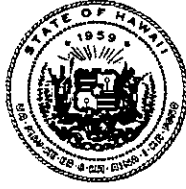


NEIL ABERCROMBIE  
GOVERNOR



PATRICIA MCMANAMAN  
INTERIM DIRECTOR  
PANKAJ BHANOT  
DEPUTY DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
P. O. Box 339  
Honolulu, Hawaii 96809-0339

March 1, 2011

**MEMORANDUM**

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

FROM: Patricia McManaman, Interim Director

SUBJECT: **H.B. 1066 – MAKING EMERGENCY APPROPRIATIONS FOR THE  
DEPARTMENT OF HUMAN SERVICES**

Hearing: Wednesday, March 2, 2011; 2:00 p.m.  
Conference Room 308, State Capitol

**PURPOSE:** The purpose of H.B. 1066 is to make emergency appropriations from the general revenues of the State of Hawaii for fiscal year 2010-2011 to address the budget shortfall in cash support (HMS 211) and work program services and maintenance of effort contracts (HMS 903) in the Department of Human Services.

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) strongly supports this Administration bill.

The programs that provide financial assistance for eligible adults with dependent children, the federally funded temporary assistance for needy families and the state-funded temporary assistance for other needy families programs, will expend all appropriated funds, federal and state, by the third quarter of the current fiscal year.

The expeditious approval of this emergency appropriation is critical for the Department of Human Services to continue to provide cash assistance used for food, clothing, shelter and other essentials to approximately 9,849 families with children. Without an emergency appropriation of \$11,523,511 in general funds in HMS 211 for fiscal year 2010-2011, cash assistance will be discontinued.

DHS would like to request the consideration of two amendments to this bill. The first is a reduction in the emergency appropriation in HMS 903 from \$47,322,170 in general funds to \$45,184,770 in general funds. This funding is urgently needed to maintain the contracts for work program services for financial assistance clients who are required by federal law to participate in work activities to receive assistance and to maintain the purchase of service contracts that help the State in meeting the maintenance of efforts requirements. Funding of these contracts is necessary to prevent the loss of federal funding for the Temporary Assistance for Needy Families program. The reduction in the emergency appropriation amount was determined after the Department did a further review of the contracts.

The second requested amendment is to include an emergency appropriation for the General Assistance (GA) program. Since the submittal of this emergency appropriation bill to the Legislature, projections for the General Assistance (GA), which is a state funded block grant program, showed that the program will run out of money before the end of the current fiscal year, June 30, 2011, at the current financial assistance payment of \$353 per month.

The GA program provides cash assistance to individuals who are single, disabled, unemployed and unable to qualify for federal assistance. GA recipients use their monthly allowance for rent and basic necessities for daily living.

There are currently 5,546 individuals receiving GA at \$353 per month. They were originally receiving \$450 per month in assistance which was reduced to \$300 per month on November 1, 2009. With the start of the current fiscal year, the payment amount was increased to \$353 on July 1, 2010 which continues to the present.

Continuing to provide \$353 a month to 5,546 individuals means DHS will have to decrease the monthly allowance to \$90 in June due to lack of funds or reduce the monthly allowance to \$300 per month for the last three months of the fiscal year (April, May, June).

As is the case for our TANF program emergency appropriation request, to enable the Department to continue to provide cash assistance used for food, clothing, shelter and other essentials to approximately 5,546 individuals receiving GA payments, an emergency appropriation is urgently needed.

DHS requests that the Legislature consider an emergency appropriation of \$520,815 in general funds for the GA program to be included in this emergency appropriation bill.

We offer the following amendments for your consideration:

"SECTION 4. There is appropriated out of the general revenues of the State of Hawaii, the sum of [~~\$ 47,322,170~~] \$45,184,770 or so much thereof as may be necessary for fiscal year 2010-2011 for general support for self sufficiency services (HMS 903) to address the funding shortfall for work program services and maintenance of effort contracts.

SECTION 5. There is appropriated out of the general revenues of the State of Hawaii, the sum of \$520,815 or so much thereof as may be necessary for fiscal year 2010-2011 for general assistance payments (HMS 204) to address the funding shortfall for general assistance.

SECTION [5] 6. The sums appropriated shall be expended by the department of human services for the purposes of this Act.

SECTION [6] 7. This Act shall take effect upon its approval."

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

# Helping Hands Hawai'i

Wednesday, March 2, 2011  
2:00 p.m.  
Conference Room 308

To: Rep. Marcus Oshiro, Chair  
Rep. Marilyn Lee, Vice Chair  
House Committee on Finance

From: Helping Hands Hawaii – Written Testimony Only

Re: **HB1066, MAKING EMERGENCY APPROPRIATIONS FOR THE  
DEPARTMENT OF HUMAN SERVICES.**

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We are submitting testimony in regards to HB1066, MAKING EMERGENCY APPROPRIATIONS FOR THE DEPARTMENT OF HUMAN SERVICES. We are in *strong support* of the section of this bill, which requests an emergency appropriation of \$11,523,511 to enable the Department of Human Services (DHS) to provide cash assistance to families with children.

Helping Hands Hawaii is a 501(c)(3) non-profit social service agency, which was incorporated in 1974. HHH administers a variety of Behavioral Health and Human Services programs, which assist over 37,000 individuals and households each year.

HHH primarily provides assistance to individuals and families who are low-income and who receive cash assistance benefits through DHS. Many of the clients we serve are working at least part-time, but are still unable to meet their basic needs without DHS assistance. The cash assistance provided by DHS public assistance enables our clients to put food on the table and to pay for essential costs, such as rent or utilities. While a partial DHS payment of \$300-400 may not seem to be a substantial dollar amount, it makes a huge impact for the families we serve – and for some may mean the difference between remaining housed, or eviction.

Once again, HHH strongly supports the section of HB1066 that requests an emergency appropriation of \$11,523,511 to provide cash assistance benefits for the remainder of this current Fiscal Year. We believe that this emergency appropriation is needed to meet a critical need in our community for the clients that we serve.

We have no comment on the remainder of the bill, which requests emergency appropriation for work program services and maintenance of effort contracts.

Thank you for the opportunity to testify.