

DAVID Y. IGE
GOVERNOR



EXECUTIVE CHAMBERS
HONOLULU

April 5, 2022

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

FROM: Scott Morishige, MSW, Governor's Coordinator on Homelessness

SUBJECT: **HB 2233 HD1 SD1 – RELATING TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.**

Hearing: Tuesday, April 5, 2022, 10:30 a.m.
VIA VIDEO CONFERENCE
Hawaii State Capitol, Conference Room 211

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 <https://homelessness.hawaii.gov/advocacy>.

Thank you for the opportunity to testify on this bill.



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: **HB 2233, HD1, SD1 – Relating to Temporary Assistance for Needy Families**
Hawai'i State Capitol, Conference Room 211 & Videoconference
April 5, 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 HB 2233, HD1, 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 as well as appropriate funds.

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 to rent 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.¹

Research shows that housing instability has harmful effects on children's health and educational outcomes² and that the stresses of childhood poverty have both immediate and long-term effects on keiki's development, behavioral self-control, academic performance, physical and emotional health,³ and earnings as adults.⁴

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.⁵ That's the equivalent of \$2,923 per person living in poverty in Hawai'i, which places us in the top three states with the most TANF reserve funds per person living in poverty.⁶

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

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

¹ National Low-Income Housing Coalition, <https://reports.nlihc.org/oor/hawaii>

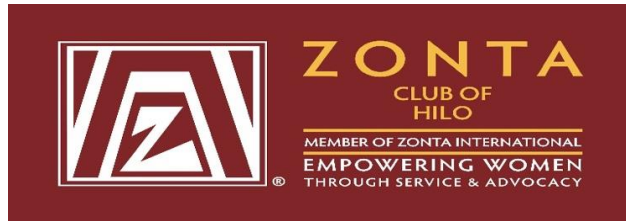
² Housing Matters, <https://housingmatters.urban.org/articles/how-housing-affects-childrens-outcomes>

³ Child Trends, <https://www.childtrends.org/publications/5-ways-poverty-harms-children>

⁴ American Psychological Association, <https://www.apa.org/pi/ses/resources/indicator/2014/06/childhood-poverty>

⁵ Center on Budget and Policy Priorities, <https://www.cbpp.org/research/family-income-support/to-promote-equity-states-should-invest-more-tanf-dollars-in-basic>

⁶ Pro Publica, <https://www.propublica.org/article/states-are-hoarding-52-billion-in-welfare-funds-even-as-the-need-for-aid-grows>



March 31, 2022

Ways And Means Committee

DATE: April 5, 2022, Hearing

TIME: 10:30 AM

To: Senator Donovan Dela Cruz, Chair, Senator Gilbert Keith-Agaran, Vice Chair, and Committee Members

RE: Zonta Club of Hilo SUPPORTS HB 2233 HD1, SD1, and companion bill, SB 2150, SD 2, Relating To Temporary Assistance To Needy Families

The Zonta Club of Hilo supports **HB 2233 HD1 SD 1** and its companion bill, Senate Bill 2150, SD2. Both bills “crossed over” and were heard and passed out of their respective subject matter Committees, which recommended passage.

The Zonta Club of Hilo is part to of an international network of professionals who support empowering women and girls, worldwide and locally. We support HB 2233, HD1 SD1, and SB 2150, SD 2, with the purpose and intent “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 who are also participating in the First-to-Work program.” Testimony submitted by DHS and the Governor’s Coordinator On Homelessness provide more details of those served and impact of the State’s high housing costs.

The State’s TANF’s Funds has a surplus to address the funding amounts recommended by the Director of Human Services. These costs would be: 1) an appropriation amount of \$19,168,020 necessary for fiscal year 2022-2023 to fund the housing assistance subsidies for TANF program participants from the federal funds received by the State; 2) an appropriation of \$3,925,980 in State general funds necessary to cover the cost for TAONF recipients; and 3) 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.

Hawaii continues to be ranked with Tennessee in the amount unspent funds as a share of annual block grant. Earlier, Hawaii had \$352 million in unspent funds, which is 357% of the annual block grant. In 2019, the state had more than \$338 million available. In 2020, that increased to \$364 million. Currently, it’s \$405,437,243. Here’s why \$400M in federal funds available for needy Hawaii families is going unspent.

