

ACT 310

H.B. NO. 2055

A Bill for an Act Relating to Employment Assistance.

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

SECTION 1. The legislature finds that the aid to families with dependent children (AFDC) and general assistance (GA) programs provide assistance to families with children if a parent is unemployed, absent from home, disabled, or deceased. Many families qualify for these programs because of unemployment. For these families, AFDC and GA were meant to provide temporary assistance until employment could be secured. Although parents receiving AFDC and GA may desire to work, there are certain disincentives for seeking employment. For example, should a recipient become employed, financial assistance benefits are reduced according to the amount of income received. Furthermore, newly employed parents may require child care services, which can be costly. As a result, when a parent secures employment, there is oftentimes a reduction in the total income and benefit package, especially if the employment is at a minimum wage level.

The legislature further finds that AFDC and GA, while worthy in their intent, can inadvertently keep families dependent upon these programs. In fact, a

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cycle of dependence has developed whereby children in families receiving AFDC benefits eventually become parents of recipient families. Dependence on AFDC or GA creates a double negative for society since it drains society of its resources and neutralizes potentially productive members of society.

The purpose of this Act is to fund the first year of a three-year demonstration project to create incentives for parents of families receiving AFDC or GA to seek employment by providing child care, health care, and housing benefits after employment has been secured.

The maximum income limit in determining eligibility for these benefits shall not exceed one hundred fifty per cent of the poverty income guideline for the State of Hawaii.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,613,578 or so much thereof as may be necessary, for fiscal year 1988-1989, for a demonstration project to provide incentives to 300 families receiving assistance from the AFDC or GA program to make a successful transition to full-time permanent employment or to participate in a job training program. Child care, health care, and housing assistance shall be provided to these families who no longer qualify for AFDC or GA benefits.

SECTION 3. The sum appropriated shall be expended by the department of human services for the purposes of this Act.

SECTION 4. This Act shall take effect on July 1, 1988.

(Approved June 13, 1988.)