- 3 participation. This would support individuals with disabilities to get into the workforce and
- 4 improve their overall quality of life.
- 5 **Recommendation:** EOA supports this measure and defers to the Department of Health and the
- 6 DDC for implementation.
- 7 Thank you for the opportunity to testify.



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
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
Ka 'Oihana Mālama Mo'ohelu a Kālā
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES
ON
SENATE BILL NO. 3003

February 14, 2024
1:00 p.m.
Room 225 and Videoconference

RELATING TO THE HAWAII ABLE SAVINGS PROGRAM

The Department of Budget and Finance (B&F) supports this bill to the extent that it does not adversely affect priorities set forth in the Executive Supplemental Budget request. In addition, B&F would like to work with the Committee on the bill to make sure any proposed changes made to Chapter 256B do not have unintended consequences to the Hawai'i ABLE Savings Program and to address the fiscal impact of the bill.

Forming a partnership with the Hawai'i Department of Education (DOE) is the best way to make information about the Hawai'i ABLE program available to parents and potential account holders. Recently, the State of Illinois passed a law¹ requiring school districts in Illinois to share information about ABLE accounts with a parent or guardian at

¹ <https://www.ilga.gov/legislation/ilcs/fulltext.asp?DocName=010500050K14-8.02i>

Sec. 14-8.02i. ABLE account program information. Beginning with the 2023-2024 school year, a school district shall provide informational material about the Achieving a Better Life Experience (ABLE) account program established under Section 16.6 of the State Treasurer Act to the parent or guardian of a student at the student's annual individualized education program (IEP) review meeting, whether the annual review meeting is held in person, convened remotely, or convened in any other manner. The Office of the State Treasurer shall prepare and deliver the informational material to the State Board of Education, and the State Board of Education shall distribute the informational material to school districts.

A school may transmit the informational material to a parent or guardian in the same manner as other documents and information related to an IEP meeting are provided to the parent or guardian. (Source: P.A. 102-841, eff. 5-13-22.)

the student's annual individual education program (IEP) review meeting. With the approval of Hawai'i DOE, something similar could be done in Hawai'i.

In addition, this bill proposes an incentive payment. An incentive payment could be provided in many ways. For example, an incentive payment could be made directly into an Hawai'i DOE student ABLE Savings account by the plan administrator upon completion of a milestone event such as opening an account, maintaining an account for a period of time, or funding an account at a certain value. The incentive payment could be equivalent to the maintenance of the account for a year or some other nominal value that encourages people to inquire about the Hawai'i ABLE Savings Program and take action. B&F supports the concept of incentive payments for the Hawai'i ABLE Savings Program.

Thank you for your consideration of our comments.



STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
1010 RICHARDS STREET, Room 122
HONOLULU, HAWAII 96813
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February 14, 2024

The Honorable Senator Joy A. San Buenaventura, Chair
Senate Committee on Health and Human Services
The Thirty-Second Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Senator San Buenaventura and Committee Members:

SUBJECT: SB3003 RELATING TO THE HAWAII ABLE SAVINGS PROGRAM

The Hawaii State Council on Developmental Disabilities **STRONGLY SUPPORTS SB3003**, which repeals language that gives the Director of Finance discretion to use moneys in the Hawai'i ABLE Savings Program Trust Fund if the Director elects to accept deposits from contributors instead of sending deposits directly to the ABLE program manager. Authorizes the Director of Finance to expend moneys in the Hawai'i ABLE Savings Program Trust Fund to provide incentive payments to Hawai'i public school ABLE account owners. Declares that the general fund expenditure ceiling is exceeded. Makes an appropriation to the Department of Budget and Finance to fund the incentive payments. Makes an appropriation to the Department of Health for one full-time equivalent (1.0 FTE) permanent position within the State Council on Developmental Disabilities to provide statewide outreach, advocacy, and relationship management for the Hawai'i ABLE savings program.

