



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
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November 4, 2009

MEMORANDUM

TO: The Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services

The Honorable John M. Mizuno, Chair
House Committee on Human Services

FROM: Lillian B. Koller, Director

SUBJECT: **Change in the General Assistance Benefit Amount**

Informational Briefing: Wednesday, November 4, 2009; 10:00 a.m.
Conference Room 329, State Capitol

The Department of Human Services (DHS) effected a change in the General Assistance (GA) benefit amount on November 1, 2009. The amount was decreased from \$450 per month for a single individual, which started on July 1, 2009, to \$300 per month effective November 1, 2009, to remain within the GA program's Legislative appropriation.

This change in the benefit amount was necessitated by the fact that the GA program by statute, section 346-41, Hawaii Revised Statutes, is a "block grant" program which means that the benefit amount is determined by the GA caseload and the amount of money appropriated for GA in the block grant. Whenever there is an increase in the GA caseload, the Department has to review the benefit amount based on the funds remaining in the Legislatively approved block grant.

The following methodology was used to arrive at the \$300 per month amount:

Projection for the remaining FY 2010 (November 1, 2009 – June 30, 2010):

We decided not to make any changes to the GA benefit amount for the months of July to October 2009 to firm up our caseload and expenditure trends. We issued \$450 per month in GA benefit from July to October 2009. The decision to decrease the GA benefit to \$300 per month effective November 1, 2009 was based on a projected caseload of 5,035 cases per month for November and December 2009 and the following statutorily mandated calculation:

Total GA Appropriation	=	\$21,289,056
Total Projected Expenditure (July – October 2009)	=	\$ 9,194,172
Balance of GA Appropriation	=	\$12,094,884
Number of months remaining in the fiscal year	=	8 months
Amount per month per individual	=	Balance of GA appropriation divided by 8 remaining months of FY 2010 = 1,511,860.50 divided by 5,035 (average projected caseload) = \$300.27

Since we calculated the reduced GA amount in September 2009, we have continued to see an increase in the GA caseload which is currently averaging around 5,055 cases per month. GA statewide continues to show a high volume of applications and pending applications. If the caseload remains constant at 5,055 per month (which

is higher than the 5,034 cases used for the \$300 per month calculation) or continues to increase even higher than 5,055 cases per month, we will have to recalculate the GA benefit amount in the last quarter to reduce the benefit again in order to remain within the total GA appropriation, as mandated by the GA “block grant” statute.

Thank you for the opportunity to provide this information regarding the decrease in the monthly GA benefit amount.