<https://www.hawaiinewsnow.com/2022/01/08/heres-why-400m-federal-funds-available-needy-hawaii-families-is-going-unspent/>

Hawaii continues to gain negative recognition for the unspent TANF Funding. TANF: Hawaii Hoards \$364M Federal Welfare Money > Hawaii Free Press

<http://www.hawaiifreepress.com/Articles-Main/ID/29886/TANF-Hawaii-Hoards-364M-Federal-Welfare-Money>

Under federal law these funds may only be used for: (1) assisting needy families so children can be cared for in their own homes or the homes of relatives; (2) reducing the dependency of needy parents by promoting job preparation, work, and marriage; (3) preventing pregnancies among unmarried persons; and (4) encouraging the formation and maintenance of two-parent families and therefore cannot be redirected to other economic needs in the state. *

Needy Families of Immigrants are covered by TAONF, which funds come from state, not federal, dollars. However, Hawaii has a practical approach to handling immigrants considering Hawaii's history and connections to these nations. Without these supports, these families would find themselves homeless and unable to engage ways to support themselves economically and provide safe homes for their dependent children.

The First To Work program provides case management, employment and support services to work eligible individuals of TANF households. TANF has time limits to aid. In addition, the FTW Program services other work eligible individuals that are unable to work due to temporary disability, rehabilitation from substance abuse, and with domestic violence status. Single women with children continue to be disproportionately represented in these eligible categories, particularly when domestic violence is involved.

The Zonta Club of Hilo supports **HB 2233, HD 1, SD 1**. Thank you for your consideration of our testimony.

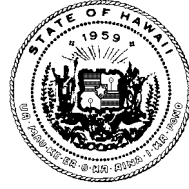
Mahalo,
Zonta Club of Hilo Legislative Advocacy Committee
Charlene Iboshi

Zonta International is a leading global organization of professionals empowering women worldwide through service and advocacy. Zonta International envisions a world in which women's rights are recognized as human rights and every woman is able to achieve her full potential. In such a world, women have access to all resources and are represented in decision making positions on an equal basis with men. Our membership includes both current and former small business owners in Hilo.

*Arloc Sherman and Tazra Mitchell, "Economic Security Programs Help Low-Income Children Succeed Over Long Term, Many Studies Find," Center on Budget and Policy Priorities, July 17, 2017.

National Academies of Sciences, Engineering, and Medicine, "A Roadmap to Reducing Child Poverty," 2019. Greg Duncan and Katherine Magnuson, "The Long Reach of Early Childhood Poverty," *Pathways*, Winter 2011.

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

April 1, 2022

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

FROM: Cathy Betts, Director

SUBJECT: HB 2233 HD1 SD1 – RELATING TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

HEARING: Tuesday, April 5, 2022, 10:30 AM
Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this measure and provides additional comments. The Department 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 additional 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 (FTW) program. Appropriates funds. (SD1).

The HD1 amended this measure by:

1. Broadening the appropriation to include system modifications for Temporary Assistance for Needy Families Program participants;
2. Changing the effective date to July 1, 2050, to encourage further discussion; and
3. Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

The SD1 amended this measure by:

1. Appropriating out of the general revenues of the State of Hawaii, \$3,925,980 for fiscal year 2022-2023 for housing assistance subsidies for the TAONF program participants;
2. Appropriating out of the federal TANF funds received by the State of Hawaii, \$19,168,020 for fiscal year 2022-2023 for housing assistance subsidies for the TANF program participants;
3. Appropriating out of the federal TANF funds received by the State of Hawaii, \$200,000 for fiscal year 2022-2023 for system modifications for the TANF program;
4. Making it effective upon its approval; and
5. Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

This measure will provide additional housing support to TANF and TAONF recipients while engaging in First-To-Work (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. Furthermore, this measure will allow the State to access available TANF funds and ensure equity amongst eligible families.

