



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

February 24, 2012

MEMORANDUM

TO: The Honorable Marcus R. Oshiro, Chair
House Committee on Finance

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 2547, H.D. 1 – MAKING AN EMERGENCY APPROPRIATION
TO THE DEPARTMENT OF HUMAN SERVICES**
Hearing: Friday, February 24, 2012; 2:30 p.m.
Conference Room 308, State Capitol

PURPOSE: The purpose of H.B. 2547, H.D. 1, is to make an emergency appropriation from the general revenues of the State of Hawaii for fiscal year 2011-2012 to address the budget shortfall in for the general assistance program (HMS 204) in the Department of Human Services.

DEPARTMENT'S POSITION: The Department of Human Services strongly supports this bill.

The general assistance program (HMS 204) will expend all appropriated funds before the end of the current fiscal year 2011-2012. Pursuant to section 346-53(b), Hawaii Revised Statutes, the general assistance program is a block grant program; the maximum allowance a general assistance recipient may receive is determined by dividing the amount of the appropriation by the number of general assistance recipients.

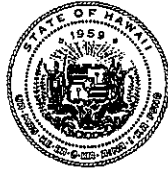
Due to increasing general assistance program caseloads, the Department reduced monthly general assistance payments in October 2011 from \$344 to \$319 a month. Caseloads continue to rise and the Department will be unable to maintain the

current maximum \$319 per month general assistance payment to approximately 5,584 disabled recipients. The current appropriation of \$319 per month is not enough to cover living and housing expenses for individuals who have no other viable means of support.

DHS would offer one update of information to this bill. Based on the latest expenditure figures, the DHS will have to reduce the general assistance payment to \$275 beginning April 2012.

Stopping the benefit payment or reducing the amount of the benefit payment for these individuals poses a real threat to the individuals' health and safety. It is also almost certain to trigger increased homelessness. To prevent another reduction of general assistance payments starting April 2012, additional funds are urgently needed.

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



STATE OF HAWAII
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February 23, 2012

To: The Honorable Marcus Oshiro, Chair
House Committee on Finance

Date: Friday, February 24, 2012
Time: 2:30 p.m.
Place: Conference Room 308

From: Mila Kaahanui, Executive Director
Office of Community Services (OCS)
Department of Labor and Industrial Relations

Testimony for HB2547, Making an Emergency Appropriation to the Department of Human Services

I. OVERVIEW OF PROPOSED LEGISLATION

The current proposal, HB2547, would provide an infusion of emergency funds to balance the shortfall in the Department of Human Services' General Assistance program.

OCS strongly supports this bill and would like to make the following comments.

II. CURRENT LAW

At present, I serve as a member of the Financial Assistance Advisory Council (FAAC), a group of State agencies and non-profits assisting DHS in the implementation of the GA. My testimony today is in this capacity as well as that of a State agency providing human services programming.

The General Assistance program is a client-focused cash assistance service designed to cover the basic needs of individuals in difficult circumstances. Although cash payment programs are often stigmatized as "free money" to persons viewed as cheating the system, the program is able to maintain accountability through strict eligibility requirements. Persons under this program must be, generally, ineligible for many other forms of support. In addition, there is also a disability requirement, whether permanent or temporary.

Persons who fall under GA are individuals in a service gap group. Low-income individuals hovering just over the poverty line are often one paycheck away from financial catastrophe. In many of these cases, such a catastrophe has happened and their prior income levels disqualify them for support. The GA funds are meant to supplement them in this very specific situation.

There may also be the misconception that if State funds for GA are eliminated, other State agencies with similar programs will be able to make up the difference. At this point, after a number of years of cuts, many divisions, like the Office of Community Services, provide only their core functions. In past years, OCS could have provided an array of State-funded services such as child care, transportation, food distribution, and employment training. Currently, our sole remaining State-funded program is our Employment Core Services job placement program. Because of the 60-day disability requirement for GA, this program would be inaccessible to these clients.

From the perspective of Federal programs, our funds do provide similar services such as food, clothing, transportation, and utility assistance. However, because of the gap group clientele GA serves, if these clients are ineligible under the Federal Poverty Guide Lines, they would most likely be ineligible for our Federally-funded services as well.

