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March 5, 2009

MEMORANDUM

TO: The Honorable Marcus R. Oshiro, Chair
House Committee on Finance

FROM: Lillian B. Koller, Director

SUBJECT: **H.B. 1098, H.D. 1 - RELATING TO GENERAL ASSISTANCE**

Hearing: Thursday, March 5, 2009; 2:30 p.m.
Conference Room 308, State Capitol

PURPOSE: The purpose of H.B. 1098 H.D. 1 is to establish a twenty-four month time limit to households without minor dependents with appropriate exceptions. This bill requires the Department of Human Services to refer general assistance recipients to the aged, blind, and permanently and totally disabled program under specified conditions. It also converts general assistance into an entitlement program.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) respectfully opposes the amendments of this Administration-sponsored bill in H.D. 1. The general assistance program is meant to provide cash benefits for food, clothing, shelter, and other essentials to individuals, ages 18 through 64 without minor dependents, who are temporarily disabled and who do not qualify for Social Security benefits. Assistance is provided while the temporarily disabled individual recovers sufficiently to return to work or, if permanently disabled, is determined to be qualified as eligible for Federal Social Security benefits.

DHS recommends a twelve-month time limit for general assistance recipients, with the following exceptions:

- 1) The twelve-month time limit can be extended pending determination of the general assistance recipient's eligibility for the Federal Supplemental Security Income Program or its successor program and until all appeals with the Social Security Administration have been exhausted; and
- 2) A one-time extension of up to twelve consecutive months, for a total of not more than twenty-four months, shall be allowed for those general assistance recipients whose only disability is any substance abuse addiction and who remain compliant with the Department's recommended treatment program, including random drug testing.

It is expected that within our proposed twelve-month or twenty-four month time limits, the temporarily disabled client will be able to return to work or be qualified for federal Social Security benefits.

The general assistance program caseload has been increasing. The increased caseload is the result of not only more individuals receiving general assistance but also because those who are receiving assistance are on longer because the Federal eligibility process for the Federal Social Security benefits is taking longer. Also, the assistance payment for general assistance increased from \$418 monthly to \$469 monthly to be comparable with the assistance being received in the other financial assistance programs. For this fiscal year 2009, the Department, after exhausting all means to continue to provide benefits, will have to reduce assistance payments to \$234 monthly for the last three months of the fiscal year to be able to provide recipients some cash assistance through June 30, 2009.

These time limits will allow the Department to provide the maximum amount of assistance, currently set by statute at sixty-two and one-half per cent of the standard of need, to clients while they are in their recovery or transition period.

The Department also has concerns about mandating referrals of general assistance recipients who are not 65 to the Aged, Blind and Permanently and Totally Disabled program (AABD) because the eligibility requirements of the general assistance and AABD program are different which may cause confusion as to who can be referred and qualified.

Thank you for the opportunity to provide comments on this bill.