



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

February 12, 2013

MEMORANDUM

TO: The Honorable David Y. Ige, Chair
Senate Committee on Ways and Means

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 1100 - RELATING TO THE GENERAL ASSISTANCE
PROGRAM**

Hearing: Thursday, February 14, 2013; 9:05 a.m.
Conference Room 211, State Capitol

PURPOSE: The purpose of S.B. 1100 is to allow the Department of Human Services (DHS) to draw from other funds appropriated to DHS in the event the General Assistance (HMS 204) appropriation is insufficient to meet General Assistance (GA) benefits payments.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports this Administration bill to allow the DHS to use savings in other programs of the Department to fund the shortfalls in the GA program due to caseload fluctuations.

The GA program (HMS 204), pursuant to section 346-53(b), Hawaii Revised Statutes, is a block grant program. GA is for the temporarily disabled and is intended as an interim assistance program to provide cash assistance either to those who have suffered a temporary illness or injury which prevents them from working, or to provide

such assistance to individuals with permanent disabilities until such time as they might start receiving federal disability benefits.

The maximum allowance a GA recipient may receive is determined by dividing the amount appropriated for GA payments by the Legislature in the State budget by the number of GA recipients. The DHS must adjust GA payments to remain within the appropriation when the caseload increases or decreases throughout the fiscal year.

For fiscal year 2011-2012, the payment level began at \$353, but due to caseload increases the benefit payment amount was reduced to \$319 in October 2011. The continual rise in caseload would have further reduced the payment to \$275 in April 2012, had the 2012 Legislature not approved an emergency assistance appropriation. In prior years, payment had been reduced to as low as \$234.

In the current fiscal year, the payment level began at \$319. However effective February 2013, the benefit payment amount will be reduced to \$298 due to the projected rise in the GA caseload. These reductions and fluctuations provide no stability to households who already live far below poverty levels. Stopping the benefit payment or reducing the amount of the benefit payment for these individuals poses a real threat to the individuals' health and safety. It is also almost certain to trigger increased homelessness.

To discontinue the future need to request emergency appropriations and more importantly to stabilize payment levels to an extremely needy and vulnerable population, the Department proposes to utilize, when needed, savings from other programs.

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