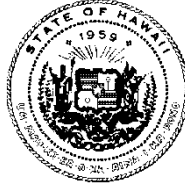


DAVID Y. IGE  
GOVERNOR



CATHY BETTS  
DIRECTOR

JOSEPH CAMPOS II  
DEPUTY DIRECTOR

STATE OF HAWAII  
**DEPARTMENT OF HUMAN SERVICES**

P. O. Box 339  
Honolulu, Hawaii 96809-0339

February 14, 2021

TO: The Honorable Senator Joy A. San Buenaventura, Chair  
Senate Committee on Human Services

FROM: Cathy Betts, Director

SUBJECT: **SB 1127 – MAKING AN EMERGENCY APPROPRIATION FOR THE  
DEPARTMENT OF HUMAN SERVICES.**

Hearing: Tuesday, February 16, 2021, 3:00 p.m.  
Via Videoconference, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) strongly supports this administrative bill. To avoid delays in passage of this measure, DHS respectfully requests the measure pass unamended.

**PURPOSE:** The purpose of the bill 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 upon approval.

Due to the COVID-19 pandemic and related economic crisis, the current appropriation of \$23,378,748 for the General Assistance (GA) program is not sufficient to meet the high number of GA recipients. DHS requests an emergency appropriation of \$5.4 million for state fiscal year (SFY) 2021.

The GA program is 100 percent state-funded; currently there are no federal funds available to support this program. Sections 346-53(b) and 346-71(e)(1), Hawaii Revised Statutes, restrict GA to the appropriated amount, consequently GA operates as a block grant.

DHS cannot cover this program shortfall with other program savings, if any. Additional funds are urgently needed.

Like other public benefit programs, the GA program is counter cyclical and caseloads run higher in economic downturns. Over time, the GA program appropriation has varied from a high of \$27,047,944 in 1997 to its current level of \$23.3M. For the coming biennium, a \$5.4M increase to the GA program appropriation is included in the Executive biennium budget for each fiscal year.

Since the pandemic, the GA caseload increased 34 percent from 5,105 in February 2020 to 6,823 in August 2020, and the monthly payment expenditures went from \$1,903,417 to \$2,533,305. As of December 2020, the GA caseload remains 30% higher than it was in February 2020, please see the chart below for monthly caseload amounts.

To stay within the appropriated amount, DHS has begun steps to reduce GA monthly benefits from \$388 (which is 41 percent of the 2006 Federal Poverty Level) to \$260 for approximately 6,700 disabled individuals; this benefit change will begin on **March 1, 2021**.

<b>General Assistance Program:</b>											
Cash assistance for adults with temporary disabilities, without dependent minor children											
Caseload: February 2020 through December 2020											
<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>% Increase</b>
5,201	5,472	5,977	6,647	7,015	7,094	6,946	6,802	6,814	6,732	6,765	30%

The emergency appropriation for the current SFY 2021 will allow the DHS to restore monthly benefits to \$388 to disabled adults who are unemployable and suffering from a psychological or physical disability, or a mixture of both. The monthly assistance allowance helps with basic needs such as personal essentials, household expenses, and shelter. The payment provides some compensation to family and friends who take GA recipients into their homes and may prevent homelessness.

As cases dramatically rose from March through June 2020, to make it out of last SFY 2020, DHS avoided the need for an emergency appropriation and expended \$202,222.97 from

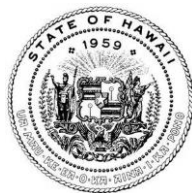
the Interim Assistance Reimbursement (IAR) special fund. However, for the current SFY 2021, DHS began drawing on the IAR special fund in December 2020 and has already encumbered the available \$3,000,000 in the IAR special fund. There is currently a \$3,000,000 ceiling on the IAR special fund and DHS cannot expend more from the IAR special fund in SFY 2021.

As background on the IAR special fund, following the impacts of the Great Recession, by Act 196, Session Laws of Hawaii 2015, the Legislature established the IAR Special Fund to avoid revenue shortfalls in the GA program. The IAR special fund is funded with federal reimbursements paid to the State by the Social Security Administration (SSA) and received in the fiscal year following the issuance of Social Security benefit awards. The SSA reimburses the State for GA payments made to individuals pending the SSA's eligibility determination of Supplemental Security Income (SSI) or Social Security Disability Income benefits (SSDI).

The IAR special fund is an important source of funds in economic crises to avoid a program fund shortfall when caseloads run high and was able to meet the GA program needs in SFY 2020. However, as we know, the magnitude and duration of the impacts of the COVID-19 pandemic were unanticipated and unimaginable, and the IAR special fund \$3,000,000 ceiling is not enough to meet the challenges of COVID-19.

To move this measure with urgency, we ask that the measure pass unamended given the required readings in both chambers, enrollment, and release of funds processes involved to expedite this measure in the most efficient and timely process possible.

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



EXECUTIVE CHAMBERS  
HONOLULU

February 16, 2021

TO: The Honorable Senator Joy A. San Buenaventura, Chair  
Senate Committee on Human Services

FROM: Scott Morishige, MSW, Governor's Coordinator on Homelessness

SUBJECT: **SB 1127 – MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT  
OF HUMAN SERVICES.**

Hearing: Tuesday, February 16, 2021, 3:00 p.m.  
VIA VIDEO CONFERENCE  
Conference Room 225, State Capitol

**POSITION:** The Governor's Coordinator on Homelessness strongly supports this administrative bill, and requests that this measure be passed unamended.

