

**REPORT TO THE TWENTY-FOURTH HAWAII STATE
LEGISLATURE 2007**

**IN ACCORDANCE WITH THE PROVISIONS OF ACT 178,
PART VII, SECTION 162, SLH 2005**

**DEPARTMENT OF HUMAN SERVICES
DECEMBER 2006**

REPORT ON ACT 178, PART VII, SECTION 162, RELATING TO THE STATE BUDGET, SESSION LAWS HAWAII 2005, 1st QUARTER FY 07

Act 178, Part VII, Section 162, Session Laws Hawaii 2005, requires the Department of Human Services to submit quarterly reports on the Department's transfer of funds between program IDs and cost elements for the previous twelve months. This is the report for the 1st quarter of FY 07.

DEPARTMENT OF HUMAN SERVICES
 REPORT TO THE LEGISLATURE ON THE TRANSFER OF FUNDS
 FOR THE PERIOD 10/1/05 TO 9/30/06

Date Approved	MOF	HMS	Program Title	Amount		Reason for Transfer	Impact of not using funds where originally appropriated
				From	To		
10/19/2005	A	202	Payments to Assist the Aged, Blind and Disabled	650,000		The funds will be used by HMS 503 to fund the operation of a community-based "safe house" for low-severity offending female youth. The placement of these offenders at the safe house in Honokaa will eliminate the necessity of their incarceration at the Hawaii Youth Correctional Facility (HYCF).	None. HMS 202 is projected to have a surplus this fiscal year due to decreasing caseloads. Therefore there should be no negative impact from this transfer.
	A	503	Youth Residential Programs		650,000		
2/23/2006	N	305	Child Care Payments	9,031,751		There were surplus federal TANF funds in HMS 305 due to lower than projected caseloads. The transfer of funds to HMS 903 enabled the Department to use them for expanded support services and employment contracts. As welfare caseloads decline, the clients remaining tend to have more difficulty achieving self-sufficiency and need higher levels of service.	None. The funds could not be expended by HMS 305 at the current caseload and payment levels.
	N	903	General Support for Benefit, Employment and Support Services		9,031,751		
3/8/2006	A	203	Temporary Assistance to Other Needy Families	12,000,000		The HMS 203 budget was developed anticipating changes in federal TANF regulations; a shift of cases from HMS 201 to HMS 203 was expected. The changes didn't occur due to a delay in the issuance of the Federal regulations, leaving a large surplus in HMS 203. The transfer of the surplus general funds to HMS 201 will allow them to be spent on client payments in an effort to meet the federally required TANF MOE and avoid financial penalty.	None. The funds could not be expended by HMS 203 at the current caseload and payment levels.
	A	201	Temporary Assistance to Needy Families		12,000,000		
4/11/2006	A	502	Youth Services Programs	42,885		The funds will be used by HMS 503 to cover unbudgeted costs incurred by the HYCF to comply with the U.S. Department of Justice (DOJ) finding report. Specifically, the funds will be used to reimburse the DOJ for the salary and benefits of a federal employee assisting the HYCF.	There is no impact on HMS 502, since the funds being transferred were from savings on contracts and other expense items.
	A	503	Youth Residential Programs		42,885		
4/28/2006	A	202	Payments to Assist the Aged, Blind and Disabled	500,000		The transfer of these surplus funds from HMS 202 to HMS 224 will fund a shelter in Kakaako for homeless persons. The transfer will allow the State to address this urgent need immediately.	HMS 202 is projected to have a surplus this fiscal year due to decreasing caseloads. Therefore there should be no negative impact from this transfer.
	A	224	Homeless Services		500,000		

