



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

February 3, 2015

MEMORANDUM

TO: The Honorable Dee Morikawa, Chair
House Committee on Human Services

FROM: Rachael Wong, DrPH, Director

SUBJECT: **H.B. 938 – MAKING AN EMERGENCY APPROPRIATION FOR
GENERAL ASSISTANCE**

Hearing: Thursday, February 05, 2015, 8:30 a.m.
Conference Room 329, State Capitol

PURPOSE: The purpose of this bill is to make an emergency appropriation from the general revenues of the State of Hawaii for fiscal year 2014 – 2015 to address the budget shortfall for the general support of the general assistance program (HMS 204) in the Department of Human Services (DHS). The Administration requests the bill become effective upon approval.

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

The General Assistance program (GA) provides cash benefits for food, clothing, shelter, and other essentials to adults ages 18 through 64, without minor dependents, who are temporarily disabled and who do not qualify for federal benefits available through the Social Security Administration. The DHS's fiscal year (FY) 2014-2015 budget appropriation for the GA program has maintained the GA benefit payment at \$348 a month to our disabled GA clients. In July 2014, the GA caseload began with 5,616 clients and has increased at an

average rate of 1.192% a month, to an average of 5,752 GA clients per month. Using these current projections, the DHS will expend all of the appropriated funds by March 2015 while providing GA benefits at the current monthly amount of \$348. Consequently, this will result in a projected shortfall of \$2,514,822 through FY 2014-2015 to maintain the current GA maximum monthly benefit at \$348. This additional funding is critically needed to assist the estimated 5,752 disabled GA clients at the current monthly benefits of \$348 through the end of FY 2014-2015. Without this funding, the DHS would need to reduce the GA maximum monthly benefits from \$348 to \$150 in the last quarter of FY 2014-2015.

This current maximum monthly benefit payment amount for disabled individuals is 37.1% of the 2006 federal poverty level. This monthly maximum payment of \$348 is barely enough to cover living expenses for individuals whose eligibility is based on their inability to work due to medically evaluated physical or psychiatric problems, or a combination of both.

The DHS cannot cover the shortfall with savings, if any, from other programs because by statute, the GA program is a block grant. Section 346-53 (b), Hawaii Revised Statutes (HRS), requires the DHS to remain within the appropriation when providing benefits. This means that for the GA program, the DHS can only expend the funds appropriated by the Legislature to HMS 204, General Assistance Payment. Additional funds are urgently and immediately needed to maintain the maximum GA benefit payment at \$348 per month for the estimated 5,752 disabled individuals through the end of the current FY 2014-2015.

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



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

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TO: Representative Dee Morikawa, Chair - Human Services
Representative Bertrand Kobayashi, Vice Chair
Members, Committee on Human Services

FROM: Scott Morishige, Executive Director, PHOCUSED

HEARING: House Committee on Human Services
Thursday, February 05, 2015 at 8:30 a.m. in Conf. Room 329

Testimony in Support of HB938, Making an Emergency Appropriation for General Assistance.

Thank you for the opportunity to provide testimony in **support** of **HB938**, which would make an emergency appropriation for FY 2014-2015 to address a budget shortfall of the general assistance program. PHOCUSED is a nonprofit membership and advocacy organization that works together with community stakeholders to impact program and policy change for the most vulnerable in our community, including individuals with disabilities and recipients of public assistance.

Many of our member organizations serve individuals who receive general assistance (GA) benefits from the State's Department of Human Services (DHS). GA is a benefit awarded to individuals with a disability that prevents them from being able to work, and who often have no or very little income. This bill would make an emergency appropriation to DHS so that GA benefits may be maintained at their current level for the duration of this fiscal year.

Currently, the GA benefit is \$348 per month. If no emergency appropriations are received, DHS would likely reduce this benefit even further – In the past, GA has been reduced to the mid-\$200 range. A reduction in benefits would be hugely disruptive to GA recipients, who represent some of Hawaii's most vulnerable individuals – those who are disabled and unable to work, many of whom are homeless and struggling with mental illness or other chronic medical conditions.

PHOCUSED thanks you for the opportunity to testify in support of this bill, and requests that an emergency appropriation be provided to prevent disruption of benefits for our most vulnerable citizens. If you have any questions, please do not hesitate to contact PHOCUSED at 521-7462 or by e-mail at admin@phocused-hawaii.org.