

STAND. COM. REP. NO.

329

Honolulu, Hawaii

FEB 12 2025

RE: S.B. No. 1418  
S.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 S.B. No. 1418 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 the Department of Human Services to reinvest in the ongoing development of a new eligibility system for the Supplemental Nutrition Assistance Program (SNAP).

Your Committee received testimony in support of this measure from the Department of Human Services, Department of Budget and Finance, Hawaii Primary Care Association, Hawai'i Appleseed Center for Law and Economic Justice, and Hawai'i Public Health Institute.

Your Committee finds that in June 2024, the United States Department of Agriculture Food and Nutrition Service assessed the Department of Human Services a penalty of \$10,934,327 for having a SNAP payment error rate above the national average for two consecutive federal fiscal years, which resulted from changes to SNAP requirements during and following the COVID-19 pandemic, as well as the high vacancy and turnover rates in the Department's SNAP eligibility staff. Your Committee further finds that in lieu of paying the total penalty, the United States Department of Agriculture Food and Nutrition Service provided the option to the



State to reinvest fifty per cent of the penalty amount in program improvements that would reduce the payment error rate. Under the terms of the reinvestment option, if the reinvestment results in the payment error rate falling under and remaining below the national average, the State will be relieved of the obligation to pay the remainder of the penalty. The Department of Human Resources is in the process of developing a new SNAP eligibility system which is anticipated to be completed in late 2025. This measure provides the urgent funding needed to pursue the reinvestment option, avoid project delays, and ensure that the Department of Human Services' new eligibility system for SNAP includes the technical capabilities required to reduce the payment error rate.

Your Committee has amended this measure by:

- (1) Inserting language to declare that the expenditure ceiling for fiscal year 2024-2025 has been exceeded; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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 S.B. No. 1418, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1418, S.D. 1, 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



