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Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting House Bill 1432 Relating to the Interim Assistance Reimbursement Special Fund
Senate Committee on Ways and Means
Scheduled for Hearing Monday, April 6, 2015, 9:05 AM, Room 211

Hawai'i Appleseed Center for Law and Economic Justice is a nonprofit law firm created to advocate on behalf of low income individuals and families in Hawai'i on issues of statewide importance. Our core mission is to help our clients access to the resources, services, and fair treatment they need to realize their opportunities for self-achievement and economic security.

Thank you for an opportunity to testify in **support** of House Bill 1432 Relating to the Interim Assistance Reimbursement Special Fund, which would address fluctuations in the amount of General Assistance payments made to individuals with disabilities. General Assistance is an essential source of income support for our most vulnerable residents, and the creation of this special fund will help the Department of Human Services to provide stable benefits for these recipients.

After approval of a Social Security benefits application, the Social Security Administration provides DHS with reimbursements for GA benefits provided while Social Security applications were pending. Currently, the Department of Human Services must deposit these interim assistance reimbursements received for a prior fiscal year into the general fund. This bill would establish a special fund and allow DHS to retain these reimbursements, thereby stabilizing GA payments disbursed to recipients.

General Assistance is a critical safety net for individuals with disabilities who cannot work, and generally have little to no income. Despite the importance of General Assistance, it functions as a block grant program, and DHS must adjust payments as caseloads fluctuate to stay within the GA appropriation. This puts the recipients at risk of dramatic cuts—for FY 2014-2015, DHS estimates that without additional funds, GA benefits may need to be more than halved, from \$348 a month down to \$150. For the vulnerable individuals on GA, any cuts would put them at further risk of deeply harmful consequences such as hunger and homelessness. This bill would help mitigate these changes.

As a community, we must make a commitment to caring for our most vulnerable residents and help them meet their basic needs. The establishment of this special fund has a clear nexus to the GA program and will help prevent dramatic fluctuations in benefits. We strongly encourage you to support HB 1432 to protect these members of our community.



PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

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TO: Senator Jill N. Tokuda, Chair
Senator Ronald D. Kouchi, Vice Chair
Members, Senate Committee on Ways & Means

FROM: Scott Morishige, MSW
Executive Director, PHOCUSED

HEARING: **Monday, April 6, 2015 at 9:05 a.m. in Conf. Rm. 211**

**Testimony in Support of HB1432 HD2, Relating to the
Interim Assistance Reimbursement Special Fund.**

Thank you for the opportunity to provide testimony in **support** of HB1432 HD2, which would address fluctuations in the amount of General Assistance payments made to disabled individuals by establishing the Interim Assistance Reimbursement Special Fund to allow the Department of Human Services (DHS) to retain interim assistance reimbursements received for a prior fiscal year, as opposed to the current requirement that these funds be deposited into the general fund. PHOCUSED is a nonprofit membership and advocacy organization that works together with community stakeholders to impact program and policy change for the most vulnerable in our community, including the disabled and recipients of public assistance.

Many of our member organizations serve individuals who receive general assistance (GA) benefits from the State's Department of Human Services (DHS). GA is a benefit awarded to individuals with a disability that prevents them from being able to work, and who often have no or very little income. However, GA is a block grant program and, as a result, DHS must adjust GA payments to remain within the GA appropriation when caseloads increase or decrease. For FY2014-2015, DHS is projecting that GA benefits may need to be decreased from \$348 per month to as low as \$150 per month if additional funds are not received.

This bill will provide a mechanism to for DHS to stabilize GA payment amounts and avoid having to routinely reduce benefits when caseloads increase. Specifically, it will enable DHS to retain funds reimbursements from the Social Security Administration for benefits that public assistance recipients received while their applications for Supplemental Security Income (SSI) are pending. Currently, DHS is not able to retain



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reimbursements received for a prior fiscal year, and these funds are instead deposited into the State general fund. By retaining the reimbursements, DHS will be able to use the funds in the special fund to supplement state funded programs, such as GA, to avoid reductions in benefits when caseloads rise. There is a clear nexus between fund reimbursements received by DHS and the purpose of the special fund that will be established (i.e. to cover potential shortfalls in General Assistance benefits).

It is critical that the State provide DHS with the tools needed to prevent disruption in benefits to GA recipients, who are disabled and are among our state's most vulnerable residents. A disruption in benefits for those on GA could mean the difference between being housed and homeless, and could cause detrimental impacts on an individuals' health.

Once again, PHOCUSED urges your support of this bill. If you have any questions, please do not hesitate to contact PHOCUSED at 521-7462 or by e-mail at admin@phocused-hawaii.org.