



EXECUTIVE CHAMBERS
HONOLULU

March 18, 2021

TO: The Honorable Representative Ryan I. Yamane, Chair
House Committee on Health, Human Services, and Homelessness

FROM: Scott Morishige, MSW, Governor's Coordinator on Homelessness

SUBJECT: **SB 1127 SD1 – MAKING AN EMERGENCY APPROPRIATION FOR THE
DEPARTMENT OF HUMAN SERVICES.**

Hearing: Thursday, March 18, 2021, 10:00 a.m.
VIA VIDEO CONFERENCE
Conference Room 329, State Capitol

POSITION: The Governor's Coordinator on Homelessness strongly supports this administrative bill, and requests that this measure be passed unamended.

PURPOSE: The purpose of this bill is to make an emergency appropriation from the general revenues of the State for fiscal year 2020-2021 to address the budget shortfall for the general support for the General Assistance (GA) program (HMS 204) in the Department of Human Services (DHS).

This measure will enable DHS to continue GA payments for single disabled adults at the current level of benefit, which is \$388 per month, for the remainder of the current fiscal year. Individuals receiving GA benefits include individuals experiencing homelessness and individuals at imminent risk of homelessness. Reducing the current level of GA benefit will further limit the ability of these individuals to pay for rent or shelter, as well as for necessities including food and medical expenses.

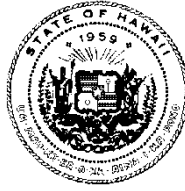
Potential reductions to the GA program should be considered in the context of current economic conditions related to the COVID-19 pandemic. Following the last economic recession in 2009, historical statewide Point in Time (PIT) count data shows the number of people experiencing homelessness increased by 37% - or over 2,100 persons – between 2009 and

2016. Given the higher rates of unemployment and prolonged nature of the current economic decline, we can anticipate higher rates of homelessness over a period of several years following the pandemic.

It is critical that the social services safety net – including GA, other public benefits, and core homeless services – be maintained and benefit levels remain stable to mitigate any future increases in homelessness. During the past recession, GA benefits fluctuated to under \$300 per month, which made it difficult for individuals receiving benefits to plan and to anticipate if the benefit amount would be sufficient to cover monthly expenses. If GA benefits are reduced or if benefit amounts fluctuate to adjust to changing caseloads, it may result in additional housing instability for individuals statewide.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR



CATHY BETTS
DIRECTOR

JOSEPH CAMPOS II
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

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

March 16, 2021

TO: The Honorable Representative Ryan I. Yamane, Chair
House Committee on Health, Human Services and Homelessness

FROM: Cathy Betts, Director

SUBJECT: **SB 1127 SD1 – MAKING AN EMERGENCY APPROPRIATION FOR THE
DEPARTMENT OF HUMAN SERVICES.**

Hearing: Thursday, March 18, 2021, 10:00 a.m.
Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports this administrative bill, respectfully requests that passage be expedited, and the effective date be amended to effective before upon approval to ensure this appropriation is available in this current State Fiscal Year 2021.

The Senate Committee on Human Services passed the measure unamended. The Senate Committee on Ways and Means defected the effective date.

PURPOSE: The purpose of the bill makes an emergency appropriation from the general revenues of the State of Hawaii for fiscal year 2020-2021 to address the budget shortfall for the general support for the general assistance program (HMS 204) in the Department of Human Services. Effective 7/1/2050.

Due to the COVID-19 pandemic and related economic crisis, the current appropriation of \$23,889,056¹ for the General Assistance (GA) program is not sufficient to meet the high

¹ The amount in previous testimony is incorrect, this is the correct appropriation per Act 9 (SLH 2020).

number of GA recipients. DHS requests an emergency appropriation of \$5.4 million for state fiscal year (SFY) 2021.

The GA program is 100 percent state-funded; currently there are no federal funds available to support this program. Sections 346-53(b) and 346-71(e)(1), Hawaii Revised Statutes, restrict GA to the appropriated amount, consequently GA operates as a block grant. DHS cannot cover this program shortfall with other program savings, if any. Additional funds are urgently needed.

