

**REPORT TO THE TWENTY-SIXTH HAWAII STATE
LEGISLATURE 2011**

**IN ACCORDANCE WITH THE PROVISIONS OF
SECTION 346-54, HAWAII REVISED STATUTES**

**DEPARTMENT OF HUMAN SERVICES
Benefit, Employment, And Support Services Division
December 2010**

REPORT TO THE HAWAII STATE LEGISLATURE 2011 PURSUANT TO SECTION 346-54, HAWAII REVISED, ON ASSISTANCE ALLOWANCE AND COST CONTROL RECOMMENDATIONS

Section 346-54, Hawaii Revised Statutes (HRS), requires the Director of Human Services to submit a report to the Legislature on or before January 1 of odd-numbered years, concerning the adequacy of the assistance allowance established by chapter 346.

In addition, should general fund expenditures for financial assistance and medical payment increase at a rate greater than the rate of increase in general fund tax revenues in any fiscal year, the Director is to report such increases to the Legislature and make cost control recommendations that will control increases in general fund public assistance expenditures. Cost control recommendations shall include, but not be limited to, the following: (1) changes in eligibility standards, (2) adjustments to the assistance allowance, (3) alternatives to financial assistance for meeting the needs essential to maintaining an adequate standard of living, and (4) adjustments to medical payment fees and levels of service.

Adequacy of the assistance allowance established in HRS 346

Effective July 1, 2007, the assistance allowance was raised to 50% of the 2006 Federal Poverty Level (FPL) as allowed by statute for all financial assistance programs, Temporary Assistance for Needy Families (TANF), Temporary Assistance for Other Needy Families (TAONF), General Assistance (GA) and Aid to the Aged, Blind and Disabled. For a household of one, the assistance allowance was \$469 per month.

However, due to budget constraints, effective July 1, 2009, the assistance allowance was decreased to 48% of the 2006 Federal Poverty Level for all financial assistance programs. For a household of one the assistance allowance was decreased to \$450 per month.

The assistance allowance for the General Assistance (GA) program was decreased to \$300 a month effective November 1, 2009. This decrease in payment was necessitated because the caseload increased from 4,728 in July 2008 to a high of 5,265 in March 2009. The decrease in the payment has caused the caseload to decrease in fiscal year 2010 to 4,778 in June 2010. Therefore, effective July 1, 2010 the payment was increased to \$353 a month. The statute allows for the adjustment of the assistance allowance to remain within the appropriation for the fiscal year.

The assistance allowance for the Aid to the Aged, Blind, and Disabled was decreased to \$319 a month effective July 2010 due to budget constraints. This caseload has also steadily increased from 1,407 in July 2008 to 1,514 in July 2009.

Increase of State general fund expenditures for financial assistance that increase at a rate greater than rate of increase in general fund tax revenue in any fiscal year

The general fund expenditure for financial assistance has been as follows:

Program	FY 2008		FY 2009		FY2010	
	Caseload	Expenditure	Caseload	Expenditure	Caseload	Expenditure
TAONF	2,394	\$15,429,736	2,629	\$18,659,825	*1,717	\$16,906,144
GA	4,408	\$23,454,620	5,014	\$24,000,939	4,997	\$21,005,370
AABD	1,341	\$ 4,742,565	1,461	\$ 4,877,182	1,375	\$ 4,693,407

*The TAONF decreased because approximately 1,000+ two-parent cases were shifted from TAONF to TANF effective 10/1/09.

State general fund tax revenues decreased significantly in the second half of FY 2008 due to the world-wide economic crisis. The Council on Revenues expects a steady, moderate recovery in economic activity resulting in increased revenues with significant recovery not occurring until FY 2012.

Cost control recommendations to control increases in general fund public assistance expenditures

1) Changes in eligibility standard:

TAONF: July 1, 2009, net income standard decreased to 48% of 2006 FPL or \$450 per month for one person. Gross income standard has been \$1,737 for one person as of July 1, 2007.

GA: November 1, 2009, net income decreased to 32 % of 2006 FPL or \$300 a month for one person. July 1, 2010, increased to 37.6% of FPL or \$353 a month for one person. Gross income standard has been \$1,737 for one person as of July 1, 2007.

AABD: July 2010, net income decreased to 34% of 2006 FPL or \$319 a month for one person. Gross income standard has been \$1,737 for one person as of July 1, 2007.

2) Adjustments to assistance allowance:

TAONF: July 1, 2009, decreased to 48% of 2006 FPL or \$450 per month for one person.

GA: November 1, 2009, decreased to 32 % of 2006 FPL or \$300 a month for one person. July 1, 2010, increased to 37.6% of FPL or \$353 a month for one person.

AABD: July 2010 decreased to 34% of 2006 FPL or \$319 a month for one person.

3) Alternatives to financial assistance to meet the needs for an adequate standard of living:

We continue to have all individuals who claim a disability examined by a contracted medical provider. All medical examinations are then reviewed by a Departmental board. This process is implemented statewide and has standardized the definition being used to determine if a person is disabled and eligible for this program. All those needing assistance are now being assessed through the use of a consistent standard.

We also continue to contract for Social Security advocacy services to maximize the number of people eligible for federal assistance. The Supplemental Security Income (SSI)/Social Security Disability Insurance (SSDI) advocacy program, through contracts with the Legal Aid Society of Hawaii (LASH) continues to assist disabled individuals receiving federal TANF assistance, and eligible State-funded individuals in the TAONF, General Assistance, and Aid to the Aged, Blind, and Disabled programs, to qualify to receive SSI federal benefits, which are higher than our State benefits, and are not time-limited.

In FY 2010, 76.5% of the referrals to LASH for all programs were approved for federal SSI/SSDI. Of this amount 83% of the approvals were for GA applicants or recipients. Of the TANF/TAONF referrals, 64% were approved for SSI/SSDI. 81% of the approvals were for TANF applicants/recipients and 18% of the approvals were for TAONF applicants/recipients.

These two procedures above have been instrumental in decreasing the average length of time on State assistance from 10 months to 8 months in 2008 and have remained the same in 2009 and 2010. These procedures have also enabled the transfer of persons with long-term disabilities to the federally-funded Social Security program.

We continue to monitor and improve our SSI referrals and re-referrals.