**PURPOSE:** The purpose of this bill is to make an emergency appropriation from the general revenues of the State for fiscal year 2020-2021 to address the budget shortfall for the general support for the General Assistance (GA) program (HMS 204) in the Department of Human Services (DHS).

This measure will enable DHS to continue GA payments for single disabled adults at the current level of benefit, which is \$388 per month, for the remainder of the current fiscal year. Individuals receiving GA benefits include individuals experiencing homelessness and individuals at imminent risk of homelessness. Reducing the current level of GA benefit will further limit the ability of these individuals to pay for rent or shelter, as well as for necessities including food and medical expenses.

Potential reductions to the GA program should be considered in the context of current economic conditions related to the COVID-19 pandemic. Following the last economic recession in 2009, historical statewide Point in Time (PIT) count data shows the number of people experiencing homelessness increased by 37% - or over 2,100 persons – between 2009 and

2016. Given the higher rates of unemployment and prolonged nature of the current economic decline, we can anticipate higher rates of homelessness over a period of several years following the pandemic.

It is critical that the social services safety net – including GA, other public benefits, and core homeless services – be maintained and benefit levels remain stable to mitigate any future increases in homelessness. During the past recession, GA benefits fluctuated to under \$300 per month, which made it difficult for individuals receiving benefits to plan and to anticipate if the benefit amount would be sufficient to cover monthly expenses. If GA benefits are reduced or if benefit amounts fluctuate to adjust to changing caseloads, it may result in additional housing instability for individuals statewide.

Thank you for the opportunity to testify on this bill.

**SB-1127**

Submitted on: 2/15/2021 11:12:38 AM

Testimony for HMS on 2/16/2021 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Brian Donohoe	Testifying for DHS	Support	No

Comments:

Standing on Department's testimony in strong support. Available for questions.



## CATHOLIC CHARITIES HAWAII

### **TESTIMONY IN SUPPORT OF SB 1127: MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF HUMAN SERVICES**

TO: Senate Committee on Human Services

FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i

**Hearing: Tuesday, 2/16/21; 3:00 pm; via videoconference**

Chair San Buenaventura, Vice Chair Ihara, and Members, Committee on Human Services:

Thank you for the opportunity to provide testimony **in strong support** of SB 1127, which makes an emergency appropriation from general revenues for FY 2020-2021 for the budget shortfall for the general assistance program (HMS204) in the Department of Human Services (DHS). I am Rob Van Tassell, with Catholic Charities Hawai'i.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 70 years. CCH has programs serving elders, children, families, homeless, and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i.

Disabled individuals on general assistance must live on \$388/month currently. That is hardly enough to cover living expenses. Reducing the amount to an even lower benefit would put these people at great risk. Truly, they are among the most vulnerable in our state. The pandemic has eliminated the incomes of many people which has led them to apply for general assistance. DHS has seen a 31% increase in people receiving this benefit from February through October 2020.

This unexpected surge of need has led to a crisis. DHS will run out of funds in the fourth quarter of this fiscal year. Without this emergency appropriation, cuts to the already extremely low benefit will have to happen. The human impact would be great for this already at risk and very vulnerable population. How many of us could live on \$388/month? Can we tell others who are barely surviving that no help is available? As a society, we must take care of those who are most vulnerable, that is, disabled people with no other sources of income.

We strongly urge your support for this bill to cover the emergency shortfall in funding created by the economic crisis of the pandemic.

Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or [bettylou.larson@catholiccharitieshawaii.org](mailto:bettylou.larson@catholiccharitieshawaii.org) if you have any questions.





**Testimony to the Senate Committee on Human Services  
Tuesday, February 16, 2021; 3:00 p.m.  
State Capitol, Conference Room 225  
Via Videoconference**

**RE: SENATE BILL NO. 1127, MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF HUMAN SERVICES.**

Chair San Buenaventura, Vice Chair Ihara, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** Senate Bill No. 1127, MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF HUMAN SERVICES.

As received by your Committee, Senate Bill No. 1127, would authorize an emergency appropriation of \$5,400,000 in general funds for fiscal year 2020-2021 to be used for general assistance payments

By way of background, the HPCA represents Hawaii Federally-Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

According to the bill:

*"Due to the COVID-19 pandemic, the number of individuals receiving general assistance benefits increased more than thirty-one percent from February through October 2020. Based upon the October caseload of 6,814, the Department of Human Services projects that the general assistance program will expend all appropriated funds before the end of the current fiscal year and would not be able to maintain the current monthly general assistance allowance of \$388 to the projected caseload of 6,834 general assistance recipients."*



**Testimony on Senate Bill No. 1127**

**Tuesday, February 16, 2021; 3:00 p.m.**

**Page 2**

This finding seems to reinforce HPCA's observation that the COVID-19 pandemic has severely threatened the health and welfare of our citizens, especially Hawaii's underprivileged and rural communities. With so many people unemployed, entire families are struggling to put food on the table on a consistent basis. All one needs to do is visit one of our member FQHC's food distribution events and see the line of cars stretch for miles and the large number of people who wait for hours to receive some surplus food.

The HPCA understands that the State is experiencing its worst financial crisis since the Great Depression and appreciates how difficult your job will be in deciding where very limited resources will go over the next two years. But, a wise person once wrote that the true test of a society is how it treats its most vulnerable populations especially during hard times. We ask that you consider that as you deliberate on this measure.

We urge your favorable consideration of this bill.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or [eabe@hawaiiipca.net](mailto:eabe@hawaiiipca.net).