Like other public benefit programs, the GA program is counter cyclical and caseloads run higher in economic downturns. Over time, the GA program appropriation has varied from a high of \$27,047,944 in 1997 to its current level of \$23.8M. For the coming biennium, a \$5.4M increase to the GA program appropriation is included in the Executive biennium budget for each fiscal year.

Since the pandemic, the GA caseload increased 34 percent from 5,201 in February 2020 to 6,946 in August 2020, and the monthly payment expenditures went from \$1,903,417 to \$2,533,305. As of February 2021, the GA caseload remains 26% higher than it was in February 2020, please see the chart below for monthly caseload amounts.

To stay within the appropriated amount, DHS reduced GA monthly benefits from \$388 (which is 41 percent of the 2006 Federal Poverty Level) to \$260 for approximately 6,700 disabled individuals; this benefit change started on **March 1, 2021**.

General Assistance Program: Cash assistance for adults with temporary disabilities, without dependent minor children Caseload: February 2020 through February 2021													
Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	% Increase
5,201	5,472	5,977	6,647	7,015	7,094	6,946	6,802	6,814	6,732	6,765	6,626	6,540	26%

The emergency appropriation for the current SFY 2021 will allow DHS to restore monthly benefits to \$388 to disabled adults who are unemployable and suffering from a psychological or physical disability, or a mixture of both. The monthly assistance allowance

helps with basic needs such as personal essentials, household expenses, and shelter. The payment provides some compensation to family and friends who take GA recipients into their homes and may prevent homelessness.

As cases dramatically rose from March through June 2020, to make it out of last SFY 2020, DHS avoided the need for an emergency appropriation and expended \$202,222.97 from the Interim Assistance Reimbursement (IAR) special fund. However, for the current SFY 2021, DHS began drawing on the IAR special fund in December 2020 and has already encumbered the available \$3,000,000 in the IAR special fund. There is currently a \$3,000,000 ceiling on the IAR special fund and DHS cannot expend more from the IAR special fund in SFY 2021.

As background on the IAR special fund, following the impacts of the Great Recession, by Act 196, Session Laws of Hawaii 2015, the Legislature established the IAR Special Fund to avoid revenue shortfalls in the GA program. The IAR special fund is funded with federal reimbursements paid to the State by the Social Security Administration (SSA) and received in the fiscal year following the issuance of Social Security benefit awards. The SSA reimburses the State for GA payments made to individuals pending the SSA's eligibility determination of Supplemental Security Income (SSI) or Social Security Disability Income benefits (SSDI).

The IAR special fund is an important source of funds in economic crises to avoid a program fund shortfall when caseloads run high; in SFY 2020, the IAR served its purpose as we were able to meet the GA program needs by drawing from the IAR. However, as we know, the magnitude and duration of the impacts of the COVID-19 pandemic were unanticipated and unimaginable prior to 2020, and the IAR special fund \$3,000,000 ceiling is not enough to meet the challenges of COVID-19. Importantly, the IAR special fund is included in the calculation for our biennium budget request for an additional \$5.4M for each fiscal year of the biennium. Without the \$3M from the IAR, our request would be for an additional \$8.4M for each fiscal year of the biennium.

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

SB-1127-SD-1

Submitted on: 3/17/2021 9:29:55 AM

Testimony for HHH on 3/18/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Scott Nakasone	DHS-BESSD	Support	No

Comments:

Standing on the written testimony submitted by DHS in support, and available for questions.



Testimony to the House Committee on Health, Human Services, & Homelessness
Thursday, March 18, 2021; 10:00 a.m.
State Capitol, Conference Room 329
Via Videoconference

RE: SENATE BILL NO. 1127, SENATE DRAFT 1, MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF HUMAN SERVICES.

