

HB 1097



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

March 19, 2009

**MEMORANDUM**

TO: The Honorable Suzanne Chun Oakland, Chair  
Senate Committee on Human Services

FROM: Lillian B. Koller, Director

SUBJECT: **H. B. 1097, H.D. 1 - RELATING TO ASSISTANCE FOR AGED,  
BLIND, AND PERMANENTLY AND TOTALLY DISABLED  
PERSONS**

Hearing: Thursday, March 19, 2009; 2:15 p.m.  
Conference Room 016, State Capitol

**PURPOSE:** The purpose of H.B. 1097, H.D. 1 is to change the State-funded Assistance for Aged, Blind, and Permanently and Totally Disabled public assistance program from an entitlement program to a block grant program. The assistance amount will be based upon the total amount appropriated by the Legislature.

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports this Administration-sponsored bill.

This bill proposes to determine the assistance amount for the State-funded Assistance for Aged, Blind, and Permanently and Totally Disabled public assistance program based on the caseload and the total amount appropriated by the Legislature which is currently provided by statute not to exceed 62.5% of the 2006 standard of need.

This bill will allow the Legislature greater flexibility to control the funding for this program depending on the State's financial status. It will also increase transparency and improve the State's ability to track and reliably project costs for this program. Assistance will be provided within the limits of the Legislature's authorized appropriation.

The maximum assistance amount for this program will remain at the current 62.5% of the 2006 standard of need. The Department's ability to provide the maximum assistance will depend on the program caseload and the funding authorized by the Legislature for this program.

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



Senate HMS Cmte  
Thurs, Mar 19, 2009  
2:15 pm  
room 016

National Association of Social Workers

Hawaii Chapter

March 16, 2009

TO: Senator Suzanne Chun Oakland  
Members of the Senate Human Services Committee

FROM: Debbie Shimizu, LSW  
National Association of Social Workers, Hawaii Chapter

RE: **HB 1097 HD1** Relating to Assistance for Aged, Blind, and Permanently and Totally Disabled Persons- **OPPOSED**

Chair Chun Oakland and members of the Senate Human Services Committee, I am Debbie Shimizu, Executive Director of the National Association of Social Workers (NASW), Hawaii Chapter. I am also a member of the Financial Assistance Advisory Council (FAAC) of DHS and the Welfare and Employment Rights Coalition (WERC). **NASW opposes HB 1097 HD1.**

The purpose of HB 1097 HD1 is to change the way the ABD program is funded. Currently the program is an entitlement program and the amount of assistance is based on a formula (50% of the standard of need). This bill proposed to change the ABD into a block grant. In discussions with the Financial Assistance Advisory Council and the director of Human Services, we agreed to retain the ABD program as an entitlement program based on a formula of the standard of need and change the GA program into an entitlement program. By allowing ABD and GA to be entitlement programs, the department is able to transfer money from other programs into ABD or GA if funds provided in the budget is short. For this reason, we are opposed to HB 1097 HD1 and **prefer SB 1668 SD2.**

Thank you for this opportunity to testify.

George J. Zweibel, Esq.  
President, Board of Directors

M. Nalani Fujimori, Esq.  
Interim Executive Director

**TESTIFYING IN OPPOSITION TO**  
**HB1097 HD1 - RELATING TO ASSISTANCE FOR AGED, BLIND, AND PERMANENTLY**  
**AND TOTALLY DISABLED PERSONS**

March 19, 2009 at 2:15 p.m.

The Legal Aid Society of Hawaii hereby provides testimony in opposition to the Senate Committee on Human Services on HB1097 HD1 – Relating to Assistance for Aged, Blind, and Permanently and Totally Disabled Persons (“AABD”). While we understand the intent and need for this bill, we much prefer another solution that would preserve AABD as an entitlement program.

The Legal Aid Society of Hawaii provides free legal services to the low-income population of the State of Hawaii. We provided civil legal assistance to those in need through nine offices located in Lihue, Waianae, Honolulu, Kaneohe, Kaunakakai, Lanai City, Wailuku, Kona and Hilo. Over the years we have provided leadership around public benefits issues and on an annual basis update our public benefits manual and provide a two-day training on public benefits.

As written, this bill would convert AABD from an entitlement program to a block grant program.

**AABD-GA PROBLEM**

In Hawaii there are two financial assistance programs for disabled individuals. Simply stated AABD is for those that are permanently disabled, but that don't qualify for Supplemental Social Security Income (“SSI”) because of immigration status or other reasons and General Assistance (“GA”) is for those who are either temporarily disabled or who may qualify for SSI.

Because the legislature has recognized an on-going need to support those who are permanently and totally disabled persons, AABD was established as an entitlement program. As such, the benefit level for AABD is set at the same rates as the TANF/TAONF programs. However, GA was created as a block grant program which means that benefit amounts are paid out based on the total allocation provided by the legislature.

Recognizing the need to disburse comparable benefits, over the years DHS has maintained the GA payment at the same rate as the AABD program even when the block grant allocated for GA would not support such levels. To do so, DHS would transfer funds from the AABD to the GA program. However, recently they've been advised that they cannot continue this practice as AABD is an entitlement and GA is blocked grant.