DEPARTMENT OF HUMAN SERVICES
 REPORT TO THE LEGISLATURE ON THE TRANSFER OF FUNDS
 FOR THE PERIOD 10/1/05 TO 9/30/06

Date Approved	MOF	HMS	Program Title	Amount		Reason for Transfer	Impact of not using funds where originally appropriated
				From	To		
5/12/2006	N	305	Child Care Payments	2,500,000		Up to 10% of the annual TANF grant may be transferred to the Social Services Block Grant (SSBG) each federal fiscal year. The funds will be used to implement the federally mandated	A large surplus of federal funds exists in HMS 305, due to lower than projected child care caseloads. There is no negative impact on HMS 305. The transfer will not result in expenditures
	N	301	Child Welfare Services		2,500,000	Child and Family Services Review (CFSR) Program Improvement Plan (PIP), as required by the federal government.	of TANF funds in excess of the limit imposed by Section 156 of Act 178/2005.
6/15/2006	A	230	Health Care Payments	895,586		The transfer is for reimbursement of provider payments made to Residential Alternatives Community Care (RACC) from Medicaid.	There is no negative impact to HMS 230. The reimbursements have been made in past years and are anticipated in the HMS 230 budget.
	A	603	Home and Community-Based Care Payments		895,586	The RACC program is a Medicaid waiver program designed to save money by placing clients in a less expensive alternative to nursing home care. HMS 230 reimburses HMS 603 for expenses incurred between 7/1/05 and 12/31/05.	
6/16/2006	N	305	Child Care Payments	5,000,000		The transfer will allow surplus federal TANF funds budgeted in HMS 305 to be spent for client service contracts in HMS 903. As the TANF caseload has declined, the remaining clients have more difficulty achieving self-sufficiency and need increased employment and support services.	There will be no negative impact on HMS 305, as the surplus funds could not be spent on child care payments.
	N	903	General Support for Benefit, Employment and Support Services		5,000,000		
6/21/2006	A	236	Eligibility Determination and Employment Related Services	250,000		The transfer is needed to cover a Personal Services shortfall in HMS 904. There is a projected shortfall of approximately \$500,000 in HMS 904 in FY 2006 due to reductions to the HMS 904 appropriations in past years, increased costs due to the filling of vacancies, vacation pay at termination, etc., and the need to fund several unbudgeted positions which the Legislature did fund for FY 2007.	The surplus in HMS 236 is due to high turnover and vacancy rates in the Income Maintenance units. There should be no negative impact on HMS 236.
	A	904	General Administration - DHS		250,000		The funds being transferred from HMS 236 to HMS 904 are payroll savings from the Personal Services category.
6/26/2006	A	202	Payments to Assist the Aged, Blind and Disabled	324,500		The transfer is needed to fund a contract with Community Ties of America (CTA) to license and monitor the performance of home and community-based case management agencies and community foster care homes. The monitoring and licensing is mandated by HRS Chapter 346, Part XIV.	HMS 202 is now projected to have a surplus this fiscal year due to decreasing caseloads. Therefore there should be no negative impact from this transfer.
	A	601	Adult and Community Care Services		324,500		

DEPARTMENT OF HUMAN SERVICES
 REPORT TO THE LEGISLATURE ON THE TRANSFER OF FUNDS
 FOR THE PERIOD 10/1/05 TO 9/30/06

Date Approved	MOF	HMS	Program Title	Amount		Reason for Transfer	Impact of not using funds where originally appropriated
				From	To		
6/26/2006	N	303	Child Out-of-Home Payments	1,750,000		The transfer is needed to fund federal fringe benefit costs.	There will be no negative impact on HMS 303. There is a surplus of federal funds due to over-projection of needs.
	N	301	Child Welfare Services		1,750,000		
6/27/2006	A	202	Payments to Assist the Aged, Blind and Disabled	250,000		The transfer is needed to cover a Personal Services shortfall in HMS 904. There is a projected shortfall of approximately \$500,000 in HMS 904 in FY 2006 due to reductions to the HMS 904 appropriations in past years, increased costs due to the filling of vacancies, vacation pay at termination, etc., and the need to fund several unbudgeted positions which the Legislature did fund for FY 2007.	HMS 202 is now projected to have a surplus this fiscal year due to decreasing caseloads. Therefore, there should be no negative impact from this transfer. <i>Funds were transferred from Other Current Expenses in HMS 202 to Personal Services in HMS 904.</i>
	A	904	General Administration - DHS		250,000		
6/30/2006	A	222	Rental Assistance Services	307,508		The State Low Cost Public Housing Fund in HMS 220 is in deficit because rents are insufficient to cover the operating costs of the projects. The transfer from HMS 222 would provide funds to cover the deficit.	The HMS 222 rental assistance program has restrictive eligibility requirements, and this has resulted in a surplus that cannot be expended in FY 2006. Therefore, there is no negative impact on HMS 222 from the transfer.
	A	220	Rental Housing Services		307,508		
6/30/2006	A	203	Temporary Assistance to Other Needy Families	4,100,000		The state is facing a homelessness crisis. An estimated 4,000 people are now living in tents along the Waianae coast. In response to this crisis, the Governor requested our Department to transfer any surplus general funds to HMS 224, Homeless Services. The funds will be used to find ways to provide shelter for the homeless, particularly those living in the Waianae area, in an expeditious manner.	There was no negative impact because the funds could not be expended by HMS 203 at the current caseload and payment levels. The surplus funds in HMS 204 were from an emergency appropriation. The HMS 204 emergency appropriation was needed to maintain the financial assistance to disabled clients at the \$418/month level for the rest of the fiscal year. There is a surplus of funds because the State received, earlier than anticipated, federal Social Security reimbursements for General Assistance individuals qualified as eligible for federal Social Security assistance.
	A	204	General Assistance Payments	575,000			
	A	503	Youth Residential Programs	200,000			

DEPARTMENT OF HUMAN SERVICES
 REPORT TO THE LEGISLATURE ON THE TRANSFER OF FUNDS
 FOR THE PERIOD 10/1/05 TO 9/30/06

Date	MOF	HMS	Program Title	Amount	Reason for Transfer	Impact of not using funds where originally appropriated
Approved				From	To	
	A	224	Homeless Services		4,875,000	

Note: Unless otherwise indicated, all transfers were within the "Other Current Expenses" cost element.