Chair Yamane, Vice Chair Tam, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** Senate Bill No. 1127, Senate Draft 1, MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF HUMAN SERVICES.

As received by your Committee, Senate Bill No. 1127, would authorize an emergency appropriation of \$5,400,000 in general funds for fiscal year 2020-2021 to be used for general assistance payments.

The bill would take effect on July 1, 2050, to facilitate further discussion.

By way of background, the HPCA represents Hawaii Federally-Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

According to the bill:

"Due to the COVID-19 pandemic, the number of individuals receiving general assistance benefits increased more than thirty-one percent from February through October 2020. Based upon the October caseload of 6,814, the Department of Human Services projects that the general assistance program will expend all appropriated funds before the end of the current fiscal year and would not be able to maintain the current

monthly general assistance allowance of \$388 to the projected caseload of 6,834 general assistance recipients."

This finding seems to reinforce HPCA's observation that the COVID-19 pandemic has severely threatened the health and welfare of our citizens, especially Hawaii's underprivileged and rural communities. With so many people unemployed, entire families are struggling to put food on the table on a consistent basis. All one needs to do is visit one of our member FQHC's food distribution events and see the line of cars stretch for miles and the large number of people who wait for hours to receive some surplus food.

The HPCA understands that the State is experiencing its worst financial crisis since the Great Depression and appreciates how difficult your job will be in deciding where very limited resources will go over the next two years. But, a wise person once wrote that the true test of a society is how it treats its most vulnerable populations especially during hard times. We ask that you consider that as you deliberate on this measure.

We urge your favorable consideration of this bill.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiiipca.net.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF SB 1127 SD1: MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF HUMAN SERVICES

TO: House Committee on Health, Human Services and Homelessness

FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i

Hearing: Thursday, 3/18/21; 10:00 am; via videoconference

Chair Yamane, Vice Chair Tam, and Members, Committee on Health, Human Services and Homelessness:

Thank you for the opportunity to provide testimony **in strong support** of SB 1127 SD1, which makes an emergency appropriation from general revenues for FY 2020-2021 for the budget shortfall for the general assistance program (HMS204) in the Department of Human Services (DHS). I am Rob Van Tassell, with Catholic Charities Hawai'i.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 70 years. CCH has programs serving elders, children, families, homeless, and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i.

The pandemic has eliminated the incomes of many disabled people leading them to apply for General Assistance (GA). DHS has seen a 31% increase in people receiving this benefit from February to October 2020. Workers who are temporarily disabled and unable to work as they seek treatment, depend on GA for help. Criteria to receive aid are rigorous. People receive re-evaluations usually every 3 months to ensure they are still disabled and seeking treatment. Many of these recipients are applying for permanent disability via social security, but this is a very lengthy and uncertain process. In the meantime, they rely on the small benefit of General Assistance as their safety net. Now that is being threatened. **Imagine trying to live on \$388/month and then being told, it will decrease to only \$260/month!** Reducing their benefit puts these people at great risk. Truly, they are among the most vulnerable in our state.

The unexpected surge of need has led to a crisis. DHS will run out of funds in the fourth quarter of this fiscal year. Without this emergency appropriation, cuts to the already extremely low benefit will have to happen. The human impact would be great for this already at risk and very vulnerable population. Can we tell disabled people who are barely surviving that no help is available? As a society, we must take care of those who are most vulnerable, that is, disabled people with no other sources of income.

We strongly urge your support for this bill to cover the emergency shortfall in funding. We cannot allow disabled people to fall into homelessness.

Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org if you have any questions.



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SB-1127-SD-1

Submitted on: 3/17/2021 10:00:02 AM

Testimony for HHH on 3/18/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kaikea K. Blakemore	Neighborhood Place of Puna	Support	No

Comments:

Support

SB-1127-SD-1

Submitted on: 3/17/2021 7:08:01 PM

Testimony for HHH on 3/18/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kristen Alice	HOPE	Support	No

Comments:

Hope Services Hawai'i strongly supports this bill.