



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

February 20, 2015

**MEMORANDUM**

TO: The Honorable Jill Tokuda, Chair  
Senate Committee on Ways and Means

FROM: Rachael Wong, DrPH, Director

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

Hearing: Tuesday, February 24, 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 March 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.

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