Finally, we would like to make general comments about our perspective on Human Service programs as a State agency. No matter the projections for recovery, the forecast for revenues, or the improvement in lead economic indicators for the State, our citizens are experiencing difficult circumstances. As stated earlier, most State agencies are now focusing on core services. The fact we are all reduced, the increased communication through advisory committees like the FAAC, and the shortage of funds have led to very little duplication and a concerted effort to prioritize funds where they are needed most. We at OCS believe the GA is a service that truly operates between the program lines drawn by our bureaucracy and our missions.

For these reasons, the Office of Community Services strongly supports this bill. Thank you for the opportunity to testify.



HAWAII DISABILITY RIGHTS CENTER

1132 Bishop Street, Suite 2102, Honolulu, Hawaii 96813

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THE HOUSE OF REPRESENTATIVES THE TWENTY-SIXTH LEGISLATURE REGULAR SESSION OF 2012

Committee on Finance Testimony in of Support of H.B.2547, HD1 Making An Emergency Appropriation To The Department of Human Services

**Friday, February 24, 2012, 2:30 P.M.
Conference Room 308**

Chair Oshiro, and Members of the Committee:

The Hawaii Disability Rights Center testifies in support of this bill. We do so, both as an organization that sees every day the struggles of the poor and disabled, as well as a member of the Department of Human Services Financial Assistance Advisory Council. As a member we have been briefed by the Department and we are aware of the shortfall that exists and the dire choices that will need to be made in the event that an emergency appropriation is not forthcoming. General assistance recipients already subsist on an allotment that is so low that it is virtually impossible to fathom how they can exist. The meager sum of \$319 per month will need to be reduced to a level of \$275 per month without the support that the Department of Human Services needs.

Reducing their benefits further merely increases the chances that they will become homeless or otherwise find themselves in a situation which will jeopardize their health and safety. It is our understanding as a member of the Financial Assistance Advisory Council that the Department plans to develop a budget that will prevent the necessity of applying for an emergency appropriation in the future. However, to the extent that these funds are crucial right now, it is imperative that the legislature step in and address this short term, temporary need.

Thank you for the opportunity to testify in support of this measure.





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February 22, 2012

To: Rep. Marcus Oshiro, Chair, and Rep. Marilyn Lee, Vice Chair, and members,
House Finance Committee

Re: HB2547 HD1 Strong Support

I am Marya Grambs, Executive Director of Mental Health America of Hawai'i, and I am submitting testimony in strong support on HB2547 HD1, Relating to Human Services.

This bill would eventually reduce the monthly General Assistance rate from the current level of \$319 to \$275 per month in April, and likely lower after that.

This is inhumane.

G.A. provides cash benefits for food, clothing, shelter, etc., for individuals who have been certified by the DHS Medical Review Board as temporarily disabled and unable to work; they do not qualify for Social Security and get no other federal assistance. 60% are psychiatrically disabled. DHS, through an MOU with the Hawai'i State Hospital and the Department of Public Safety, is able to set up in advance the provision of G.A. assistance so that when a qualified individual is discharged from Hawai'i State Hospital or prison, they receive continuity of services upon release.

The stereotype of people on G.A. is that they are lazy and stay dependent on this funding as long as they can, but the truth is that, on average, G.A. recipients stay on G.W. for only 8 months.

I would ask that any of us consider what \$319, never mind \$275, would cover in a month. For some of us that's two visits to the grocery store alone.

Thank you for the opportunity to submit this testimony.

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TESTIMONY IN SUPPORT OF H.B. 2547, Proposed H.D. 1 – MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HUMAN SERVICES

TO: Representative Marcus Oshiro, Chair, Representative Marilyn Lee, Vice Chair, and Members, Committee on Finance

FROM: Rona Fukumoto, Director of Intake, Information and Referral, Catholic Charities Hawaii and Member of DHS Financial Assistance Advisory Council

Hearing: Thursday, 2/24/1; 2:30 pm; CR 308

Chair Oshiro, Vice Chair Lee, and Members of the Committee on Finance:

Thank you for the opportunity to testify on HB 2547, that requests an emergency appropriation from the general revenues of the State of Hawaii for fiscal year 2011-2012 to address the budget shortfall in for the General Assistance program (HMS 204) in the Department of Human Services. I am Rona Fukumoto and I am a member of the Financial Assistance Advisory Committee (FAAC) of the Department of Human Services. I am also the Director of Intake, Information and Referral at Catholic Charities Hawaii. As a member of FAAC, I support the emergency appropriation.

