

STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES

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

March 17, 2015

**MEMORANDUM**

TO: The Honorable Dee Morikawa, Chair  
House Committee on Human Services

FROM: Rachael Wong, DrPH, Director

SUBJECT: **S.B. 1107 – MAKING AN EMERGENCY APPROPRIATION FOR  
GENERAL ASSISTANCE**

Hearing: Tuesday, March 17, 2015, 8:55 a.m.  
Conference Room 211, State Capitol

**PURPOSE:** The purpose of this bill is to make an emergency appropriation from the general revenues of the State of Hawaii for fiscal year 2014 – 2015 to address the budget shortfall for the general support of the general assistance program (HMS 204) in the Department of Human Services (DHS). The Administration requests the bill become effective upon approval.

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) strongly supports this Administration bill.

A critical funding emergency exists: the DHS projects that at the current monthly rate of \$348 per month, for an average monthly case load of 5,752 disabled individuals, the General Assistance program will expend the appropriated amount prior to the end of the current fiscal year. Without the emergency appropriation, DHS will have to either reduce the current monthly amount or maintain the current monthly amount until March 2015 and stop payments until the next fiscal year.

The General Assistance program (GA) provides cash benefits for food, clothing, shelter, and other essentials to adults ages 18 through 64, without minor dependents, who are temporarily disabled and who do not qualify for federal benefits available through the Social Security Administration. The DHS's fiscal year (FY) 2014-2015 budget appropriation for the GA program has maintained the GA benefit payment at \$348 a month to our disabled GA clients. In July 2014, the GA caseload began with 5,616 clients and has increased at an average rate of 1.192% a month, to an average of 5,752 GA clients per month. Using these current projections, the DHS will expend all of the appropriated funds by April 2015 while providing GA benefits at the current monthly amount of \$348. Consequently, this will result in a projected shortfall of \$2,514,822 through FY 2014-2015 to maintain the current GA maximum monthly benefit at \$348. This additional funding is critically needed to assist the estimated 5,752 disabled GA clients at the current monthly benefits of \$348 through the end of FY 2014-2015. Without this funding, the DHS would need to reduce the GA maximum monthly benefits from \$348 to \$150 in the last quarter of FY 2014-2015.

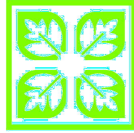
This current maximum monthly benefit payment amount for disabled individuals is 37.1% of the 2006 federal poverty level. This monthly maximum payment of \$348 is barely enough to cover living expenses for individuals whose eligibility is based on their inability to work due to medically evaluated physical or psychiatric problems, or a combination of both.

The DHS cannot cover the shortfall with savings, if any, from other programs because by statute, the GA program is a block grant. Section 346-53 (b), Hawaii Revised Statutes (HRS), requires the DHS to remain within the appropriation when providing benefits. This means that for the GA program, the DHS can only expend the funds appropriated by the Legislature to HMS 204, General Assistance Payment. Additional funds are urgently and immediately needed to maintain the maximum GA benefit payment at \$348

per month for the estimated 5,752 disabled individuals through the end of the current FY 2014-2015.

This committee previously passed the companion measure HB 938 with 1 substantive and other technical amendments. This Committee removed the requested \$2,514,822 appropriation amount and requested the House Committee on Finance to consider appropriating the same after its consideration.

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



## TESTIMONY IN SUPPORT OF SB 1107: Making an Emergency Appropriation for General Assistance

TO: Representative Dee Morikawa, Chair, Representative Bertrand Kobayashi, Vice Chair, Members of the Committee on Human Services

FROM: Trisha Kajimura, Social Policy Director, Catholic Charities Hawai'i

**Hearing: Tuesday, March 17, 2015 9:30 a.m. Conference Room 329**

Thank you for the opportunity to testify **in support of SB 1007**, which requests an emergency appropriation for General Assistance within the Department of Human Services so that the amount of financial assistance disabled adults without children receive is not reduced.

