



**STATE OF HAWAII**  
STATE COUNCIL  
ON DEVELOPMENTAL DISABILITIES  
1010 RICHARDS STREET, Room 122  
HONOLULU, HAWAII 96813  
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543

April 5, 2023

The Honorable Senator Donovan M. Dela Cruz, Chair  
Senate Committee on Ways and Means  
The Thirty-Second Legislature  
State Capitol  
State of Hawai'i  
Honolulu, Hawai'i 96813

Dear Senator Dela Cruz and Committee Members:

**SUBJECT: HB1263 HD2 SD1 RELATING TO THE HAWAII ABLE SAVINGS PROGRAM**

The Hawaii State Council on Developmental Disabilities **STRONGLY SUPPORTS HB1263 HD2 SD1**, 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. Establishes one full-time equivalent (1.0 FTE) permanent position 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 account 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 various expenses, such as medical and dental care, education, community-based support, 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, and an estimated 20,000 individuals with other disabilities are eligible for an ABLE Savings Program. However, we currently have less than 75 individuals enrolled in the Hawaii ABLE Savings Program. Throughout the past two years, the Council has provided outreach to promote the Hawaii ABLE Savings program. We have learned many agencies, families, and eligible individuals have been misinformed about ABLE Accounts, "it sounds too good to be true; what's the catch" is what we often hear. For years, they have been told not to allow their savings to exceed \$2,000 or they will lose their state and federal funding support. In addition, the only way to sign up for an ABLE account is online. Many individuals do not feel comfortable providing their personal information online. The Council will spend time with a qualified individual or their family member to explain the process and then additional time to walk them through signing up online.

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The \$100,000 in a special fund is to be used in case of an audit. These funds would not need to be recurring; they would be a one-time fund. 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 support. 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.

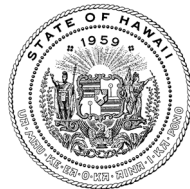
Thank you for the opportunity to submit testimony in **strong support of HB1263 HD2 SD1.**

Sincerely,

A handwritten signature in blue ink that reads "Daintry Bartoldus". The signature is written in a cursive, flowing style.

Daintry Bartoldus  
Executive Administrator

JOSH GREEN, M.D.  
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

**WRITTEN ONLY**

TESTIMONY BY LUIS P. SALAVERIA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
HOUSE BILL NO. 1263, H.D. 2, S.D. 1

**April 5, 2023  
10:00 a.m.**

**Room 211 and Videoconference**

RELATING TO THE HAWAII ABLE SAVINGS PROGRAM

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 1263, H.D. 2, S.D. 1, amends Section 256B-8, HRS, to: 1) require any Hawai'i ABLE Savings Program (HASP) contributions that are not deposited directly with the program manager to be deposited into the Hawai'i ABLE Savings Program Trust Fund (HASPTF); and 2) authorize the HASPTF to provide incentive payments to account owners. The measure also: 1) appropriates undetermined amounts of general funds in FY 24 and FY 25 to be deposited into the HASPTF; 2) appropriates undetermined amounts of trust funds out of the HASPTF in FY 24 and FY 25 for B&F to provide incentive payments; and 3) appropriates undetermined amounts of trust funds out of the HASPTF in FY 24 and FY 25 for the Department of Health to fund 1.00 permanent full-time equivalent position within the State Council on Developmental Disabilities to provide statewide outreach, advocacy, and relationship management for the HASP.

In general, B&F does not support the creation of trust funds that require regular general fund appropriations to support its activities. Regarding the measure's proposed

incentive payments and permanent program position that would require recurring funding, it should be noted that the HASPTF's annual revenues have been and are expected to continue to be \$0 a year. Even if the HASPTF managed to generate interest on contributor deposits, the interest earnings would be minimal due to limited participation in the HASP; therefore, it is unclear if there are sufficient governmental or private grants available to ensure the HASPTF would continue to be self-sustaining.

Thank you for your consideration of our comments.