As of February 2022, there was an average of 4,396 TANF recipient families and 1,021 TAONF recipient families. About 62% of recipient families received less than 24 months of benefits and about \$686 of financial assistance benefits per month. Of the recipient families, an average of 2,826 TANF recipients, or 86%, and 464 TAONF recipients, or 14%, participated in the FTW program. Approximately 68% of FTW participants were from single-parent households.

DHS projects that if 3,290 TANF and TAONF FTW participants were issued a monthly housing assistance subsidy of \$500, this would total \$1,645,000 a month, or \$19,740,000 annually. DHS estimates that \$16,976,400 in federal TANF funds are required to cover the costs for TANF recipients, and \$2,763,600 in State general funds are necessary to cover the cost for

TAONF recipients. An additional \$200,000 in federal TANF funds will be needed to cover the cost of system modifications.

The Department requests that any appropriation not reduce or replace budget priorities identified in the executive budget.

Lastly, DHS respectfully requests an amendment that measure becomes effective upon approval.

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

HB-2233-SD-1

Submitted on: 4/2/2022 8:55:26 AM

Testimony for WAM on 4/5/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Rosemarie Muller	Testifying for AAUW Hawaii	Support	Written Testimony Only

Comments:

AAUW Hawaii supports this bill, HB 2233 relating to temporary assistance for needy families.

Thank You

Rosemarie Muller, AAUW Hawaii Public Policy

HB-2233-SD-1

Submitted on: 4/2/2022 8:16:53 PM

Testimony for WAM on 4/5/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Arjuna	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz and committee members,

Thank you for the opportunity to provide testimony supporting HB2233, HD1, SD1 and offering comments in support.

I 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.

I want to 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.

This committee should 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. 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.

I 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.



CATHOLIC CHARITIES HAWAI'I

TESTIMONY IN SUPPORT OF HB 2233 HD1 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, 4/5/22; 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 HB 2233 HD1,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 a one-time 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 are impacted by economic stress and especially homelessness. **This bill would enhance their ability to become self-sustaining and independent, once TANF ends.** The long-term impact of these 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 if you have any questions.



TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, Authorize DHS to Provide Housing Assistance Subsidies

BILL NUMBER: HB 2233 SD 1

INTRODUCED BY: Senate Committees on Human Services

EXECUTIVE SUMMARY: 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.

SYNOPSIS: Amends section 346-261, HRS, to allow DHS to provide eligible households receiving benefits under the temporary assistance for needy families (TANF) or temporary assistance for other needy families (TAONF) programs with housing assistance subsidies of up to \$500 per month during their participation in the first-to-work program. Any plan for expenditure of TANF funds developed pursuant to section 346-51.5 shall be updated to account for expenditures for housing assistance subsidies. Expenditure of funds for the administration of housing assistance subsidies shall be exempt from chapters 103D and 103F.

EFFECTIVE DATE: Upon Approval

STAFF COMMENTS: One of the ways our government provides a safety net for those less fortunate is through a program called Temporary Assistance for Needy Families, or TANF. TANF was enacted in 1996 as a program that replaced Aid to Families with Dependent Children (AFDC), which used to provide cash assistance to families with children experiencing poverty. Under TANF, the federal government provides a block grant to the states, which then use these funds to run their own programs. To receive federal funds, states must also spend some of their own dollars on those programs and face severe fiscal penalties if they fail to do so. This state-spending requirement, known as the “maintenance of effort” (MOE) requirement, replaced the state match that AFDC required.

