## 329

STAND. COM. REP. NO.

Honolulu, Hawaii

## FEB 12 2025

RE: S.B. No. 1418 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-Third State Legislature Regular Session of 2025 State of Hawaii

Sir:

Your Committee on Health and Human Services, to which was referred S.B. No. 1418 entitled:

"A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HUMAN SERVICES,"

begs leave to report as follows:

The purpose and intent of this measure is to provide an emergency appropriation for the Department of Human Services to reinvest in the ongoing development of a new eligibility system for the Supplemental Nutrition Assistance Program (SNAP).

Your Committee received testimony in support of this measure from the Department of Human Services, Department of Budget and Finance, Hawaii Primary Care Association, Hawai'i Appleseed Center for Law and Economic Justice, and Hawai'i Public Health Institute.

Your Committee finds that in June 2024, the United States Department of Agriculture Food and Nutrition Service assessed the Department of Human Services a penalty of \$10,934,327 for having a SNAP payment error rate above the national average for two consecutive federal fiscal years, which resulted from changes to SNAP requirements during and following the COVID-19 pandemic, as well as the high vacancy and turnover rates in the Department's SNAP eligibility staff. Your Committee further finds that in lieu of paying the total penalty, the United States Department of Agriculture Food and Nutrition Service provided the option to the



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State to reinvest fifty per cent of the penalty amount in program improvements that would reduce the payment error rate. Under the terms of the reinvestment option, if the reinvestment results in the payment error rate falling under and remaining below the national average, the State will be relieved of the obligation to pay the remainder of the penalty. The Department of Human Resources is in the process of developing a new SNAP eligibility system which is anticipated to be completed in late 2025. This measure provides the urgent funding needed to pursue the reinvestment option, avoid project delays, and ensure that the Department of Human Services' new eligibility system for SNAP includes the technical capabilities required to reduce the payment error rate.

Your Committee has amended this measure by:

- (1) Inserting language to declare that the expenditure ceiling for fiscal year 2024-2025 has been exceeded; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1418, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1418, S.D. 1, and be referred to your Committee on Ways and Means.

> Respectfully submitted on behalf of the members of the Committee on Health and Human Services,

BU ENTURA, Chair



## The Senate Thirty-Third Legislature State of Hawaiʻi

## Record of Votes Committee on Health and Human Services HHS

SB 1418    HH S, WAM    2-/5 /25         The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:            The Recommendation is:        Pass, unamended 2312        Pass, with amendments 2313        Hold 2313        Recommit 2313          Members        Aye        Aye (WR)        Nay        Excused          SAN BUENAVENTURA, Joy A. (C)          Aye        Nay        Excused          AQUINO, Henry JC. (VC)                  KeOHOKALOLE, Jarrett                  FEVELLA, Kurt	Bill / Resolution No.:*	Committee Referral:			Date:		
If so, then the previous decision was to:      The Recommendation is:      Pass, unamended      2311      Members      Aye      Aye      Age (WR)      Nay      Excused      SAN BUENAVENTURA, Joy A. (C)      AQUINO, Henry J.C. (VC)      HASHIMOTO, Troy N.      KEOHOKALOLE, Jarrett      FEVELLA, Kurt      Image: Comparison of the transformed state of the	JB1418	HHS, WAM			2/5	/25	
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\*Only <u>one</u> measure per Record of Votes