

S.B. NO. 1107

JAN 28 2015

A BILL FOR AN ACT

MAKING AN EMERGENCY APPROPRIATION FOR GENERAL ASSISTANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. This Act is recommended by the governor for
2 immediate passage in accordance with section 9 of article VII of
3 the Constitution of the State of Hawaii.

4 SECTION 2. Act 122, Session Laws of Hawaii 2014,
5 appropriated a certain designated sum to the department of human
6 services to provide funds for the general assistance program
7 under the benefit, employment and support services division for
8 the fiscal period beginning July 1, 2014, and ending June 30,
9 2015.

10 A critical funding emergency exists. Pursuant to section
11 346-53(b), Hawaii Revised Statutes, the general assistance
12 program is a block grant program; the maximum allowance a
13 general assistance recipient may receive is determined by
14 dividing the amount of the appropriation by the number of
15 general assistance recipients. The general assistance program
16 will expend all appropriated funds before the end of the current
17 fiscal year and the department will be unable to maintain the
18 current maximum \$348 per month general assistance payment

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1 benefit to approximately 5,752 (the average General Assistance
 2 caseload for July - November 2014) disabled recipients. The
 3 current assistance grant for disabled individuals is based on
 4 37.1 per cent of the 2006 federal poverty level. This amount is
 5 barely enough to cover living expenses for individuals on a
 6 fixed income who have no other viable means of support.
 7 Stopping the grant payment or reducing the amount of the grant
 8 payment for these individuals poses a real threat to the
 9 individuals' health and safety. To prevent the reduction of
 10 general assistance payments in the fourth quarter of fiscal year
 11 2014-2015, additional funds are urgently needed.

12 SECTION 3. There is appropriated out of the general
 13 revenues of the State of Hawaii the sum of \$2,514,822 or so much
 14 thereof as may be necessary for fiscal year 2014-2015 to be used
 15 for general assistance payments.

16 SECTION 4. The sum appropriated shall be expended by the
 17 department of human services for the purposes of this Act.

18 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY: *Amr. Inerado K.*

21

BY REQUEST

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1 **Report Title:**

2 General Support for General Assistance Payments (HMS 204);
3 Emergency Appropriation
4

5 **Description:**

6 Makes an emergency appropriation from the general revenues of
7 the State of Hawaii for fiscal year 2014-2015 to address the
8 budget shortfall for the general support for the general
9 assistance program (HMS 204) in the Department of Human
10 Services. Effective upon approval.
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17 *This summary description of legislation appearing on this page is for informational purposes*
18 *only and is not legislation or evidence of legislative intent.*

JUSTIFICATION SHEET

DEPARTMENT: Human Services.

TITLE: A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR GENERAL ASSISTANCE.

PURPOSE: To ensure that the General Assistance (GA) payment is maintained at \$348 per month per eligible recipient through the end of fiscal year 2014-2015.

MEANS: An emergency appropriation of general funds.

JUSTIFICATION: The Department's fiscal year 2014-2015 budget request for the GA program was based on providing and maintaining the maximum \$348 monthly GA benefit payment for the 2014-2015 fiscal year to our disabled GA clients. The Department has been providing the \$348 monthly benefit so far in this fiscal year despite a rise in the GA caseload. The Department will not be able to continue the \$348 monthly benefit without additional funds for fiscal year 2014-2015. Continuing the \$348 monthly benefit for the rest of the fiscal year within the current appropriated amount will result in an anticipated shortfall of \$2,514,822 for the balance of the fiscal year to maintain current payment levels. Without the emergency appropriation and only relying on the existing appropriation, this will mean a reduction in benefits to \$138 a month in the last quarter of this fiscal year to 5,752 disabled GA payment recipients.

The current benefit payment for disabled individuals is based on 37.1 percent of the 2006 federal poverty level. This amount is barely enough to cover living expense for individuals on a fixed income who have no other viable means of support. Stopping the benefit payment or reducing the amount of the benefit

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The current benefit payment for disabled individuals is based on 37.1 percent of the 2006 federal poverty level. This amount is barely enough to cover living expense for individuals on a fixed income who have no other viable means of support. Stopping the benefit payment or reducing the amount of the benefit

payment for these individuals poses a real threat to their health and safety.

The Department cannot cover this shortfall with savings, if any, from other programs because by statute, the GA program is a block grant. This means that the Department can only expend the funds appropriated by the Legislature to HMS 204, General Assistance Payment. Additional funds are urgently needed.

The general fund appropriation included in this measure has been proposed with consideration of the statutorily defined appropriation ceiling for the Executive Branch pursuant to section 37-92, Hawaii Revised Statutes. Including appropriations made up to and including the regular session of 2014, there is still a margin of \$20,838,402 between the Executive Branch appropriation ceiling and currently authorized appropriations for fiscal year 2014-2015. However, total funding in emergency appropriation measures submitted to the Legislature will result in the appropriation ceiling for the Executive Branch to be exceeded in fiscal year 2014-2015. Because of the uncertainty in the order in which these measures will be enacted, it is being assumed that the funding requested in this measure to ensure that the General Assistance payment is maintained at \$348 per month per eligible recipient through the end of fiscal year 2014-2015 will result in the appropriation ceiling for the Executive Branch to be exceeded in fiscal year 2014-2015 by \$2,514,822 or .00039 percent. This current declaration takes into account additional general fund appropriations authorized for fiscal year 2014-2015 in this measure only, and does not include other general fund appropriations for fiscal year 2014-2015 that may be authorized for the Executive Branch in other legislation submitted to

the Legislature during the regular session of 2015.

Impact on the public: The Department will be able to maintain the maximum GA benefit payment of \$348 per month to 5,752 disabled individuals through the end of the current fiscal year and prevent potential homelessness and harm to these individuals' health, safety and well-being.

Impact on the department and other agencies: Reduction in benefits may cause an increase in services requested from other public and private agencies.

The general fund appropriation included in this measure has been proposed with consideration of the statutorily defined appropriation ceiling for the Executive Branch pursuant to section 37-92, Hawaii Revised Statutes. Including appropriations made up to and including the regular session of 2014, there is still a margin of \$20,838,402 between the Executive Branch appropriation ceiling and currently authorized appropriations for fiscal year 2014-2015. However, total funding in emergency appropriation measures submitted to the Legislature will result in the appropriation ceiling for the Executive Branch to be exceeded in fiscal year 2014-2015. Because of the uncertainty in the order in which these measures will be enacted, it is being assumed that the funding requested in this measure to ensure that the GA payment is maintained at \$348 per month per eligible recipient through the end of fiscal year 2014-2015 will result in the appropriation ceiling for the Executive Branch to be exceeded in fiscal year 2014-2015 by \$2,514,822 or 0.039 percent. This current declaration takes into account additional general fund appropriations authorized for fiscal year 2014-2015 in this measure only, and does

not include other general fund appropriations for fiscal year 2014-2015 that may be authorized for the Executive Branch in other legislation submitted to the Legislature during the regular session of 2015.

GENERAL FUND:	\$2,514,822
OTHER FUNDS:	-\$0-
PPBS PROGRAM DESIGNATION:	HMS 204
OTHER AFFECTED AGENCIES:	None.
EFFECTIVE DATE:	Upon approval.