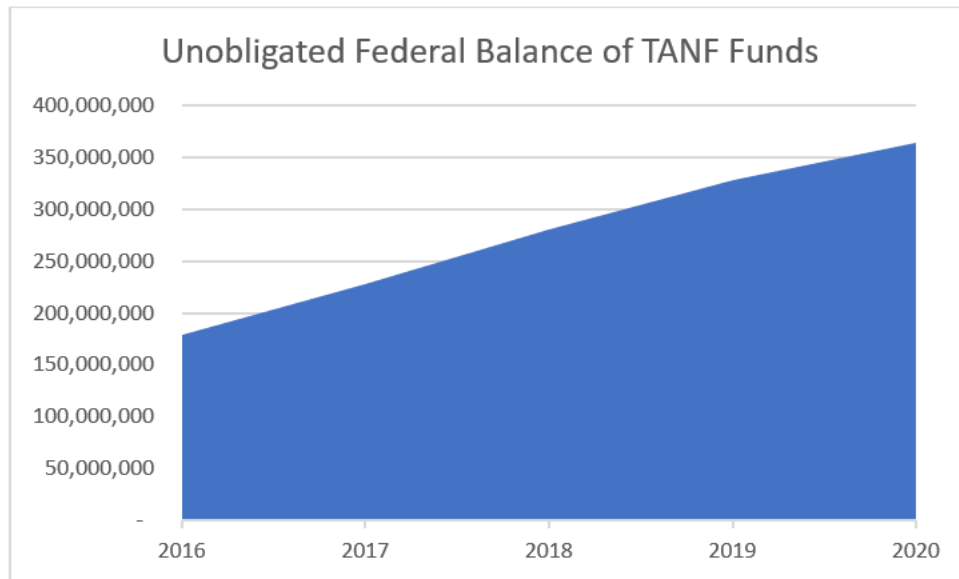
States can use federal TANF and state MOE dollars to meet any of the four goals set out in the 1996 law: (1) assisting needy families so children can be cared for in their own homes or the homes of relatives; (2) reducing the dependency of needy parents by promoting job preparation, work, and marriage; (3) preventing pregnancies among unmarried persons; and (4) encouraging the formation and maintenance of two-parent families.

These goals are broad, giving states lots of freedom to use these federal dollars in a way that they think brings about positive outcomes.

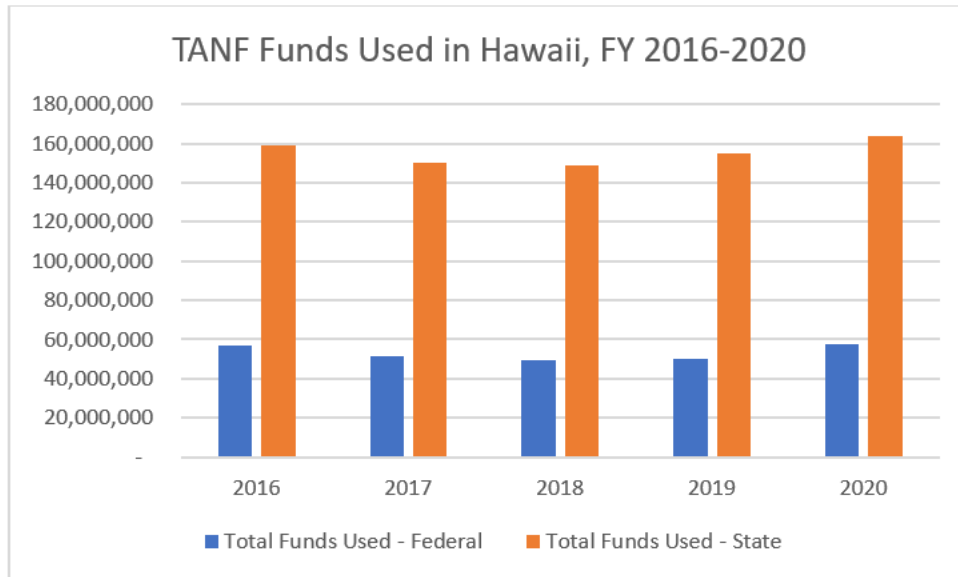
So what have we done with the federal TANF money?

We’ve let lots of it pile up unused.

ProPublica, a nonprofit newsroom that investigates abuses of power, recently published an unflattering article that calls out several states for doing nothing at all with large sums of money. It reports: “According to recently released federal data, states are sitting on \$5.2 billion in unspent funds from the federal Temporary Assistance for Needy Families program, or TANF. Nearly \$700 million was added to the total during the 2019 and 2020 fiscal years, with Hawaii, Tennessee and Maine hoarding the most cash per person living at or below the federal poverty line.”



