

ACT 196

H.B. NO. 1432

A Bill for an Act Relating to the Interim Assistance Reimbursement Special Fund.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. An eligibility determination for federal supplemental security income can take several months or years if an appeal is filed. At one time, the average length of time for an initial supplemental security income determination was three to five months. Presently, the average length of time has grown to four to eight months. Consequently, in a majority of cases, the federal interim assistance reimbursement is not received by the department of human services in the same fiscal year in which the state-funded benefits were paid.

The department of human services is not allowed to retain interim assistance reimbursements received for a prior fiscal year, and instead is required to deposit these reimbursements into the general fund. The department of human services returned \$1,056,219 to the general fund in 2013 and \$897,335 to the general fund in 2012. The department of human services would not have needed emergency appropriations in 2012 for the general assistance program if the department had been able to retain the \$897,335 that had lapsed to the general fund.

Shortfalls also affect benefit payments. The department of human services did not ask for emergency appropriations in 2013 and chose to keep the general assistance payment at \$298 per month, with a small increase to \$319 in October of 2013 after a slight caseload decrease. However, the department of human services would have been able to increase the general assistance payment amount earlier and in a higher amount had it been able to retain the interim assistance reimbursements from prior fiscal years.

The purpose of this Act is to establish the interim assistance reimbursement special fund, into which will be deposited reimbursements received from the United States Social Security Administration on behalf of recipients who have been retroactively approved for supplemental security income after receiv-

ing state-funded interim assistance payments. The special fund will be used for state-funded financial assistance payments and for programs that support and assist recipients to qualify for supplemental security income.

SECTION 2. Chapter 346, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§346- Interim assistance reimbursement special fund. (a) There is established in the state treasury the interim assistance reimbursement special fund, to be administered by the department, into which shall be deposited:

- (1) Moneys received from the federal government pursuant to section 346-57;
- (2) Appropriations made by the legislature to the fund;
- (3) Any interest that accrues upon the balance in the fund; and
- (4) Any other revenues designated for the fund.

(b) Moneys in the interim assistance reimbursement special fund shall be used for:

- (1) State-funded financial assistance payments; and
- (2) Programs that support and assist recipients to qualify for supplemental security income.

(c) All unencumbered and unexpended moneys in excess of \$3,000,000 in the interim assistance reimbursement special fund shall lapse to the credit of the general fund. Upon dissolution of the special fund, any unencumbered and unexpended moneys remaining on balance in the fund shall lapse to the credit of the general fund.

(d) Moneys in the interim assistance reimbursement special fund may be used for general assistance to households without minor dependents; provided that these moneys shall not be considered by the director in determining the general assistance allowance as set forth in section 346-53(b).

(e) The department shall submit a report to the legislature detailing the amount of, and reason for, any expenditure from the interim assistance reimbursement special fund within ten business days of the expenditure.”

SECTION 3. There is appropriated out of the interim assistance reimbursement special fund the sum of \$3,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 to carry out the purposes of this Act.

The sum appropriated shall be expended by the department of human services for the purposes of this Act.

SECTION 4. New statutory material is underscored.¹

SECTION 5. This Act shall take effect on July 1, 2015.

(Approved July 1, 2015.)

Note

1. Edited pursuant to HRS §23G-16.5.