



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



February 13, 2014

MEMORANDUM

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

FROM: Barbara Yamashita, Acting Director

SUBJECT: **S.B. 2840 - RELATING TO THE GENERAL ASSISTANCE
PROGRAM**

Hearing: Thursday, February 13, 2014, 9::30 a.m.
Conference Room 211, State Capitol

PURPOSE: The purpose of this bill is to allow the Department of Human Services (DHS) to draw from other funds appropriated to the DHS in the event the General Assistance (HMS 204) appropriation is insufficient to maintain General Assistance (GA) benefits payments and to submit to the Legislature a report detailing the funds and calculations used.

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. Pursuant to this measure the DHS will provide a report, no later than twenty days prior to the convening of the 2014 Regular Session with details on the funds and calculations used.

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.

In recent years the Department has requested several emergency appropriations for the GA program with the latest request for fiscal year 2012. For fiscal year 2011-2012, the payment level began at \$353 in July 2011, 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 the amount of \$736,468. In prior years, payment had been reduced to as low as \$234.

In the 2012-2013 fiscal year, the payment level began at \$319. The benefit payment amount was reduced to \$298 in February 2013 due to an estimated shortfall of \$502,772 on a 3.5% projected rise in the caseload to 5,833. An emergency appropriation was not requested and the monthly benefit amount remained at \$298 for the rest of the fiscal year. For the FY 2014, the monthly benefit payment began at \$298 and was readjusted upward to \$319 in October 2013 based on a current slight decline in caseload.

The necessity for the reductions, fluctuations and the uncertainty in benefit levels provide no stability to households who live far below poverty level. Even residential treatment facilities such as Salvation Army or Hina Mauka which provide treatment services to our recipients are affected by the reductions and fluctuations as they must find other resources to make up for the reductions to recipients who are mandated to be in residential treatment.

The Department's administrative rules specify that its monthly assistance payment shall be for basic needs and includes cost for food, household supplies, personal essentials, laundry, transportation and shelter. The current benefit payment of \$319 a month is so far below poverty level that it poses a real threat to the individuals' health and safety and it is also almost certain to trigger increased homelessness.

To stabilize payments to beneficiaries at an equitable benefit amount and to discontinue the future need to request emergency appropriations and more importantly to provide subsistence 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.