



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
KA 'OIHANA O KA LOIO KUHINA  
THIRTY-THIRD LEGISLATURE, 2025**

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**ON THE FOLLOWING MEASURE:**

S.B. NO. 479, RELATING TO THE HAWAII ABLE SAVINGS PROGRAM.

**BEFORE THE:**

SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

**DATE:** Monday, February 10, 2025 **TIME:** 1:20 p.m.

**LOCATION:** State Capitol, Room 225

**TESTIFIER(S):** Anne E. Lopez, Attorney General, or  
Ian Robertson, Deputy Attorney General

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Chair San Buenaventura and Members of the Committee:

The Department of the Attorney General provides the following comments.

The purpose of this bill is to repeal the Director of Finance's (Director) authority to elect to accept deposits from contributors to the Hawaii ABLE Savings Program Trust Fund (Fund) rather than have deposits sent directly to the program manager; to authorize the Director to expend moneys in the Fund to provide incentive payments to Hawaii public school ABLE account owners; to appropriate funds, including for one full-time permanent position in the State Council on Developmental Disabilities.

The Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014, Division B of Public Law No. 113-295 (ABLE Act) aims to provide individuals with disabilities the opportunity to save money in tax-advantaged accounts without jeopardizing their eligibility for federal benefits. The Hawaii Able Saving Program was established by Act 206, Session Laws of Hawaii 2015, codified in chapter 256B, Hawaii Revised Statutes, to enable individuals with disabilities and their families to save funds in tax-exempt savings program under the ABLE Act.

On page 3, lines 6 to 10, the bill authorizes the Director to issue incentive payments to "Hawaii public school ABLE account owners as a means of encouraging the participation of eligible individuals . . . to save funds[.]" The term "Hawaii public school ABLE account owners" is not defined and is unclear, but it appears to restrict who would be eligible for incentive payments.

Restricting the availability of incentive payments to "Hawaii public school ABLE account owners" as currently provided in the bill may expose the State to a challenge based on the Equal Protection Clauses of the Fourteenth Amendment of the United States Constitution and article I, section 5, of the Hawaii Constitution. "The Equal Protection Clause does not prohibit the State from passing laws that treat classes of people differently, but only from treating classes differently when the basis of the discrimination does not bear a rational relationship to a legitimate statutory objective." State v. Bloss, 62 Haw. 147, 153, 613 P.2d 354, 358 (1980) (citations omitted).

To avoid this issue, we respectfully suggest that the phrase "Hawaii public school" be deleted from page 1, lines 9 and 12-13; page 3, line 8; and page 4, lines 8-9.

We respectfully ask the Committee to consider our comments.



**STATE OF HAWAII  
KA MOKU'ĀINA O HAWAII  
STATE COUNCIL ON DEVELOPMENTAL DISABILITIES  
'A'UNIKE MOKU'ĀPUNI NO KA NĀ KĀWAI KULA**

PRINCESS VICTORIA KAMĀMALU BUILDING  
1010 RICHARDS STREET, Room 122  
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February 10, 2025

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

Dear Senator San Buenaventura, and Committee Members:

SUBJECT: SB479 Relating to the Hawaii ABLE Savings Program

The Hawaii State Council on Developmental Disabilities **STRONGLY SUPPORTS SB479**, 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. Appropriates funds.

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 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 of 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 SB479.**

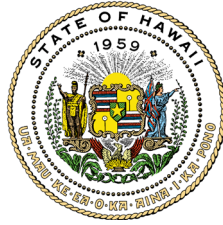
Sincerely,



Daintry Bartoldus  
Executive Administrator

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

**KENNETH FINK, MD, MGA, MPH**  
DIRECTOR OF HEALTH  
KA LUNA HO'OKELE



**STATE OF HAWAII  
DEPARTMENT OF HEALTH  
KA 'OIHANA OLAKINO  
EXECUTIVE OFFICE ON AGING**  
NO. 1 CAPITOL DISTRICT  
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**CAROLINE CADIRAO**  
DIRECTOR  
Executive Office on Aging

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**Testimony in SUPPORT of SB479  
RELATING TO THE HAWAII ABLE SAVINGS PROGRAM**

COMMITTEE ON HEALTH AND HUMAN SERVICES  
SENATOR JOY A. SAN BUENAVENTURA, CHAIR  
SENATOR HENRY J.C. AQUINO, VICE CHAIR

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

Hearing: Monday, February 10, 2025, at 1:20 P.M. in Conference Room 225

- 1 **EOA Position:** The Executive Office on Aging (EOA), an attached agency to the Department of
- 2 Health (DOH) **supports SB479.**
- 3 **Fiscal Implications:** Appropriates funds to the Department of Budget and Finance (BUF) to
- 4 provide incentive payments to ABLE account owners and for a full time equivalent (FTE)
- 5 position within the Department of Health.
- 6 **Purpose and Justification:** This measure 1) repeals language that gives the Director of Finance
- 7 discretion on the use of the Hawai'i ABLE Savings Program Trust Fund, 2) authorizes the
- 8 Director of Finance to provide incentive payments to Hawaii public school ABLE account owners
- 9 and appropriates funds for the incentive payments , and 3) appropriates funds to the

1 Department of Health to establish one full-time, permanent staff position to provide statewide  
2 outreach, advocacy.

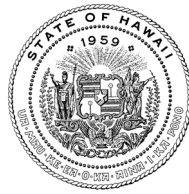
3 Approximately 23,000 individuals with developmental disabilities in the State of Hawai'i  
4 are eligible to open an ABLE Savings account and an additional estimated 20,000 individuals  
5 with other disabilities are also eligible. An ABLE account would enable individuals with a  
6 disability to save money to pay for necessary expenses, such as medical and dental care,  
7 education, community-based supports, employment training, assistive technology, housing, and  
8 transportation. ABLE account owners are also able to save money without the fear of losing  
9 crucial benefits, providing both financial security and peace of mind.

