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HIPHI Initiatives

Coalition for a Tobacco-Free Hawai'i

Community Health Worker Initiative

COVID-19 Response

Hawai'i Drug & Alcohol Free Coalitions

Hawai'i Farm to School Hui

Hawai'i Oral Health Coalition

Hawai'i Public Health Training Hui

Healthy Eating + Active Living

Kūpuna Collective

Date: February 9, 2023

To: Representative John M. Mizuno, Chair
Representative Terez Amato, Vice Chair
Members of the Committee on Human Services

Re: Support

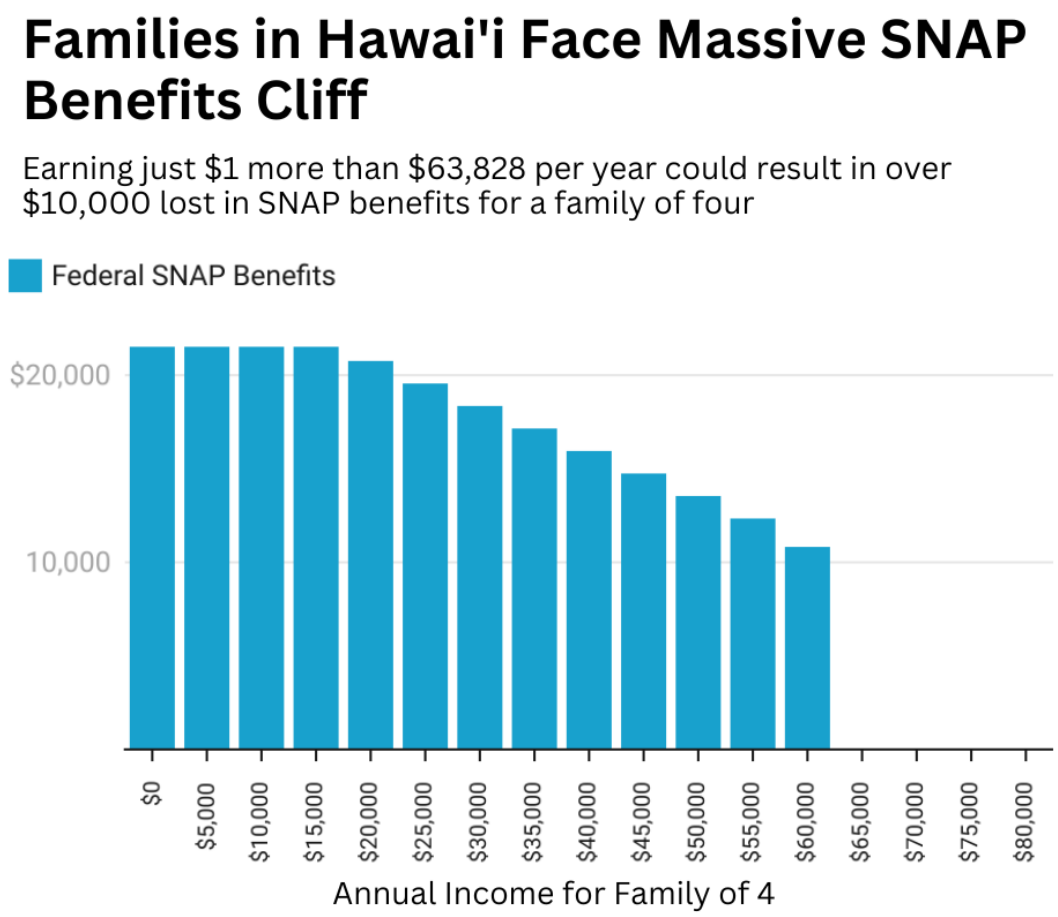
Hrg: Thursday, February 9, 2023, at 9:00 AM, Conf Rm 329

The Hawai'i Public Health Institute[i] is in **Support of HB740,** which creates a gradual decline in benefits for those households with income above the SNAP cliff at 200% of the federal poverty line, ending the dramatic penalty households receive once they earn more than that threshold. It will also increase the minimum SNAP benefits for eligible households to $250 per person. These changes are vital for providing support to the many families in need.