Further reducing the amount of the benefit payment, for individuals who are receiving general assistance, at the very low rate of \$319 per month, poses a real threat to the individuals' health and safety. It is almost certain to increase homelessness. The current level of assistance gives recipients very limited options for housing. A reduction to \$275 per month will also eliminate options of subsidized housing or special housing such as clean and sober homes. It is imperative that you prevent another reduction of General Assistance payments that could start in April 2012 if additional funds are not provided.

I support this request for an emergency appropriation which would enable the Department of Human to continue the General Assistance payments at the current level.





PHOCUSED

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

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Executive Director

Alex Santiago

TO: Representative Marcus Oshiro, Chair
Committee on Finance

FROM: Alex Santiago, Executive Director of PHOCUSED

HEARING DATE: February 24, 2012, 2:30PM, Room 308

RE: Support for HB 2547 HD1, Proposing an emergency appropriation to the
Department of Human Services.

Chair Oshiro and members of the Finance Committee,

I am Alex Santiago, the Executive Director of PHOCUSED, a coalition of health, housing, human service agencies and individual advocates voicing the needs of the marginalized and underserved in Hawaii. PHOCUSED strongly supports HB 2546, HD1 making an emergency appropriation from the general revenues of the state of Hawai'i to address the budget shortfall for the General Assistance Program (HMS 204) in the amount of \$736,478 to the Department of Human Services. Currently there are 5, 584 person receiving this cash assistance.

The General Assistance Program is a wholly state funded program designed to help disabled persons who are unable to work and are ineligible for any other federal or state assistance. Over the years, this program has seen the number of eligible people *decrease* as the DHS has been able to move some of these people onto social security and other disability supports programs. However, often persons with disabilities who have been recently injured or newly diagnosed with a life threatening illness cannot become eligible for other programs until their disability is defined as long term and thus they are eligible for NO cash assistance other than G.A.

Since the legislature puts this appropriation into a block grant, as the numbers of newly eligible needy person grows, the amount of money each person can receive shrinks. In October 2011, the small amount of assistance which was \$344 was reduced to \$319 a month. If a new appropriation is not provided, DHS will have to reduce this amount further to \$275 a month beginning April 2012. This monthly amount is used primarily for shelter, so reducing this monthly allotment will certainly result in increased homelessness... and these people are persons with disabilities and have no other means of support.

We urge you to support this emergency appropriation.

Thank you for this opportunity to testify.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 23, 2012 1:10 PM
To: FINTestimony
Cc: ajc@aloha.net
Subject: Testimony for HB2547 on 2/24/2012 2:30:00 PM

Testimony for FIN 2/24/2012 2:30:00 PM HB2547

Conference room: 308
Testifier position: Support
Testifier will be present: No
Submitted by: Alikea Campbell
Organization: Individual
E-mail: ajc@aloha.net
Submitted on: 2/23/2012

Comments:

General assistance (GA) is vital resource for many of Hawaii's most needy and a reduction in benefits could cause an increase in homelessness. I strongly support the effort to find funding to maintain the level of GA payments.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 22, 2012 12:13 AM
To: FINTestimony
Cc: olindaaiwohi@yahoo.com
Subject: Testimony for HB2547 on 2/24/2012 2:30:00 PM

Testimony for FIN 2/24/2012 2:30:00 PM HB2547

Conference room: 308
Testifier position: Support
Testifier will be present: No
Submitted by: Olinda Aiwahi
Organization: Individual
E-mail: olindaaiwohi@yahoo.com
Submitted on: 2/22/2012

Comments:

To help prevent more people from being homeless in Hawaii, this bill needs to be passed.