10 The staff position would provide outreach, advocacy, and education about the ABLE  
11 Savings Program to increase participation and grow the program. This position would inform  
12 and support individuals with disabilities, who want to get into the workforce and improve their  
13 overall quality of life.

14 The ABLE Savings program is a valuable resource for individuals with disabilities and  
15 their families. It provides a way to save money and invest in their future while maintaining  
16 access to essential benefits and increasing financial independence.

17 **Recommendation:** EOA supports this measure and defers to Budget and Finance and to the  
18 Department of Health Council on Developmental Disabilities for implementation.

19 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*  
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

**WRITTEN ONLY**  
TESTIMONY BY LUIS P. SALAVERIA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES  
ON  
SENATE BILL NO. 479

**February 10, 2025  
1:20 p.m.  
Room 225 and Videoconference**

RELATING TO THE HAWAII ABLE SAVINGS PROGRAM

The Department of Budget and Finance (B&F) supports this bill.

Senate Bill No. 479 does the following: 1) amends Section 256B-8, HRS, to allow the Director of Finance to provide incentive payments to Hawaii public school ABLE account owners to encourage participation in the program; 2) requires the maintenance of separate records for any incentive program payments; 3) makes an appropriation of an unspecified amount of general funds in FY 26 and FY 27 for deposit into the Hawaii ABLE Savings Program Trust Fund; 4) makes an appropriation of an unspecified amount out of the Hawaii ABLE Savings Program Trust Fund in FY 25 and FY 27; and 5) establishes 1.0 full-time equivalent position in the State Council on Development Disabilities to provide outreach, advocacy, and relationship management for the Hawaii ABLE Savings Program, funded by the Hawaii ABLE Savings Program Trust Fund.

This bill proposes incentive payments of a nominal value that could be made directly into a DOE student's 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 encourage people to inquire about the Hawai'i ABLE Savings Program and Act. B&F supports the concept of incentive payments for the Hawai'i ABLE Savings Program.

Thank you for your consideration of our comments.



**SB-479**

Submitted on: 2/5/2025 8:49:54 PM

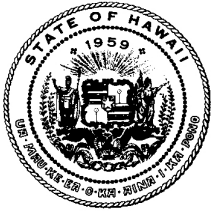
Testimony for HHS on 2/10/2025 1:20:00 PM

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

Comments:

ABLE is a great program but it is underutilized. It was passed years ago but its implementation was seriously delayed. Anything that can be done to increase participation is helpful. In particular we believe that an additional staff position at the DD Council is particularly important. The DD Council has done a great job but it can really use additional staff to achieve the true potential of the program.

**LATE**



## **DISABILITY AND COMMUNICATION ACCESS BOARD**

1010 Richards Street, Rm. 118 • Honolulu, Hawai'i 96813  
Ph. (808) 586-8121 (V) • Fax (808) 586-8129 • (808) 204-2466 (VP)

February 10, 2025

### **TESTIMONY TO THE SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES**

#### **Senate Bill 479 – Relating to Hawaii ABLE Savings Program**

The Disability and Communication Access Board (DCAB) supports Senate Bill 479 - Relating to the Hawaii ABLE Savings Program.

This bill establishes a position within the Hawaii State Council on Developmental Disabilities. This serves as an avenue for public awareness of ABLE savings accounts, including community engagement efforts that are essential for ensuring widespread understanding and participation. By establishing a permanent position within the State Council on Developmental Disabilities, the Hawaii ABLE Savings Program would have dedicated staff responsible for community outreach, advocacy, and relationship-building throughout the state.

This position would play a critical role in connecting with individuals, families, and organizations, educating them about the benefits of ABLE accounts and how they can enhance financial independence. Through these targeted efforts, the program can increase awareness and participation, ensuring that people with disabilities are fully informed about the opportunities available to them.

DCAB believes that by dedicating this position to statewide outreach and engagement, the Hawaii ABLE Savings Program will be better equipped to support individuals with disabilities and help them access the financial tools they need to thrive.

Thank you for considering our position.

Respectfully submitted,

KIRBY L. SHAW  
Executive Director

**SB-479**

Submitted on: 2/6/2025 10:01:37 AM

Testimony for HHS on 2/10/2025 1:20:00 PM

Submitted By	Organization	Testifier Position	Testify
Kaili	Individual	Support	In Person

Comments:

I am in strong support this measure beacuse I can save up more money in my able account without hurting my social security limitation's amount please pass this bill thank you.