

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

February 14, 2022

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

FROM: Cathy Betts, Director

SUBJECT: **SB 2887 – RELATING TO THE DEPARTMENT OF HUMAN SERVICES.**

Hearing: Tuesday, February 15, 2022, 3:10 p.m.
Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this bill, offers comments, and defers to the Hawaii Public Housing Authority and the Department of Transportation on relevant parts. The Department respectfully requests that any appropriation not reduce or replace priorities identified in the executive budget.

PURPOSE: The purpose of this measure is to appropriate funds for the operating budget of the department of human services for fiscal year 2022-2023. Requires the Department of Human Services to make any and all efforts available each year to fully fund all programs relating to homelessness.

The Department appreciates the need to sustain homeless programs and services with predictable funding. Before COVID-19, there was a steady decrease in Statewide homelessness with the implementation of Housing First, Rapid Re-housing, and other critical homeless services. However, the demand for homeless services significantly increased and required changes due to the health and economic impacts of COVID-19. Therefore, preserving existing homeless services and necessary administrative staff, especially staff who conduct procurement and oversee contracts and services, is a priority during state fiscal years 2021-2022 and 2022-23.

During the SFY 2021-2022, the community received a significant increase in federal funds through various federal programs. However, DHS-funded community providers could not scale up their capacity as quickly as the unprecedented amount of additional federal funds arrived in the State. In addition, an unanticipated impact of federal relief funds was the increased pressure for DHS-funded providers to spend down state funds appropriately given their capacity issues, the different spending time frames, coupled with the lack of permanent housing inventory and other community resources.

Act 88, Session Laws of Hawaii 2021 (Act 88), the Legislature appropriated funds for SFY 2022-2023 for the programs identified in this measure. The Department requests clarification whether the funds in the measure are in addition to what has already been appropriated. As discussed above, if these are additional funds, providers may have difficulty spending down their current funding. Additionally, HPO does not have the current capacity to administer these funds promptly. The Department does have a budget request to restore a contract position in HPO; however, to expend additional funds, DHS would need this position restored and an exemption from procurement to execute retroactive contract(s) as quickly as possible for SFY 2022-2023 fiscal year.

Regarding Section (2) (1) (E), the stored property and debris removal services require \$3,500,000 to ensure that homeless persons are not simply displaced from one area to another. Homeless outreach providers work with homeless individuals, State and County law enforcement, and the Department of Transportation (DOT) when clearing encampments. The Department currently has a memorandum of agreement with DOT that transfers funding so that DOT can oversee property storage and debris removal activities statewide for all state lands.

Regarding Section (3), DHS (program ID HMS 204) requested an additional \$5,400,000 appropriation for SFY22 to avoid reducing benefits for temporarily disabled residents in the General Assistance Program (GA). Last year, when the DHS requested additional GA funds, there was an unprecedented increase in the GA caseload beginning in March 2020 due to COVID-19. The pre-COVID caseload of 5,201 clients in February 2020 quickly increased to 7,015 clients in June 2020. In September 2020, the projected shortfall for FY21 and FY22 was \$5,400,000 from the base budget of \$23,889,056 general funds. The Department required an

emergency appropriation of \$3,200,000 to cover the shortfall in FY21, while the requested \$5,400,000 ARPA funds were approved and appropriated for SFY22.

However, in SFY222, the GA caseload has since been steadily decreasing. With a smaller caseload than pre-COVID, the current SYF22 general fund appropriation is adequate to sustain GA benefits at the present amount through the end of SFY2022. As a result, DHS does not need the additional appropriated ARPA funding in Act 88 for the GA program for the current fiscal year SFY22; this request to lapse the funds is in the Governor's executive budget.

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



EXECUTIVE CHAMBERS
HONOLULU

February 15, 2022

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 2887 – RELATING TO THE DEPARTMENT OF HUMAN SERVICES.**

Hearing: Tuesday, February 15, 2022, 3:10 p.m.
VIA VIDEO CONFERENCE

POSITION: The Governor's Coordinator on Homelessness appreciates the intent of this bill and respectfully offers comments. If this measure proceeds, the Coordinator requests that any appropriation not reduce or replace budget priorities identified in the executive budget.

PURPOSE: The purpose of the bill is to appropriate funds from the federal American Rescue Plan Act (ARPA) for the operating budget of the Department of Human Services (DHS) for fiscal year 2022-2023. The bill also requires DHS to make any and all efforts available each year to fully fund all programs related to homelessness.

