

JAN 25 2006

S.B. NO. 2773

A BILL FOR AN ACT

MAKING AN EMERGENCY APPROPRIATION FOR GENERAL ASSISTANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. This Act is recommended by the governor for
2 immediate passage in accordance with section 9 of article VII of
3 the Constitution of the State of Hawaii.

4 SECTION 2. Act 178, Session Laws of Hawaii 2005,
5 appropriated a certain designated sum to the department of human
6 services to provide funds for the general assistance program
7 under the benefit, employment and support services division for
8 the fiscal period beginning July 1, 2005, and ending June 30,
9 2006.

10 A critical funding emergency exists. Pursuant to Hawaii
11 Revised Statutes, section 346-53(b), the general assistance
12 program is a block grant program; the maximum allowance a
13 general assistance recipient may receive is determined by
14 dividing the amount of the appropriation by the number of
15 general assistance recipients. The general assistance program
16 will expend all appropriated funds before the end of the current
17 fiscal year and the department will be unable to maintain the
18 current maximum \$418 per month general assistance payment

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1 benefit to approximately 3,850 disabled recipients. The current
2 assistance grant for disabled individuals is based on 62.5% of
3 the 1993 federal poverty level. This amount is barely enough to
4 cover living expenses for individuals on a fixed income that
5 have no other viable means of support. Stopping the grant
6 payment or reducing the amount of the grant payment for these
7 individuals poses a real threat to the individual's health and
8 safety. To prevent the reduction of general assistance payments
9 in the fourth quarter of fiscal year 2005-2006, additional funds
10 are urgently needed.

11 SECTION 3. There is appropriated out of the general
12 revenues of the State of Hawaii, the sum of \$416,718 or so much
13 thereof as may be necessary for fiscal year 2005-2006 to be used
14 for general assistance payments.

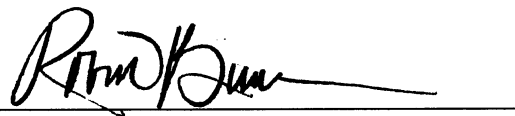
15 SECTION 4. The sums appropriated shall be expended by the
16 department of human services for the purposes of this Act.

17 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY:



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BY REQUEST

JUSTIFICATION SHEET

DEPARTMENT: Human Services.

TITLE: A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR GENERAL ASSISTANCE.

PURPOSE: To ensure that the General Assistance (GA) payment is maintained at \$418 per month per eligible recipient through the end of fiscal year 2005-2006.

MEANS: An emergency appropriation of funds.

JUSTIFICATION: The Governor's Message dated April 5, 2005, regarding Proposed Changes to the Appropriation Act (H.B. No. 100, H.D. 1), requested an additional \$4.1 million for general assistance benefit payments in each year of the fiscal biennium 2005 to 2007, to maintain benefit payments to disabled adults at the current level. The reason for the requested amount was a higher than anticipated general assistance caseload. Of the \$4.1 million requested amount, \$3.1 million was authorized by the Legislature in the General Appropriations Act of 2005, Act 178, Session Laws of Hawaii 2005.

The Department's fiscal year 2005-2006 budget request for the GA program was based on providing and maintaining the maximum \$418 monthly GA benefit payment for the 2005-2006 fiscal year to our disabled GA clients. The Department has been providing the \$418 monthly benefit so far in this fiscal year. The Department will not be able to continue the \$418 monthly benefit without additional funds for fiscal year 2005-2006. Continuing the \$418 monthly benefit for the rest of the fiscal year will result in an anticipated shortfall of \$416,718. This will mean a reduction

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in benefits to \$391 monthly in the last quarter of this fiscal year to 3,850 disabled GA clients.

The current benefit payment for disabled individuals is based on 62.5% of the 1993 federal poverty level. This amount is barely enough to cover living expense for individuals on a fixed income that have no other viable means of support. Stopping the benefit payment or reducing the amount of the benefit payment for these individuals poses a real threat to their health and safety.

The Department cannot cover this shortfall with savings, if any, from other programs because by statute, the GA program is a block grant. This means that the Department can only expend the funds appropriated by the Legislature to HMS 204, General Assistance Payment. Additional funds are urgently needed.

The general fund recommendation included in this measure has been made in accordance with the statutorily defined appropriation ceiling for the Executive Branch pursuant to section 37-92, Hawaii Revised Statutes. Including appropriations made up to and including the regular and special sessions of 2005, the Executive Branch appropriation ceiling for fiscal year 2005-2006 has already been exceeded by \$165,665,981 or 3.83 percent. Funding requested in this measure is for meeting the State's fiscal obligation to provide general assistance payments to recipients who are disabled, and will result in the appropriation ceiling for the Executive Branch to now be exceeded in fiscal year 2005-2006 by \$416,718 or 0.01 percent. This current declaration takes into account additional general fund appropriations authorized for fiscal year 2005-2006 in this measure only, and does not include other general fund appropriations for fiscal year 2005-

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2006 that may be authorized for the Executive Branch in other legislation submitted to the Legislature during the regular session of 2006.

Impact on the public: The Department will be able to maintain the maximum GA benefit payment of \$418 per month to 3,850 disabled individuals through the end of the current fiscal year and prevent potential harm to these individuals' health and safety.

Impact on the department and other agencies: Reduction in benefits may cause an increase in services requested from other public and private agencies.

GENERAL FUND:	\$416,718
OTHER FUNDS:	-\$0-
PPBS PROGRAM DESIGNATION:	HMS 204
OTHER AFFECTED AGENCIES:	None.
EFFECTIVE DATE:	Upon approval.