

**ACT 237**

H.B. NO. 2233

A Bill for an Act Relating to Temporary Assistance for Needy Families.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the temporary assistance for needy families program, or TANF, is a federally funded financial assistance program designed to help families in need achieve self-sufficiency. The temporary assistance for other needy families program, or TAONF, is a state funded program that mirrors the rules of TANF and is designed to assist Hawaii families with minor children who are not eligible to receive temporary assistance for needy families program benefits due to their citizenship. Both programs provide for sixty months of assistance, though most families in Hawaii participate in the programs for approximately twenty-four months. The funds appropriated for the temporary assistance for other needy families program make up a significant percentage of Hawaii's maintenance of effort required to receive federal program funds.

For both programs, recipients must participate in the first-to-work program as a condition of eligibility. The first-to-work program assists recipient families with obtaining employment through various educational and work-related activities. First-to-work program participants may be eligible for supportive services such as job readiness support, education and work-related expenses, and transportation assistance.

The legislature finds that under existing administrative rules for the first-to-work program, participants may receive a maximum housing allowance equal to sixty per cent of the household income. However, only a one-time payment in an amount not to exceed two months of rent is currently permitted.

The legislature further finds that of the \$98,000,000 block grant that the State receives each year for the temporary assistance for needy families program, approximately \$41,000,000 is encumbered. Approximately \$57,000,000 of the remaining balance is placed in a reserve account held for the State by the federal government.

The legislature finds that low-income residents participating in the first-to-work program likely need assistance to meet their housing costs. In December 2021, the United States Bureau of Labor Statistics reported that the average housing costs for Honolulu-area households are \$23,572 per year and account for 38.7 per cent of the area’s household budget, compared to the 33.8 per cent United States average. Additionally, the National Low Income Housing Coalition ranked Hawaii as the state with one of the highest living wage needed to afford a two bedroom rental home. The Coalition estimates that twenty per cent of Hawaii’s low income residents and sixty-nine per cent of severely low income residents pay more than fifty per cent of their household income for rent.

The legislature also finds that the 2021 median prices for single-family homes and condominiums in Hawaii are at record highs. Reports from the housing industry predict that rising home values have led property owners to consider selling, which may result in displacing long-term tenants and decrease the number of available rental units. With fewer available rental units, rents will likely increase.

The purpose of this Act is to authorize the department of human services to provide additional housing assistance subsidies to recipients of temporary assistance for needy families, or temporary assistance for other needy families, who are participants of the first-to-work program.

SECTION 2. Section 346-261, Hawaii Revised Statutes, is amended to read as follows:

“**§346-261 First-To-Work; establishment; purpose.** (a) There is established a mandatory work program for certain applicants and recipients of temporary assistance for needy families and temporary assistance for other needy families consistent with federal regulations and requirements under title [IV-A] IV, part A of the Social Security Act, title 42 United States Code section 601 et seq. The purposes of the first-to-work program shall be to encourage, assist, and require temporary assistance for needy families and temporary assistance for other needy families applicants and recipients to fulfill their responsibilities to support their children by preparing for, accepting, and retaining employment. The department shall adopt rules consistent with the requirements of title [IV-A] IV, part A of the Social Security Act, title 42 United States Code section 601 et seq., and in accordance with chapter 91 for the purposes of this part.

(b) The department may provide housing assistance subsidies of up to \$500 per month to eligible households receiving benefits under the temporary assistance for needy families or temporary assistance for other needy families programs during the household’s participation in the first-to-work program.

Any plan developed pursuant to section 346-51.5 for expenditure of temporary assistance for needy families funds shall be updated to account for expenditures for housing assistance subsidies. The expenditure of funds for the administration of housing assistance subsidies shall be exempt from chapters 103D and 103F.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved July 1, 2022.)