The Coordinator appreciates the intent to provide stable, predictable funding for homeless services. Year-to-year funding does not encourage long-term strategies or allow sufficient time for program enhancements.

The Coordinator further notes that appropriations provided in this bill are consistent with appropriations included in the executive budget and appropriated for the fiscal biennium by [Act 88, Session Laws of Hawaii 2021](#).

If the intent is to provide additional funding for homeless services, the Legislature may also consider alternate means of directing additional resources for homelessness through vehicles such as the [Ohana Zones pilot program](#), which provides flexible funding to support innovative new approaches. Notably, [SB3168](#), [HB2512](#) and two administration bills –

[SB3108/HB2140](#) - propose to extend the Ohana Zones pilot and provide additional funding to support projects statewide. The [Hawaii Interagency Council on Homelessness \(HICH\) annual legislative report](#) provides an overview of the Ohana Zones program.¹

Finally, the Coordinator requests clarification that funding for stored property and debris removal services is included in the Hawaii Department of Transportation (HDOT) budget for fiscal year 2022-2023, and not within the DHS budget.

Thank you for the opportunity to testify on this measure.

¹ Report available at: <https://homelessness.hawaii.gov/wp-content/uploads/2021/12/HICH-Report-to-2022-Legislature-FINAL.pdf>.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON HUMAN SERVICES
ON
SENATE BILL NO. 2887

LATE

February 15, 2022
3:10 p.m.
Room 225 and Videoconference

RELATING TO THE DEPARTMENT OF HUMAN SERVICES

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill No. 2887: 1) appropriates \$20,200,000 in unspecified federal funds received by the State of Hawai'i from the American Rescue Plan Act for the Department of Human Services (DHS) to be expended for various homelessness-related programs; and 2) requires DHS to make all efforts available to fully fund all programs relating to homelessness that are administered by DHS.

B&F notes that pursuant to Act 88, SLH 2021, Homeless Services (HMS 224) already has \$14,300,000 in Coronavirus State Fiscal Recovery Funds (CSFRF) appropriated in FY 23 for family assessment centers (\$1,550,000), the Housing First program (\$3,750,000), the Rapid Re-Housing program (\$3,750,000), homeless outreach and civil legal services (\$1,750,000), and stored property and debris removal services (\$3,500,000). Additionally, the Governor's FY 23 Executive Supplemental Budget includes \$1,389,670 in general funds in Rental Assistance Services' (HMS 222) budget in FY 23 to maintain State Rent Supplement Program housing subsidy payments for existing program participants, \$500,000 of which is to replace the

\$500,000 in CSFRF that were appropriated in FY 22 but not in FY 23. Furthermore, while Act 88, SLH 2021, does not provide a corresponding appropriation of \$5,400,000 in CSFRF for General Assistance Payments (HMS 204) in FY 23, DHS determined prior to the FY 23 Executive Supplemental Budget Review that the case load for HMS 204 has declined enough from its peak during the pandemic that HMS 204's base budget of \$23,889,056 in general funds and \$3,000,000 in special funds should be sufficient to cover its needs in FY 23.

B&F also has concerns regarding the vague requirement that DHS make all efforts available to fully fund homelessness-related programs. It is unclear which specific programs DHS would need to fully fund as well as what would determine whether a program is fully funded or not. Additionally, this requirement would impact DHS' ability to prioritize and manage its other human services programs that also provide critical benefits and services to needy and vulnerable populations and could inadvertently cause issues with federal requirements.

Thank you for your consideration of our comments.

Mitchell D. Roth
Mayor

Lee E. Lord
Managing Director

Robert H. Command
Deputy Managing Director



Susan K. Kunz
Housing Administrator

Harry M. Yada
Assistant Housing Administrator

County of Hawai'i
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February 14, 2022

Senator Joy A. San Buenaventura
Chair, Committee on Human Services


Senator Les Ihara, Jr.
Vice Chair, Committee on Human Services

Re: Senate Bill 2887 – Relating to the Department of Human Services

On behalf of the County of Hawai'i (County), I support SB 2887, as well as any other initiatives that can have a positive impact on the homeless population, make their lives a bit easier, and move them toward conventional shelter or housing.

