
A BILL FOR AN ACT

MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF HUMAN SERVICES TO ADDRESS THE BUDGET SHORTFALL.

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

1 **PART I**

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

5 SECTION 2. A critical funding emergency exists. The
6 general assistance program is a block grant program. The
7 maximum allowance a general assistance recipient may receive is
8 determined by dividing the amount of the appropriation by the
9 number of general assistance recipients. The general assistance
10 program will expend all appropriated funds before the end of the
11 current fiscal year and the department will be unable to
12 maintain the current maximum general assistance payment benefit.
13 The current assistance grant for disabled individuals is barely
14 enough to cover living expenses for individuals on a fixed
15 income who have no other viable means of support. Stopping the
16 grant payment or reducing the amount of the grant payment for
17 these individuals poses a real threat to these individuals'

1 health and safety. To prevent the reduction of general
2 assistance payments in the fourth quarter of fiscal year
3 2008-2009, additional funds are urgently needed.

4 SECTION 3. Notwithstanding any other law to the contrary,
5 there is appropriated out of the general revenues of the State
6 of Hawaii, the sum of \$ or so much thereof as may be
7 necessary for the months of April, May, and June of 2009 for the
8 purpose of meeting the general fund shortfall to be used for
9 general assistance payments.

10 SECTION 4. The sum appropriated shall be expended by the
11 department of human services for the purposes of this Act.

12 **PART II**

13 SECTION 5. This part is recommended by the governor for
14 immediate passage in accordance with section 9 of article VII of
15 the Constitution of the State of Hawaii.

16 **SUBPART A**

17 SECTION 6. Mental health needs of the State continue to
18 outweigh present capacity. The department of health has been
19 working to improve the mental health of Hawaii's people by
20 reducing the prevalence of emotional disorders and mental
21 illnesses. However, the current financial crisis and severe
22 economic downturn being experienced in the State and across the

1 nation have caused services such as mental health education,
2 treatment, and rehabilitation through community-based mental
3 health centers and private providers of services to be extremely
4 under-funded, posing a risk to the mental health services
5 provided by the department of health.

6 In addition, the Hawaii health systems corporation, the
7 fourth largest public hospital system in the nation, operates
8 public health care facilities that provide essential safety-net
9 hospital and long-term care services throughout the State.
10 Current financial challenges faced by the Hawaii health systems
11 corporation and the State pose a risk to the public health care
12 services provided by the Hawaii health systems corporation.

13 Although both the adult mental health division and the
14 Hawaii health systems corporation are department of health
15 programs, federal medical assistance percentage funding in the
16 amount of \$320,000,000 is expected over the next nine quarters
17 from the federal government. Expending federal medical
18 assistance percentage dollars on medicaid-eligible services,
19 like those provided by the Hawaii health systems corporation and
20 the department of health for community-based care management and
21 other services, and directing the department of human services
22 to use a portion of the funds to pay for these services would

1 not only fund safety net health services immediately from now
2 until June 30, 2009, but allow the State to draw down additional
3 federal medicaid dollars.

4 **SUBPART B**

5 SECTION 7. Although funds were appropriated to the
6 department of health for adult mental health services for the
7 fiscal period beginning July 1, 2008, and ending June 30, 2009,
8 a critical funding emergency now exists. The program will
9 expend all appropriated funds before the end of the current
10 fiscal year, and the department will be unable to meet its
11 fiscal obligation to provide services to certain adults with
12 severe mental illness.

13 The adult mental health division serves a continuously
14 increasing number of eligible mental health consumers.
15 Concurrently throughout the year, the adult mental health
16 division has increased its related services in the areas of case
17 management, crisis services, treatment services, rehabilitation
18 services, and housing. This emergency increase is to continue
19 existing services to meet the needs of the expanding eligible
20 population and to continue funding of required services
21 developed during the fiscal year.

1 The purpose of this Act is to appropriate emergency funds
2 to address the budget shortfall for ongoing services of the
3 adult mental health division.

4 SECTION 8. There is appropriated out of the general
5 revenues of the State of Hawaii the sums as provided or so much
6 thereof as may be necessary for fiscal year 2008-2009 for the
7 revenue shortfall for ongoing services provided by the adult
8 mental health division, for the contractors as follows:

9	(1) Mental Health Kokua	\$2,000,000
10	(2) Steadfast Housing Development Corp.	\$3,000,000
11	(3) Institute for Human Services, Inc.	\$115,000
12	(4) Waianae Coast Community Mental	
13	Health Center, Inc.	\$500,000
14	(5) Helping Hands Hawaii	\$320,000
15	(6) Hale Ipu Kukui Alakai	\$51,000
16	(7) Care Hawaii, Inc.	\$4,000,000
17	(8) North Shore Mental Health, Inc.	\$
18	(9) Community Empowerment Services, LLC	\$
19	(10) Life Foundation	\$
20	(11) Aloha House, Inc.	\$

1 the Hawaii health systems corporation to maintain current
2 operational levels.

3 The sum appropriated shall be expended by the department of
4 human services for medicaid eligible services provided by the
5 Hawaii health systems corporation.

6 **PART III**

7 SECTION 11. If any provision of this Act, or the
8 application thereof to any person or circumstance is held
9 invalid, the invalidity does not affect other provisions or
10 applications of the Act, which can be given effect without the
11 invalid provision or application, and to this end the provisions
12 of this Act are severable.

13 SECTION 12. This Act shall take effect upon its approval.

Report Title:

Emergency Appropriation; Budget Shortfall; General Assistance;
Mental Health; Hawaii Health Systems Corporation

Description:

Emergency appropriation to address the budget shortfall for
general assistance payments in April, May, and June of 2009, and
to address the budget shortfall in fiscal year 2008-2009 for
mental health services and Hawaii Health Systems Corporation.
(SD1)