

STAND. COM. REP. NO. **590**

Honolulu, Hawaii

MAR - 1 2013

RE: S.B. No. 1101
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1101, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE ESTABLISHMENT OF THE INTERIM ASSISTANCE REIMBURSEMENT SPECIAL FUND,"

begs leave to report as follows:

The purpose and intent of this measure is to stabilize payments to general assistance recipients and reduce the need for emergency appropriations.

More specifically, this measure:

- (1) Establishes the interim assistance reimbursement special fund into which interim assistance reimbursements from the Social Security Administration shall be deposited as reimbursements for state-funded financial assistance payments made to recipients pending approval for federal supplemental security income; and
- (2) Require the Department of Human Services (Department) to use the funds from the special fund only for state-funded financial assistance payments and programs that support and assist recipients to qualify for supplemental security income.

Your Committee received testimony in support of this measure from the Department of Human Services; Legal Aid Society of Hawaii; and one concerned individual.

SB1101 SD2 SSCR LRB 13-1799.doc



Your Committee finds that state-funded financial assistance is paid to qualified recipients while their application for supplemental security income is pending a determination with the Social Security Administration. If the application is approved, the Social Security Administration reimburses the State for the assistance provided. Often, the reimbursement does not arrive in the same fiscal year in which the state-funded assistance was given. Because the Department is required to deposit reimbursements from a prior fiscal year into the general fund, the Department is often forced to request an emergency appropriation to compensate for the shortfall. This measure will stabilize payments to beneficiaries and reduce the future need for emergency appropriations for the general assistance program, by allowing the Department to retain the reimbursements from prior fiscal years in the newly created special fund to be used solely for financial assistance payments.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making a technical nonsubstantive amendment for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1101, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1101, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