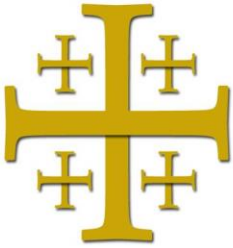
Funding to support the success of the Family Assessment Centers, Housing First and Rapid-Rehousing Programs, and Outreach Services are much needed as our tireless team of dedicated homeless service providers continue the engagement with individuals experiencing homelessness and connecting them to appropriate services and resources. In addition, providing funding to support rental and general assistance to eligible households will ensure continued housing stability success.

Thank you for the opportunity to submit testimony on SB 2887.



Susan K. Kunz
Housing Administrator





ST. MICHAEL THE ARCHANGEL CHURCH

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February 14, 2022

SB 2887 RELATING TO THE DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS – Support

Chair and Members of the Senate Committee on Human Services:

The programs funded in SB2887 are those that our local non-profits use to house the homeless and to support them so they have the tools to stay housed. We all know that homelessness is a growing issue on all of our islands. It takes all of us to find solutions and continued funding the programs like family assessment centers, housing first, rapid rehousing, and homeless outreach are part of the solution.

St. Michael's stands in solidarity with those who come to our doors seeking housing whether or not they are parishioners. We know the struggles of the individuals and families seeking shelter and our non-profits and government employees who seek to house our most vulnerable.

Please vote yes on SB2887 and move it along.

Humbly,

Shirley David

Shirley David, Chair

St. Michael the Archangel Pastoral Council

ONE CATHOLIC OHANA

St. Michael the Archangel *Kailua-Kona* • St. Peter by the Sea *Kahaluu'u* • Immaculate Conception *Holualoa* • St. Paul *Kawanui* • Holy Rosary *Kalaea*

SB-2887

Submitted on: 2/15/2022 2:33:52 PM

Testimony for HMS on 2/15/2022 3:10:00 PM

LATE

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kristen Alice	Testifying for Community Alliance Partners	Support	No

Comments:

Community Alliance Partners, Hawai'i Island's coalition to end homelessness, strongly supports this measure. SB 2887 would provide needed funding for evidence-based programs that support our work to help our neighbors move off the streets, and into safe, stable permanent housing.



LATE

Inspiring Hope, Changing Lives

Visit us on the web: www.hopeserviceshawaii.org

Connect via email: info@hopeserviceshawaii.org

HOPE Help Line: 808-935-3050

TESTIMONY IN SUPPORT OF SB 2887: RELATING TO THE DEPT. OF HUMAN SERVICES

TO: Committee Chair, Vice-Chair and Committee Members
FROM: Brandee Menino, CEO, Hope Services Hawaii, Inc.
Hearing: HMS Tuesday, 2/15/21; 3:10

Thank you for the opportunity to provide testimony **in support** of SB 2887, to appropriate funds for the operating budget of the Department of Human Services for fiscal year 2022-2023, and to require the Department of Human Services to make any and all efforts available each year to fully fund all programs relating to homelessness.

This bill would provide funding for critical programs that help our neighbors move off the streets and into permanent housing, and also keep our housed neighbors from entering homelessness. These programs, including family assessment centers, housing first, rapid rehousing, homeless outreach, and rental assistance, are both proven effective and necessary.

When you fund these programs, you help people like “Jolie” and “Kenny,” a young couple who had just welcomed their second child into the world when COVID struck. They soon found themselves crammed into a home with extended family. Every day, the young couple faced the fear of contracting COVID as they doubled up in an overcrowded home. One day they received news they’d dreaded: it had been discovered that too many people were living in their home, and because they were not on the lease, they were asked to leave.

Jolie and Kenny had nowhere to turn, and moved their one- and two-year-old children into the only place that stood between them and the street--their family car. Because you had funded homeless programs, our team was able to connect with Jolie and Kenny, and offer them a place in our family shelter. My colleague who worked with the family recalled that they were kind, appreciative, and most of all, determined to overcome homelessness for their children’s sake. Our staff and other social service providers offered them guidance, and soon the family moved into their own permanent home.

Jolie and Kenny’s story was a success, and with appropriate funding, Hope and the other homeless service organizations throughout the islands will continue to help families like theirs. But imagine if our homeless outreach program wasn’t able to connect with them. What would have happened? Would they still be in their car? On the street? It’s not a picture any of us want to see, but it is one of the many short- and long-term consequences our people will face if homeless programs funding are not funded. We must do everything in our power to ensure that we can continue to offer these services, and I strongly urge you to **support SB 2887**.

Mahalo nui for your consideration.

Sincerely,

Brandee Menino,
Chief Executive Officer



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