Catholic Charities Hawai'i has a strong commitment to decreasing poverty. Poverty is clearly linked to poor social and health outcomes. People living below the poverty line are especially hard hit in Hawaii, with the highest cost of living in the U.S. A family of four in Hawaii pays 61% more for food than families on the mainland. Our cost for housing is also the highest in the nation. 75% of people at or below the poverty line spend more than 50% of their income on housing. This population is frequently teetering at the brink of homelessness, a very complicated and costly problem in our state.

People receiving General Assistance are relying on the community safety net for their basic needs of shelter, food, and medical care. The current monthly payment of \$348 is already inadequate to meet those needs and in most cases their situations are quite dire. Catholic Charities Hawai'i hears from people in those types of dire financial situations through our HELP line and provides information and referral services for those who do not qualify for other types of assistance. Reductions in those monthly payments can result in personal disaster creating the need for more intensive and more costly medical and social services.

We need to keep our most basic safety net together as we work on the bigger issues of homelessness, affordable housing, access to medical care and poverty reduction. We thank you for your concern and dedication to helping the most vulnerable in our community. **We urge your support for SB 1107**. Please contact me at (808)527-4810 or [trisha.kajimura@catholiccharitieshawaii.org](mailto:trisha.kajimura@catholiccharitieshawaii.org) if you have any questions.



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

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**TO:** Representative Dee Morikawa, Chair  
Representative Bertrand Kobayashi, Vice Chair  
Members, House Committee on Human Services

**FROM:** Scott Morishige, MSW  
Executive Director, PHOCUSED

**HEARING:** **Tuesday, March 17, 2015 at 9:30 a.m. in Conf. Rm. 329**

**Testimony in Support of SB1107, Making an Emergency Appropriation for General Assistance.**

Thank you for the opportunity to provide testimony in **support** of **SB1107**, which would make an emergency appropriation for FY 2014-2015 to address a budget shortfall of the general assistance program. 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 individuals with disabilities 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. This bill would make an emergency appropriation to DHS so that GA benefits may be maintained at their current level for the duration of this fiscal year.

Currently, the GA benefit is \$348 per month. If no emergency appropriations are received, DHS would likely reduce this benefit even further, to as low as \$150 per month. A reduction in benefits would be hugely disruptive to GA recipients, who represent some of Hawaii's most vulnerable individuals – those who are disabled and unable to work, many of whom are homeless and struggling with mental illness or other chronic medical conditions.

PHOCUSED thanks you for the opportunity to testify in support of this bill, and requests that an emergency appropriation be provided to prevent disruption of benefits for our most vulnerable citizens. If you have any questions, please do not hesitate to contact PHOCUSED at 521-7462 or by e-mail at [admin@phocused-hawaii.org](mailto:admin@phocused-hawaii.org).

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Testimony of Hawai'i Appleseed Center for Law and Economic Justice  
Supporting Senate Bill 1007 Making an Emergency Appropriation to General Assistance  
House Committee on Human Services  
Scheduled for Hearing Tuesday, March 17, 2015, 9:30 AM, Room 329

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*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.*

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Thank you for an opportunity to testify in **strong support** of Senate Bill 1007's emergency appropriation for the General Assistance program. Hawai'i Appleseed supports this measure as a means to prevent devastating cuts to GA benefits for some of the most vulnerable members of our community.

Cutting benefits in the face of Hawai'i's high cost of living would be devastating. Our state is the most expensive in the nation, at nearly 60% above the national average. Hawai'i also has the fifth highest rate of poverty in the country under the U.S. Census Bureau's Supplemental Poverty Measure, which takes into account both the cost of living and available government assistance. The cost of basic necessities burdens working families; the challenges facing people with disabilities unable to work are even more dramatic.

For the vulnerable individuals on GA, any cuts would put them at further risk of deeply harmful consequences such as hunger and homelessness. Many of these individuals are ineligible for other financial assistance programs, such as the Supplemental Nutrition Assistance Program—a critical source of income support for low-income individuals and people with disabilities. GA is therefore a critical source of income, and without this appropriation, this source of income will be so diminished that many will no longer be able to make ends meet.

As a community, we must make a commitment to caring for our most vulnerable residents and help them meet their basic needs. We strongly encourage you to support SB 1007 to prevent cuts to General Assistance that will put struggling individuals with disabilities at risk of no longer being able to make even the most meager of ends meet.