

STAND. COM. REP. NO.

1224

Honolulu, Hawaii

**MAR 21 2025**

RE: H.B. No. 1099  
H.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committee on Health and Human Services, to which was referred H.B. No. 1099, H.D. 1, entitled:

"A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HUMAN SERVICES,"

begs leave to report as follows:

The purpose and intent of this measure is to provide an emergency appropriation for fifty percent of the penalty assessed by the United States Department of Agriculture Food and Nutrition Service to be reinvested in the continued development of a new eligibility system that will assist in reducing the State's Supplemental Nutrition Assistance Program payment error rate, which, if successful, may result in the State not being required to pay the remaining fifty percent of the penalty.

Your Committee received testimony in support of this measure from the Department of Human Services, Catholic Charities Hawai'i, Hawai'i Food+ Policy, Hawai'i Children's Action Network Speaks!, Hawai'i Farmer's Union United, and Hawaii Coalition for Child Protective Reform.

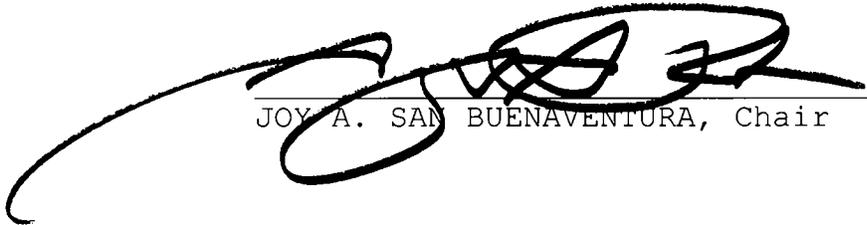
Your Committee finds that the Supplemental Nutrition Assistance Program (SNAP) provides critical support to the State's most vulnerable populations by offering benefits that offset the cost of food. However, in 2024, the Department of Human Services incurred a penalty by the United States Department of Agriculture



Food and Nutrition Service resulting from the State's payment error rate for SNAP. As a requirement for funding, the State's error rate must remain below the national average of 11.68 percent. However, expanded caseloads, increased applications, a hiring freeze for state employees, and changes to program waivers caused the State to increase to 20.94 percent and remain above the national error rate for two consecutive federal fiscal years. To rectify the State's error rate, the Food Nutrition Service offered the Department of Human Services the option of paying the penalty in full or reinvesting fifty percent of the penalty amount in improvements that would lead to a reduction of the SNAP payment error rate. As the State is opting to reinvest fifty percent of the penalty amount towards the development of modern information systems, additional funding is needed to ensure compliance and adherence to conditions imposed by the Food Nutrition Service. Therefore, this measure corrects a significant error in the operations of SNAP while ensuring continued benefits for Hawaii's people.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1099, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Health and Human  
Services,



JOY A. SAN BUENAVENTURA, Chair



