S.B. NO. <sup>1127</sup> S.D. 1 H.D. 1

# A BILL FOR AN ACT

MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF HUMAN SERVICES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:** 

SECTION 1. This Act is recommended by the governor for
 immediate passage in accordance with article VII, section 9, of
 the Constitution of the State of Hawaii.
 SECTION 2. Act 9, Session Laws of Hawaii 2020,
 appropriated a certain designated sum to the department of human
 services to provide funds for the general assistance program

7 under the benefit, employment and support services division for
8 the fiscal period beginning July 1, 2020, and ending June 30,
9 2021.

10 A critical funding emergency exists. Pursuant to
11 section 346-53(b), Hawaii Revised Statutes, the general
12 assistance program operates as a block grant program.
13 Currently, depending upon the amount appropriated by the
14 legislature, the monthly maximum allowance a general assistance
15 recipient may receive is determined by dividing the amount of
16 the appropriation by the number of general assistance

# 2021-2575 SB1127 HD1 HMSO

Page 2

## S.B. NO. <sup>1127</sup> S.D. 1 H.D. 1

recipients; though per section 346-71(d), Hawaii Revised
 Statutes, the maximum allowance shall not exceed sixty-two and
 one-half per cent of the standard of need. The current monthly
 general assistance amount is \$388 or forty-one per cent of the
 standard of need. The standard of need is based upon the 2006
 federal poverty level.

7 Due to the COVID-19 pandemic, the number of individuals 8 receiving general assistance benefits increased more than 9 thirty-one per cent from February through October 2020. Based 10 upon the October caseload of 6,814, the department projects the 11 general assistance program will expend all appropriated funds 12 before the end of the current fiscal year and the department 13 will be unable to maintain the current monthly general 14 assistance allowance of \$388 to the projected caseload of 6,834 15 general assistance recipients.

16 The current monthly allowance of \$388 is barely enough to 17 cover living expenses for disabled individuals on a fixed income 18 who have no other viable means of support. Stopping the grant 19 payment or reducing the amount of the grant payment for these 20 recipients poses a real threat to their health and safety. 21 Additional funds are urgently needed to prevent the reduction of

# 2021-2575 SB1127 HD1 HMSO

Page 3

## S.B. NO. <sup>1127</sup> S.D. 1 H.D. 1

general assistance payments in the fourth quarter of fiscal year
 2020-2021. The department anticipates that the high monthly
 caseload will continue, and the department projects an
 \$8,400,000 shortfall for state fiscal year 2020-2021.

5 In Act 196, Session Laws of Hawaii 2015, the legislature established the interim assistance reimbursement special fund to 6 7 receive federal reimbursements paid to the State by the United 8 States Social Security Administration for general assistance 9 payments. Reimbursements paid after the end of the fiscal year 10 are retained by the department and deposited into the interim 11 assistance reimbursement special fund to meet shortfalls in the 12 general assistance program in the event of economic downturn.

Due to the COVID-19 pandemic and the economic downturn, the department withdrew \$202,222.97 from the interim assistance reimbursement special fund to meet program shortfalls in the last quarter of the state fiscal year 2019-2020.

For the current state fiscal year, the department
anticipates withdrawing the entire \$3,000,000 from the interim
assistance reimbursement special fund and that withdrawals may
begin in December 2020.

# 2021-2575 SB1127 HD1 HMSO

Page 4

## **S.B. NO.** <sup>1127</sup> S.D. 1 H.D. 1

1 The department requires an emergency appropriation of 2 \$5,400,000 for state fiscal year 2020-2021. 3 SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$5,400,000 or so much 4 5 thereof as may be necessary for fiscal year 2020-2021 to be used 6 for general assistance payments. 7 SECTION 4. The sum appropriated shall be expended by the 8 department of human services for the purposes of this Act. 9 SECTION 5. This Act shall take effect on July 1, 2060.



#### Report Title:

General Support for General Assistance Payments (HMS 204); Emergency Appropriation

## Description:

Makes an emergency appropriation from the general revenues of the State of Hawaii for fiscal year 2020-2021 to address the budget shortfall for the general support for the general assistance program (HMS 204) in the department of human services. Effective 7/1/2060. (HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

