

ACT 8

S.B. NO. 1127

A Bill for an Act Making an Emergency Appropriation for the Department of Human Services.

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

SECTION 1. This Act is recommended by the governor for immediate passage in accordance with article VII, section 9, of the Constitution of the State of Hawaii.

SECTION 2. Act 9, Session Laws of Hawaii 2020, appropriated a certain designated sum to the department of human services to provide funds for the general assistance program under the benefit, employment and support ser-

vices division for the fiscal period beginning July 1, 2020, and ending June 30, 2021.

A critical funding emergency exists. Pursuant to section 346-53(b), Hawaii Revised Statutes, the general assistance program operates as a block grant program. Currently, depending upon the amount appropriated by the legislature, the monthly maximum allowance a general assistance recipient may receive is determined by dividing the amount of the appropriation by the number of general assistance recipients; though per section 346-71(d), Hawaii Revised Statutes, the maximum allowance shall not exceed sixty-two and one-half per cent of the standard of need. The current monthly general assistance amount is \$388 or forty-one per cent of the standard of need. The standard of need is based upon the 2006 federal poverty level.

Due to the COVID-19 pandemic, the number of individuals receiving general assistance benefits increased more than thirty-one per cent from February through October 2020. Based upon the October caseload of 6,814, the department projects the general assistance program will expend all appropriated funds before the end of the current fiscal year and the department will be unable to maintain the current monthly general assistance allowance of \$388 to the projected caseload of 6,834 general assistance recipients.

The current monthly allowance of \$388 is barely enough to cover living expenses for disabled individuals on a fixed income who have no other viable means of support. Stopping the grant payment or reducing the amount of the grant payment for these recipients poses a real threat to their health and safety. Additional funds are urgently needed to prevent the reduction of general assistance payments in the fourth quarter of fiscal year 2020-2021. The department anticipates that the high monthly caseload will continue, and the department projects an \$8,400,000 shortfall for state fiscal year 2020-2021.

In Act 196, Session Laws of Hawaii 2015, the legislature established the interim assistance reimbursement special fund to receive federal reimbursements paid to the State by the United States Social Security Administration for general assistance payments. Reimbursements paid after the end of the fiscal year are retained by the department and deposited into the interim assistance reimbursement special fund to meet shortfalls in the general assistance program in the event of economic downturn.

Due to the COVID-19 pandemic and the economic downturn, the department withdrew \$202,222.97 from the interim assistance reimbursement special fund to meet program shortfalls in the last quarter of the state fiscal year 2019-2020.

For the current state fiscal year, the department anticipates withdrawing the entire \$3,000,000 from the interim assistance reimbursement special fund and that withdrawals may begin in December 2020.

The department requires an emergency appropriation for state fiscal year 2020-2021.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$3,200,000 or so much thereof as may be necessary for fiscal year 2020-2021 to be used for general assistance payments.

SECTION 4. The sum appropriated shall be expended by the department of human services for the purposes of this Act.

SECTION 5. This Act shall take effect upon its approval.

(Approved April 20, 2021.)