As this graph shows, the “unobligated balance” of the federal block grants, meaning federally authorized money that we haven’t spent, has been rising steadily over the last five fiscal years. In federal fiscal year 2020 (the year starting Oct. 1, 2019, and ending Sept. 30, 2020), our unobligated balance was \$364 million, equivalent to almost \$3,000 per person living in poverty. Certainly, we have been using part of the TANF money. But we have been spending quite a bit of our own funds:



According to ProPublica, a Hawaii state spokesperson said that our state government plans to use its surplus to extend employment services like job coaching and placement for noncustodial parents who have children receiving TANF and to provide diaper assistance to families that are eligible for the program. The state is also considering increasing benefits and offering monthly housing assistance.

The question, however, is why has it taken so long for our bureaucrats to come up with ways to put that money to good use? It certainly won't help alleviate poverty if it's sitting in some bank somewhere.

Digested: 4/1/2022



HAWAI' APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice
SUPPORTING HB2233, HD1, SD1– Relating to TANF
Conference Room 329 & Videoconference
Tuesday April 5th, 2022 at 10:30AM

Aloha Chair Dela Cruz and committee members,

Thank you for the opportunity to provide testimony **supporting HB2233, HD1, SD1** 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.



HAWAI' APPLESEED
CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice
SUPPORTING HB2233, HD1, SD1– Relating to TANF
Conference Room 329 & Videoconference
Tuesday April 5th, 2022 at 10:30AM

Mahalo for the opportunity to testify.

PARTNERS IN CARE

Oahu's Continuum of Care

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

TESTIMONY IN SUPPORT HB 2233 HD1 SD1 RELATING TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

TO: Senate Committee on Ways and Means,

FROM: Partners In Care (PIC)

Hearing: Tuesday, April 5th, 2022, 10:30am

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 **HB 2233 HD 1 SD1 Relating to Temporary Assistance for Needy Families.**

For many within our community, the difference between being housed and living in a shelter, out on the streets or in overcrowded housing is a few hundred dollars. The TANF/TAONF provides support for these families who are on the edge and working so hard to secure and maintain housing. This program has helped families move into more sustainable jobs which in turn can prevent them from entering homelessness. The relatively low cost of this program will have a huge impact on families who have been struggling to make ends meet and keep a roof over the heads of their children and themselves

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

Aloha

HB-2233-SD-1

Submitted on: 4/3/2022 10:38:43 PM

Testimony for WAM on 4/5/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Chris Molina	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz and committee members,

Thank you for the opportunity to provide testimony supporting HB2233, HD1, SD1 and offering comments.

I 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 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.

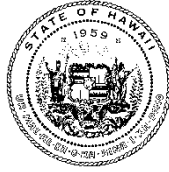
We urge the committee to use TANF funds for rental assistance and to also make other program adjustments to ensure we are not leaving federal funds on the table that help our most vulnerable.

Mahalo nui loa,

Chris Molina

Senate District 8

House District 16



STATE OF HAWAII
STATE PROCUREMENT OFFICE

P.O. Box 119
Honolulu, Hawaii 96810-0119
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TESTIMONY
OF
BONNIE KAHAKUI, ACTING ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE
ON
WAYS AND MEANS
APRIL 5, 2022, 10:30 AM

HOUSE BILL 2233, HD1, SD1
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 House Bill 2233, HD1, SD1. The State Procurement Office (SPO) provides comments to the exemption language on SECTION 2, page 5, lines 6 to 8 set forth below.

“... The 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 and would read as follows:

“... The expenditure of funds for the administration of housing assistance subsidies shall be ~~exempt from~~ pursuant to chapters 103D and 103F.”

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.



‘Ōlelo Hō‘ike ‘Aha Kau Kānāwai

**HB 2233, HD1, SD1
RELATING TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.**

Ke Kōmike ‘Aha Kenekoa o ke Ki‘ina Hana a me nā Kumuwaiwai
Senate Committee on Ways and Means

‘Apelila 5, 2022

10:30 a.m.

Hālāwai Keleka‘a‘ike / Lumi 211

The Office of Hawaiian Affairs (OHA) **SUPPORTS** HB 2233, HD1, SD1, Relating to Temporary Assistance for Needy Families. This measure authorizes and appropriates funds for the Department of Human Services to provide additional 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 also participating in the First-To-Work program.