Too many ALICE Households without Sufficient Support

The ALICE report shows us that 1 in 3 families[ii] are below a level of self-sufficiency but above the poverty line. Some of these families can receive SNAP benefits, helping support their ability to put food on the table and a roof over their heads. However, tens of thousands fall above the SNAP cliff at 200% of the federal poverty line and receive no support. Families of 4 need $90,000 to be self-sufficient, but SNAP benefits end once families earn a mere $64,000.

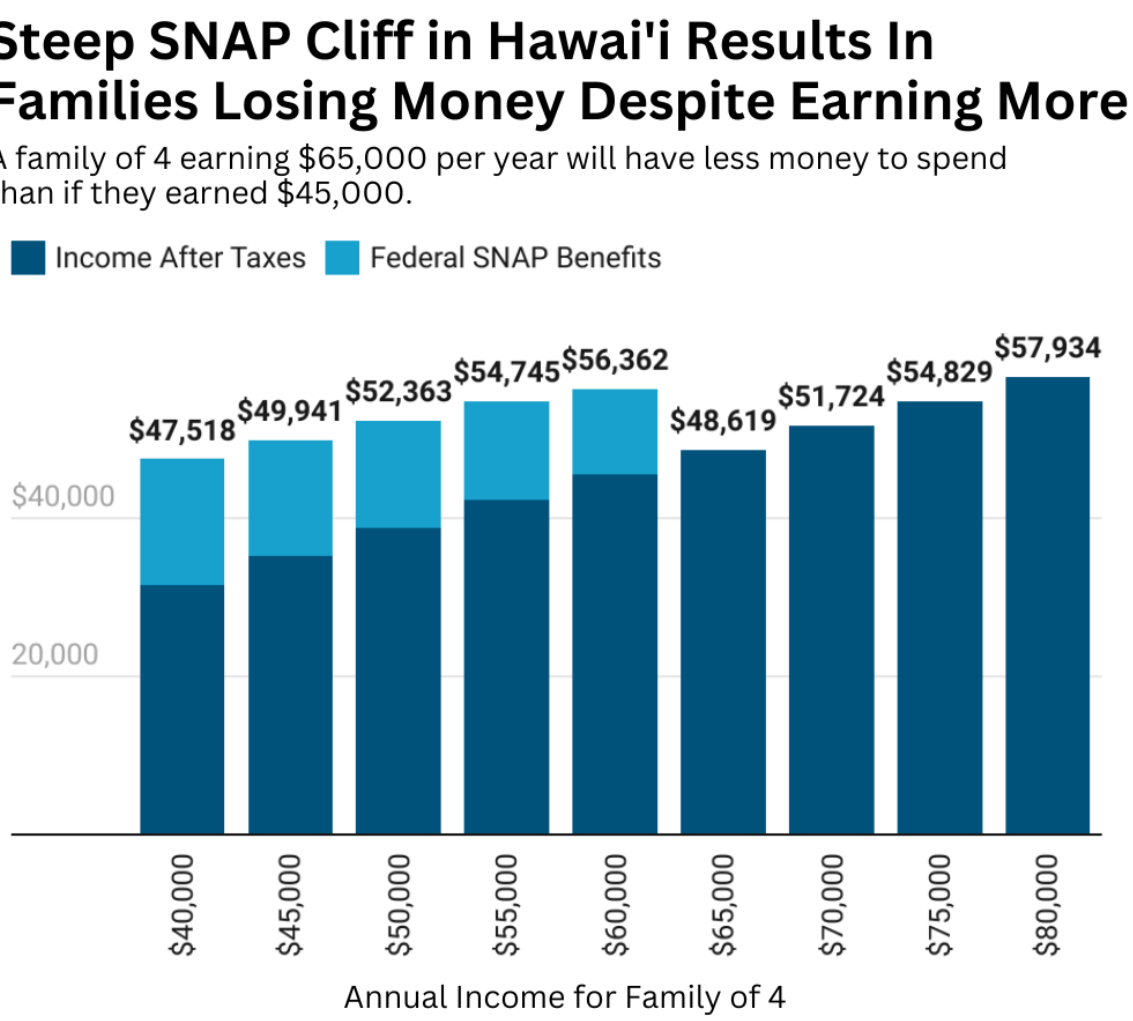
SNAP is the most effective program for ending hunger, but it's currently not robust enough to help all in need here in Hawai'i. Benefits need to be extended to those above the 200% poverty line.