As such, in order to allow for continued transfers and to ensure on-going parity between these two populations, either AABD must be converted to a block grant program or GA must be converted to an entitlement program. This bill converts AABD to a block grant program.

**AABD SHOULD NOT BE A BLOCK GRANT**

While we understand the problem faced by DHS and the state, we do not think that the solution is in changing a program like AABD into a block grant. By changing AABD, we expose this most vulnerable population to fluctuation in benefits based on the availability of state funds and the numbers of individuals who qualify for the program. Our aged, blind, and permanently and totally disabled citizens do not deserve such fluctuation especially when they are living on a fixed income and are unable to work.

March 18, 2009

Page 2

As such we oppose this bill and much prefer an option to convert the GA program into an entitlement program. We submit this solution as a part of our testimony on HB1098 HD2 – Relating to General Assistance.

Thank you for the opportunity to testify.

Sincerely,

M. Nalani Fujimori  
Interim Executive Director

HB1097, HD1, Relating to AABD  
HMS; Chair, Sen Chun-Oakland

**PLEASE KILL OR MODIFY THIS BILL!**

I am a member of Director Koller's Financial Assistance Advisory Committee (FAAC), established by Statute to advise the DHS Director on cash assistance issues. In a meeting on 2/9 with Director Koller, we agree we need to think out of the box; she said she would support the changes suggested below.

I understand that DHS is struggling with the issue of transfer of funds from the AABD program to GA. But this bill effectively would make AABD a block grant program, thereby creating another block grant that, along with GA, is very difficult to modify or add funds to once enacted.

Instead, I suggest we use this bill as 1) **a vehicle to change GA into a needs-based, entitlement** program like the AABD is now. Then, we could finally take GA out of the block grant situation, and funds-transfer, if we need it, would be much easier.

OR

2) really thinking out of the box by **combining GA with AABD by changing only two words in the Statutes: "and temporary."** Thus the law on AABD would read: "for temporary and permanently disabled." This would take care of many if not all of the problems of robbing Peter to pay Paul.

Thank you for considering this proposal.

Aloha, joel

Dr. Joel Fischer, ACSW  
Professor  
University of Hawai'i, School of Social Work  
Henke Hall  
Honolulu, HI 96822

Nicole Holler  
March 17, 2009  
Organization: Individual  
Testify: Oppose  
HB 1097 HD 1

Aloha Senator Suzanne Chun Oakland, Chair Senator Les Ihara, Vice chair, and members of the committee. My name is Nicole Holler. I am a student at the University of Hawaii. I am in the masters program in social work and I am a member of NASW. I am testifying in opposition of bill HB 1097 HD1.

I strongly feel that this bill will allow the state to limit funding for the eligible aged, blind, and permanently and totally disabled persons. I feel that funding is being cut from the populations that need it the most and will suffer the most. The state shouldn't be allowed to limit funding to clients depending on their case load. Clients shouldn't have to suffer because of the amount of case load the state has.

Thank you for the opportunity to testify on bill HB 1097 HD 1. I strongly urge you to oppose this bill.

Date: March 18, 2009

To: SENATE COMMITTEE ON HUMAN SERVICES  
Sen. Suzanne Chun Oaklan, Chair  
Sen. Les Ihara, Vice-Chair

From: Teresa Bill ph: 956-9313

Re: HB1097, HD1 relating to Assistance to Aged, Blind and Disabled  
Thurs. March 19, 2009 2:15 p.m.  
Conference Room 016 1 copy to Committee Clerk, room 226

---

My name is Teresa Bill. **I oppose HB 1097, hd1 converting the program for assistance for the AABD (Aged, Blind & Permanently and Totally Disabled) to a block grant.** SB 1668 which combines AABD and GA into a single entitlement program is preferable.

As a member of the Dept. of Human Services' Director's Financial Assistance Advisory Council I understand that the Dept. is attempting to resolve a budget disjuncture by making both AABD and General Assistance "block grants" which means the amount of assistance paid to eligible individuals can be reduced if the number of individuals eligible should increase. Instead, it would be better to make both programs straight entitlement programs; you either qualify and are entitled to 50% of the 2006 Federal Poverty Level, or you're not.

The AABD (Aged, Blind & Permanently and Totally Disabled) program serves individuals who are not eligible for any federal program, like Social Security Disability Insurance, many times due to citizenship status. This group of individuals need and currently receive a stable amount of \$469 per month (as defined as 50% of the Federal Poverty Level of 2006). Changing the AABD program to a block grant makes the program and its recipients vulnerable to fluctuations in funding, as we have seen this year with the General Assistance program.

To maintain a safety net, the level of assistance needs to be stable, predictable and somewhat reasonable. Although I would like to see these individuals receive more than \$469 per month; what I really do not support is any change in funding mechanisms that could potentially reduce that small monthly payment. These individuals need the full \$469 per month and they need to know that the monthly assistance payment will remain stable, steady and reliable; not fluctuate wildly with minimum notice (1 month) because there appears to be more eligible individuals.

The Department of Human Services has been able to fund both AABD and General Assistance recipients with the full \$469 per month within its funding. Both programs should be based on eligibility, not block grant funding.

**I oppose converting the AABD program to a block grant funding. I oppose HB1097, hd1**

Thank you for this opportunity to testify.