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EMPLOYEES' RETIREMENT SYSTEM
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

WRITTEN ONLY
TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON HEALTH AND HOMELESSNESS
ON
HOUSE BILL NO. 2556

February 9, 2024
8:30 a.m.
Room 329 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. B&F would like to work with the Committee on the bill to make sure any proposed changes made to Chapter 256B, HRS, do not have unintended consequences to the Hawai'i ABLE Savings Program and to address the fiscal impact of the bill.

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

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.)

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 a 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 act. B&F supports the concept of incentive payments for the Hawai'i ABLE Savings Program.

Thank you for your consideration of our comments.



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

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Executive Office on Aging

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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 HB2556
RELATING TO THE HAWAII ABLE SAVINGS PROGRAM

REP. DELLA AU BELATTI, CHAIR
REP. JENNA TAKENOUCI, VICE CHAIR
COMMITTEE ON HEALTH & HOMELESSNESS

REP. LISA MARTEN, CHAIR
REP. TEREZ AMATO, VICE CHAIR
HOUSE COMMITTEE ON HUMAN SERVICES

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

Hearing: Friday, February 9, 2024, 8:30 A.M., Conference Room 329

- 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 and to support a 1.0 full time equivalent (FTE) within the Department of
5 Health's Council on Developmental Disabilities
- 6 **Purpose and Justification:** Approximately 23,000 individuals with developmental disabilities in
7 the State of Hawaii who are eligible to open an ABLE Savings Program and an estimate of
8 another 20,000 individuals with other disabilities who are eligible for an ABLE Savings Program

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

draft



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
HONOLULU, HAWAII 96813
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543

February 9, 2024

The Honorable Representative Della Au Belatti, Chair
House Committee on Health and Homelessness
The Thirty-Second Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Representative Belatti and Committee Members:

SUBJECT: HB2556 RELATING TO THE HAWAII ABLE SAVINGS PROGRAM

The Hawaii State Council on Developmental Disabilities **supports HB2556**, which repeals language that required the Hawai'i ABLE savings program trust fund to be used if the Director of Finance elects to accept deposits from contributors instead of sending deposits directly to the 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 savings account owners. Appropriates funds to the Department of Budget and Finance to fund the incentive payments. Appropriates funds for a position within the State Council on Developmental Disabilities of the Department of Health to support the Hawai'i ABLE savings program. Effective 6/30/2050.

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 Hawai'i 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 Hawai'i 3% of our population is a

Honorable Representative Belatti, Chair
House Committee on Health and Homelessness
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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 **offering support on HB2556.**

Sincerely,



Daintry Bartoldus
Executive Administrator



DISABILITY AND COMMUNICATION ACCESS BOARD

1010 Richards Street, Room 118 • Honolulu, Hawaii 96813
Ph. (808) 586-8121 (V) • Fax (808) 586-8129 • TTY (808) 586-8162

February 9, 2024

TESTIMONY TO THE HOUSE COMMITTEE ON HEALTH AND HOMELESSNESS

House Bill 2556 – Relating to the Hawaii ABLE Savings Program

The Disability and Communication Access Board (DCAB) supports House Bill 2556 – Relating to the Hawaii ABLE Savings Program.

This 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

HB-2556

Submitted on: 2/5/2024 9:03:21 PM

Testimony for HLT on 2/9/2024 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Louis Erteschik	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.



WorkNowHawaii.org

1050 Queen St Suite 100
Honolulu, HI 96814

<https://WorkNowHawaii.org>

Call or Text: (808) 202-2310

The Honorable Representative Della Au Belatti, Chair
House Committee on Health and Homelessness
The Thirty-Second Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Aloha Representative Belatti and Committee Members:

We are writing in support of HB 2556 - RELATING TO THE HAWAII ABLE SAVINGS PROGRAM

Work Now Hawaii is a community based nonprofit organization focused on workforce development, and supporting pathways to quality employment for people with disabilities. The majority of people we serve are recipients of Supplemental Security Income (SSI) from the Social Security Administration. Due to the nature of this program, earned income and retained earnings determine qualification for both cash payments and medicaid eligibility.

The Hawaii ABLE Savings Program allows individuals with disabilities to save and invest money for qualified disability expenses without jeopardizing their eligibility for critical government benefits. These accounts can even help reduce the reliance of individuals with disabilities on government assistance by encouraging possibilities through employment. Unfortunately, information and outreach for this program is limited.

The State Council on Developmental Disabilities has been a champion for the Hawaii ABLE savings program, and by appropriating funds for one full-time equivalent (1.0 FTE) permanent position within the council to provide statewide outreach, advocacy, and relationship management, the reach of the program will promote greater financial independence and self-sufficiency for people in our state.

Mahalo for your consideration!

A handwritten signature in black ink, appearing to read "Patrick Gartside", written in a cursive style.

Patrick Gartside
Executive Director
Work Now Hawaii

Patrick@WorkNowHawaii.org
(808) 202-2310

HB-2556

Submitted on: 2/8/2024 10:24:41 AM

Testimony for HLT on 2/9/2024 8:30:00 AM

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

Comments:

i am in strong support of this hb2556 beacuse i can save my money in my abble account in case i needed and so it wont hurt my social security going over \$2,00,000 limit please pass this bill thank you.

HB-2556

Submitted on: 2/8/2024 8:41:54 PM

Testimony for HLT on 2/9/2024 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Mathew Yamamoto	Individual	Support	Written Testimony Only

Comments:

Chair Rep. Della Au-Belatti

Vice Chair Rep. Jenna Takenouchi

Members of the House Committee on Health

Aloha! I support this bill because it will help prevent benefit recipients from disqualifying themselves from receiving federal benefits. Legislation to create ABLE accounts will allow benefit recipients to expend their benefits with more care and thoughtfulness to their needs rather than just spending to stay below statutory benefit asset ceilings. In many cases the benefit recipient's caregiver would also face consequences of having to repay monetary benefits back to the government for the period of disqualification, which is determined months after the fact because no immediate notification or warning is given.

Thank you for your consideration of this bill.

Mahalo!