Large SNAP Cliff Penalizes Those Who Earn More

The existing SNAP cliff at the 200% federal poverty line creates a significant penalty for those families and individuals with incomes just above that line. A family of 4 who earns $65,000 will have roughly $48,600 of income after taxes.[iii] That is significantly less than a family of 4 who earns $60,000 because their after-tax income will be approximately $45,500. They will also receive close to $11,000 in SNAP benefits.[iv] The family who makes $5,000 more will have $8,000 less to spend.

This penalty for families with higher incomes spans an extensive range. A family earning $65,000 will have less money than a family earning just $45,000. This hefty SNAP penalty can be remedied if we gradually extend benefits for those above the SNAP cliff. Workers will not face declining purchasing power despite making more money if this policy is implemented.



Income after taxes is calculated after FICA and state and federal income tax estimates.

SNAP Investment Will Multiply Throughout Our Economy

Increasing SNAP benefits for those beyond the 200% federal poverty line will give the state a large return on investment. SNAP benefits immediately help the beneficiaries, allowing them to increase their purchases. This money will then be used throughout Hawaii's economy benefiting local businesses and employees. For every extra dollar in SNAP benefits given to local beneficiaries, over $1.50 will be spent throughout the economy.[v]

Current SNAP Benefits Can be Too Low for Those Currently Eligible

Depending on a household's income, housing costs, age, and childcare costs, the benefits they receive can vary dramatically. Even for those with incomes below the 200% poverty threshold, SNAP benefits can fall to less than $50 per month per person. These people are still in significant need of help but need help getting it.

Moving the minimum dollar amount up to $250 per month will ensure that many more people are getting closer to what they need to survive.

Benefits Should Decline Gradually

The intent of this bill is fantastic. To better implement the policy, we suggest a minor amendment. The last line of section 2 says, "provided that for every $1 earned in excess of the two hundred percent poverty level, the household's benefit shall decrease by 20 cents per person." Since benefits would decline by 20 cents per person, a family of 5 would lose a dollar in benefits for every additional dollar they earn. This structure would be of no benefit to them. The "per person" at the end should be removed and read "per household." Therefore the benefits will only decrease by 20 cents per household for every additional dollar earned.

Mahalo,



Nate Hix
Food Access Policy and Advocacy Coordinator
Hawai'I Public Health Institute

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[i] The Coalition for a Tobacco-Free Hawai'i (Coalition) is a program of the Hawai'i Public Health Institute (HIPHI) dedicated to reducing tobacco use through education, policy, and advocacy. With more than two decades of history in Hawai'i, the Coalition has led several campaigns on enacting smoke-free environments, including being the first state in the nation to prohibit the sale of tobacco and electronic smoking devices to purchasers under 21 years of age.

[ii] https://www.auw.org/sites/default/files/pictures/2020ALICEReport_HI_FINAL.pdf

[iii] https://smartasset.com/taxes/income-taxes#HRuvmVdm3u

[iv] https://www.snapscreener.com/

[v] https://www.ers.usda.gov/webdocs/publications/93529/err265_summary.pdf