Act 206 of Hawaii Session Laws of 2015 enacted the Hawai'i ABLE Savings Program. The ABLE Savings Program is modeled after 529 (Section 529 of the Internal Revenue Code) college savings plans, where interest earned on savings will be tax-free. It allows individuals with disabilities the same types of flexible savings accounts that people without disabilities have, such as college savings accounts, health savings accounts, and individual retirement accounts. Furthermore, an ABLE account would enable individuals with a disability to accrue funds to pay for a variety of expenses, such as medical and dental care, education, community-based supports, employment training, assistive technology, housing, and transportation.

There are approximately 23,000 individuals with developmental disabilities in the State of Hawaii who are eligible to open an ABLE Savings Program. Data taken from the July 2022 ALICE in Focus-People with Disabilities brief (the brief used the dataset reported in the 2019 U.S. Census Bureau's American Community Survey) shows, in Hawaii 3% of our

The Honorable Senator Joy A. San Buenaventura, Chair
Senate Committee on Health and Human Services
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population is a child under age 18 with a disability. This equals 43,054 individuals under the age of 18 who have a disability. Parents had always been warned not to have a savings or an investment account for their child with a disability with a balance greater than \$2,000 because they won't qualify for Medicaid.

With an ABLE account, parents can save for their child's future regardless if the child has a disability or not. Grandparents, family members and friends can contribute to the savings of a child with a disability without jeopardizing their eligibility for Medicaid. This can support an individual with a disability as they enter adulthood, to have access to a resource of their own. It will support them to get a job and save for their own place to live, to achieve a better life experience.

The full-time staff position would be devoted to statewide outreach, advocacy, and relationship management for the Hawaii ABLE savings program, the program we will grow. Growing the use of these accounts also requires continued education for a population that has been told for decades that if they worked or saved any money, they would lose everything; their home, their income, their services, and their supports. This job position is undoing decades of misinformation for our most vulnerable population who we are trying to re-educate and get into our workforce. The funding for this position would come from the general fund and would be recurring.

Thank you for the opportunity to submit testimony in **strong support of SB3003**.

Sincerely,

A handwritten signature in blue ink that reads "Daintry Bartoldus".

Daintry Bartoldus
Executive Administrator



DISABILITY AND COMMUNICATION ACCESS BOARD

1010 Richards Street, Room 118 • Honolulu, Hawaii 96813
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February 14, 2024

TESTIMONY TO THE SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

Senate Bill 3003 – Relating to the Hawaii ABLE Savings Program

The Disability and Communication Access Board (DCAB) supports Senate Bill 3003 – Relating to the Hawaii ABLE Savings Program.

This bill would authorize the Director of Finance to use funds deposited into the Hawaii ABLE Savings Program Trust Fund for any expenses incurred in developing and administering the Hawaii ABLE Savings Program and establish a position within the State Council on Developmental Disabilities of the Department of Health to support the Hawaii ABLE Savings Program.

DCAB believes that dedicating a permanent position to statewide outreach, advocacy, and relationship management for the Hawaii ABLE Savings Program should help people with disabilities and their families understand the benefits of this program and increase their participation.

Thank you for considering our position.

Respectfully submitted,

KIRBY L. SHAW
Executive Director

SB-3003

Submitted on: 2/10/2024 11:01:51 PM

Testimony for HHS on 2/14/2024 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|--|---------------------------|------------------------|
| Louis Erteschik | Testifying for Hawaii Disability Rights Center | Support | Written Testimony Only |

Comments:

ABLE is a great program and the additional staff for the DD Council would greatly help their outreach efforts.

SB-3003

Submitted on: 2/12/2024 2:39:03 PM

Testimony for HHS on 2/14/2024 1:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|----------------------|
| Kaili | Individual | Support | Remotely Via Zoom |

Comments:

i am in strong support of this bill beacuse i can save up my money without hurting my social security.

SB-3003

Submitted on: 2/14/2024 10:54:00 AM

Testimony for HHS on 2/14/2024 1:00:00 PM

LATE

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Zosimo A Arista | Individual | Support | Written Testimony Only |

Comments:

I am in support of SB3003.