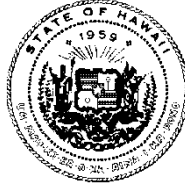


DAVID Y. IGE  
GOVERNOR



CATHY BETTS  
DIRECTOR

JOSEPH CAMPOS II  
DEPUTY DIRECTOR

STATE OF HAWAII  
**DEPARTMENT OF HUMAN SERVICES**

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

February 25, 2021

TO: The Honorable Senator Donovan M. Dela Cruz, Chair  
Senate Committee on Ways and Means

FROM: Cathy Betts, Director

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

Hearing: Tuesday, March 2, 2021, 9:30 a.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 \$23,889,056<sup>1</sup> 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

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<sup>1</sup> The amount in previous testimony is incorrect, this is the correct appropriation per Act 9 (SLH 2020).

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**.

General Assistance Program: Cash assistance for adults with temporary disabilities, without dependent minor children Caseload: February 2020 through December 2020											
Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	% Increase
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 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; in SFY 2020, the IAR served its purpose as we were able to meet the GA program needs by drawing from the IAR. 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 hearings, 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.

DAVID Y. IGE  
GOVERNOR



EXECUTIVE CHAMBERS  
HONOLULU

**LATE**

March 2, 2021

TO: The Honorable Senator Donovan M. Dela Cruz, Chair  
Senate Committee on Ways and Means

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

SUBJECT: **SB 1127 SD1 – MAKING AN EMERGENCY APPROPRIATION FOR THE  
DEPARTMENT OF HUMAN SERVICES.**

Hearing: Tuesday, March 2, 2021, 9:30 a.m.  
VIA VIDEO CONFERENCE  
Conference Room 211, 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.



**Testimony to the Senate Committee on Ways and Means  
Tuesday, March 2, 2021; 9:30 a.m.  
State Capitol, Conference Room 211  
Via Videoconference**

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

Chair Dela Cruz, Vice Chair Keith-Agaran, 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, March 2, 2021; 9:30 a.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).



## CATHOLIC CHARITIES HAWAII

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

TO: Senate Committee on Ways and Means

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

**Hearing: Tuesday, 3/2/21; 9:30 am; via videoconference**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members, Committee on Ways and Means:

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.

The pandemic has eliminated the incomes of many disabled people leading them to apply for General Assistance (GA). DHS has seen a 31% increase in people receiving this benefit from February to October 2020. Workers who are temporarily disabled and unable to work as they seek treatment, depend on GA for help. Criteria to receive aid are rigorous. People receive re-evaluations usually every 3 months to ensure they are still disabled and seeking treatment. Many of these recipients are applying for permanent disability via social security, but this is a very lengthy and uncertain process. In the meantime, they rely on the small benefit of General Assistance as their safety net. Now that is being threatened. **Imagine trying to live on \$388/month and then being told, it will decrease to only \$260/month!** Reducing their benefit puts these people at great risk. Truly, they are among the most vulnerable in our state.

The 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. Can we tell disabled people 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. We cannot allow these disabled people to fall into homelessness which creates even greater costs to the state.

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.



CLARENCE T. C. CHING CAMPUS • 1822 Ke'eaumoku Street, Honolulu, HI 96822  
Phone (808) 373-0356 • [bettylou.larson@catholiccharitieshawaii.org](mailto:bettylou.larson@catholiccharitieshawaii.org)





# PARTNERS IN CARE

*Oahu's Continuum of Care*

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*Our mission is to eliminate homelessness through open and inclusive participation and the coordination of integrated responses.*

## TESTIMONY IN SUPPORT OF SB1127 MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF HUMAN SERVICES

TO: Senate Committee on Ways and Means  
FROM: Partners In Care (PIC)  
Hearing: Tuesday, 3/2/21; 9:30am; via videoconference  
Position: **Strong Support**

Chair dela Cruz, Vice Chair Keith-Agaran and Members of the Senate Committee on Ways and Means:

Partner In Care, Oahu's Continuum of Care, stands in **Strong Support of SB1127, Making an Emergency Appropriation for the Department of Human Services.** General Assistance is a critical safety net for individuals who are disabled in our community. General Assistance often determines whether or not an individual falls into homelessness or not. Reduction of this already limited support will be devastating for many within our community. The process to assess eligibility for this program is strict and ensures that the neediest in our community receive some funds to assist them.

It is crucial that the social services safety net, including core homeless services, GA and other public benefits, be maintained during this very difficult economic time. The homeless service system is already overburdened and additional people joining the rolls of the homeless will not only further exacerbate the number of homeless on our streets, but it will have a very dramatic impact on future expenses for the state. Maintenance of housing is crucial to preventing people from entering homelessness.

Thank you for your consideration of this measure. Please do not hesitate to contact us if you have any questions.

Aloha

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

Subject: **SB1127 - MAKING AN EMERGENCY APPROPRIATION FOR THE  
DEPARTMENT OF HUMAN SERVICES**

Hearing: Tuesday, March 2, 2021, 9:30am  
Via Videoconference, State Capitol

My name is Flynn Porter and I represent Akamai Recovery Maui, a substance abuse treatment center located in Wailuku, Maui. I appreciate the opportunity to provide testimony in **support** of SB1127, which allows for emergency appropriations for the Department of Human Services due to budget shortfalls during the COVID-19 pandemic.

Founded in 2015, Akamai Recovery Maui provides outpatient substance abuse treatment for individuals on the island of Maui. While in treatment our clients are often dependent on the resources they receive from the Department of Human Services to help meet their individual needs, as well as the needs of their family, while they access support for substance use disorders. Due to the COVID-19 pandemic, we have seen an increase in clients who are solely dependent on resources received from the Department of Human Services.

While making the decision to access treatment for addiction can be daunting, this can become increasingly difficult when the stress and anxiety of meeting the needs of one's self and family are driving them further into addiction. The support our clients receive from the Department of Human Services are oftentimes the stabilizing factor that allows them to access addiction services.

To think that the limited assistance our clients depend on to support themselves and families could be reduced is very concerning. Without adequate resources, people with addiction are often forced to meet their needs in ways that put themselves and the community as a whole at risk. Whether it be criminal activities or other high-risk behaviors the state incurs a cost that is much higher than the \$5,400,000 in emergency funds requested for general assistance programs.

Without emergency appropriations, people struggling with substance use disorders will find further barriers to accessing addiction treatment services, leaving individuals, families, and our communities to share this heavy burden. I strongly urge you to support this bill to appropriate emergency funds for the Department of Human Services. Thank you for the opportunity to testify on this bill.

Flynn Porter  
Akamai Recovery Maui  
(808) 298-8459

1063 Lower Main St. Ste. C211A  
Wailuku, Hi 96753

**SB-1127**

Submitted on: 2/26/2021 1:48:33 PM

Testimony for WAM on 3/2/2021 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Heidi Teraoka	Individual	Support	No

Comments:

SB1127 would provide an emergency appropriation for the General Assistance program that would assist the homeless.