During the pandemic, Temporary Assistant For Needy Families (TANF) and Temporary Assistant for Other Needy Families (TAONF) were lifelines to needy families, aiding over 20 thousand individuals (or 6,790 cases), including nearly 13 thousand children, on average each month in fiscal year 2021. One-third of participants were Native Hawaiian.¹ Comparatively, during fiscal year 2019, less than 12 thousand individuals (or 4,371 cases) participated in TANF and TAONF on average each month, of which 37 percent were Native Hawaiian.²

The dramatic increase in TANF and TAONF cases is evidence of how precarious living circumstances are for Hawai‘i families. This is unsurprising considering 42% of Hawai‘i households and 54% of Native Hawaiian households had incomes below the ALICE threshold in 2018.³ Unfortunately, economic recovery from the pandemic will likely follow trends seen after the Great Recession, harming lower income families more and for longer than higher income households. Fear of houselessness will only worsen our state’s chance to recover as one.

By utilizing the potential of TANF and TAONF, DHS can help provide stability for families as they seek opportunities to build back their self-sufficiency. OHA urges the Committee to **PASS** HB 2233, HD1, SD1. Mahalo piha for the opportunity to testify on this measure.

¹ Note: the Race/Ethnicity percentage is taken from June 2021. Hawai‘i Department of Human Services, Databook, December 2021. <https://humanservices.hawaii.gov/wp-content/uploads/2022/01/DHS-Databook-20212.pdf>

² Note: the Race/Ethnicity percentage is taken from July 2019. Hawai‘i Department of Human Services, Databook, January 2020. <https://humanservices.hawaii.gov/wp-content/uploads/2020/07/DHS-Databook-2019-FINAL.pdf>

³ DHS Databook, 2021

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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 WAYS AND MEANS
ON
HOUSE BILL NO. 2233, H.D. 1, S.D. 1

April 5, 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.

House Bill No. 2233, H.D. 1, 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 \$3,925,980 in general funds and \$19,168,020 in federal funds in FY 23 to DHS to fund housing assistance subsidies and \$200,000 in federal funds in FY 23 to DHS to make system modifications.

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

LATE

April 04, 2022

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

From: Angela Gabriel

Subject: HB 2233 HD1 – RELATING TO TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.

HEARING: Tuesday, April 5, 2022, 10:30 a.m. VIA VIDEO CONFERENCE Hawaii State Capitol, Conference Room 211

I am writing to give my support to HB2233 which authorizes 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.

As a resident of the State of Hawai'i and student studying at the University of Hawai'i at Manoa I have participated in training and discussion that have allowed me to become more aware of the barriers that affect local families who fall within the low-income range.

The high cost of living and housing in the State of Hawai'i is among one of the highest in the nation. In addition to this many of our local family's household income/wages fall well under the necessary amount needed to acquire or sustain basic shelter in our state. That said with the cost of housing continuing to rise among other factors exacerbated by the pandemic we are also seeing families become more housing cost burdened. These factors heavily contribute to stripping families of a stable living and places them at an increased risk of becoming or experiencing homelessness.

With all that being said the effects of these barriers can be largely addressed through the incorporation of this \$500 monthly housing assistance subsidy for our families receiving TANF and TAONF. This subsidy can also enhance opportunities for families to acquire and stabilize housing long term.

Additionally, according to the Center on Budget and Policy Priorities, Hawai'i seems to have a significant amount of unspent TANF reserve funds that can be utilized to assist in the supporting the efforts of this bill.

Thank you,
Angela Gabriel



LATE

Building strength and stability through shelter

Committee on Ways and Means
Tuesday, April 5, 2022
Video Conference, 10:30 a.m.

HB2233 HD1 SD1 – STRONG SUPPORT

Aloha Committee Chair Dela Cruz, Vice Chair Keith-Agaran, and members;

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 HB2233 HD1 SD1.**

This measure will provide households receiving TANF/TAONF 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/TAONF 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/TAONF 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/TAONF 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 should you have any questions or need additional information.

Sincerely,

Susan Le

Susan Le
Program Manager