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January 27, 2025

TO: The Honorable Senator San Buenaventura, Chair
Senate Committee on Health and Human Services

FROM: Ryan I. Yamane, Director

SUBJECT: **SB 58 – RELATING TO PUBLIC ASSISTANCE.**

Hearing: Wednesday, January 29, 2025, 1:00 p.m.
Conference Room 225 & Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this bill and offers comments.

PURPOSE: The purpose of the bill is to allow the Department of Human Services to administer and provide public assistance to eligible residents of the State during a governor-declared state of emergency.

This measure proposes a new financial assistance program for "able-bodied" individuals between the ages of eighteen and sixty-five during a state of emergency declared by the governor. Currently, there is no state or federal financial assistance program for this population who can work, does not have minor dependents, and does not have a work history to access unemployment insurance benefits.

Typically, if a program is federally funded, the federal funding agency provides program guidelines and restrictions on how federal funds may be used, including in times of declared emergencies. If federal instructions run counter to what is proposed in this measure, the federal instructions will prevail. During the COVID-19 pandemic and the Maui Wildfires,

additional federal funds were distributed, many program waivers were obtained, and disaster programs were set up to respond to residents' emergency needs. However, DHS did not receive any emergency federal funds for cash assistance for the target population of this bill in either incident.

If we assume that federal funds for cash assistance are not forthcoming to assist the target population, a general fund appropriation will be necessary to fund the benefit as well as the administrative costs for DHS to develop and operationalize the program. Needed resources will likely include staffing and IT system modification and enhancements to integrate the emergency program and, potentially, funds to contract with community-based organizations to process applications and distribute funds. It would be best if DHS could plan and implement the program during "blue skies" rather than standing the program up post-disaster.

During the COVID-19 pandemic, the counties received funds to assist with rent and mortgages and contracted community-based organizations to process applications and distribute funds. In response to the Maui Wildfires, DHS contracted with Maui Economic Opportunity, a Maui-based organization, to receive applications and distribute non-recurring federal funds to families with children who were not eligible to receive FEMA funds. Contracting services may be a viable option as DHS would continue to process applications and maintain cases for existing programs.

DHS respectfully requests that any appropriation not be used to reduce or replace priorities identified in the executive budget. DHS will update the resources needed to implement this measure as the session progresses.

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