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**A BILL FOR AN ACT**

MAKING EMERGENCY APPROPRIATIONS FOR THE DEPARTMENT OF HUMAN SERVICES.

**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. A critical funding emergency exists for the  
5 fiscal period beginning July 1, 2010, and ending June 30, 2011,  
6 in HMS 211 for the cash assistance payments made to needy  
7 families, and in HMS 903 for the contracts the department has  
8 with public and private agencies that provide the work and  
9 employment program services for financial assistance clients and  
10 for the purchase of service contracts to nonprofit organizations  
11 who are contributing to the third party excess temporary  
12 assistance for needy families maintenance of effort of the  
13 department.

14           The programs that provide financial assistance for eligible  
15 adults with dependent children, the federally funded temporary  
16 assistance for needy families and the state-funded temporary  
17 assistance for other needy families programs, will expend all

H. B. NO. 1066

1 appropriated funds, federal and state, by the third quarter of  
2 the current fiscal year.

3 The department of human services will not be able to  
4 provide cash assistance to approximately 9,849 families with  
5 children without an emergency appropriation of \$11,523,511 in  
6 general funds in HMS 211 for fiscal year 2010-2011.

7 An emergency appropriation of \$47,322,170 in general funds  
8 is also urgently needed in HMS 903 to maintain the contracts for  
9 work program services for financial assistance clients who are  
10 required by federal law to participate in work activities to  
11 receive assistance and to maintain the purchase of service  
12 contracts that help the State in meeting the maintenance of  
13 efforts requirements. Funding of these contracts is necessary  
14 to prevent the loss of federal funding for the temporary  
15 assistance for needy families program.

16 SECTION 3. There is appropriated out of the general  
17 revenues of the State of Hawaii, the sum of \$11,523,511 or so  
18 much thereof as may be necessary for fiscal year 2010-2011 for  
19 cash support for families - self sufficiency (HMS 211) to  
20 address the funding shortfall for cash support payments for  
21 families with dependent children.

H.B. NO. 1066

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

7 SECTION 5. The sums appropriated shall be expended by the  
 8 department of human services for the purposes of this Act.

9 SECTION 6. This Act shall take effect upon its approval.

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INTRODUCED BY: \_\_\_\_\_

*Calvin K. Jay*

BY REQUEST

JAN 24 2011

**Report Title:**

Department of Human Services; Emergency Appropriations

**Description:**

Makes 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. Effective upon approval.

JUSTIFICATION SHEET

DEPARTMENT: Human Services.

TITLE: A BILL FOR AN ACT MAKING EMERGENCY APPROPRIATIONS FOR THE DEPARTMENT OF HUMAN SERVICES.

PURPOSE: To ensure the continued payment of financial assistance to needy families with children and to ensure continued federal funding for the temporary assistance for needy families program through the funding of the work program services contracts necessary to comply with federally required work participation requirements for the financial assistance programs and for meeting the federal maintenance of effort requirements.

MEANS: Make emergency appropriations of general funds of \$11,523,511 in HMS 211 and \$47,322,170 in HMS 903.

JUSTIFICATION: A critical funding emergency exists in HMS 211 for the cash assistance payments made to needy families with children, and in HMS 903 for the contracts the department has with public and private agencies that provide the work services programs for the temporary assistance for needy families program recipients and for purchase of service contracts to nonprofit organizations who are contributing to the third party excess temporary assistance for needy families maintenance of effort of the department.

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 in HMS 211, will expend all appropriated funds, federal and state, by the third quarter of the current fiscal year and the department will be unable to provide the financial

assistance used for food, clothing, shelter and other essentials for these needy families. Cash assistance to approximately 9,849 families with children will not be provided.

Additional funding is also necessary in HMS 903 for the contracts to agencies that provide the work program services to help financial assistance program recipients meet the federal work participation requirements and for the purchase of service contracts with nonprofit organizations that contribute to the third party excess maintenance of effort. These contracts are necessary to ensure the continuation of the current level of federal funding for the temporary assistance for needy families (TANF) program.

Under federal welfare law, all adults who meet the federal definition of a "work-eligible individual" are now required to participate in some activity, whether it is training, counseling, or work to maintain program eligibility. The department offers several work-incentive and job-readiness programs to TANF recipients through partnerships and contracts with public and private agencies that enable the clients and the state to meet federal work participation requirements that are necessary to maintain current federal funding levels.

These are contracts that provide services for work preparedness, job development and retention, reduction of barriers to employment (substance abuse treatment, domestic violence prevention, vocational rehabilitation and homelessness prevention services), case management, and after-school programs that keep latchkey children safe and under a supervised environment so that parents can continue to maintain their employment.

In addition, purchase of service contracts with nonprofit organizations contribute to the third party excess maintenance of effort that is also required to maintain the current federal funding for the temporary assistance for needy families program. Using other nonprofit programs already funded by state funds reduces the need for additional state funds for the federal maintenance of effort requirements.

The State also received federal temporary assistance for needy families contingency funds of \$10,655,289 in federal fiscal year 2010 that requires 100 percent maintenance of effort to avoid penalties.

Impact on the public: Without this emergency appropriation, cash assistance used for food, clothing, shelter and other essentials to approximately 9,849 needy families with children will have to be stopped, posing a threat to their health and safety.

Financial assistance recipients will not be able to participate in work activities required to continue their financial assistance.

Impact on the department and other agencies: With this emergency appropriation, the department will be able to maintain cash assistance payments to needy families and maintain federal funding levels for the financial assistance programs by meeting the federal work participation and maintenance of efforts provided through continued funding of contracts.

The contracted agencies that provide work program services and contribute to the maintenance of effort for the financial assistance programs will not be paid without this emergency appropriation.

GENERAL FUND: \$58,845,681 - (HMS 211 - \$11,523,511;  
HMS 903 - \$47,322,170)

OTHER FUNDS: -\$0-

PPBS PROGRAM  
DESIGNATION: HMS 211 and HMS 903.

OTHER AFFECTED  
AGENCIES: None.

EFFECTIVE DATE: Upon approval.