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Money to ease Hawaii school furloughs may shortchange needy

Consequence could be less money for the elderly and homeless

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Social service providers who hoped to secure money from the state's rainy day fund for the state's most vulnerable residents say the decision to use most of the money to end "furlough Fridays" could come at the cost of human services and health programs.

Many added, though, that they support getting public schools back in session on Fridays.

"We're all trying to look at the same fund as a way of saving us. All the have-nots are vying for the same pot," said Diane Fujio, a board member of the National Alliance on Mental Illness-Hawaii. "It's so sad when you have to pit the needy against the needy. It's kind of unfair."

Today is the fourth of 17 scheduled furlough days this school year for teachers in Hawaii's public schools, meaning no classes for an estimated 170,000 students statewide.

The decision to use rainy day funds to cut short the Department of Education's furlough Friday program comes as social service nonprofits statewide are facing increasing need and dwindling resources, as state funding and community giving decline. Nonprofit leaders were planning to go to the Legislature in the upcoming session to try to secure rainy day funds for social services.

The "safety net" services include programs for the mentally ill, the homeless, the elderly and low-income families and children.

Barbara Kim Stanton, the state director of AARP Hawaii, said that without more money health and human services programs will "fall between the cracks." AARP Hawaii helped organize a rally at the state Capitol last year to urge lawmakers not to use the rainy day fund to balance the budget, and Stanton is now calling on lawmakers to come up with a long-term solution to end the furloughs, rather than tapping the rainy day fund.

"AARP Hawaii is concerned that if the rainy day fund is all but depleted to provide a temporary funding solution for education, we will have given short shrift to programs intended for the elderly and other vulnerable groups in our community," she said.

the rainy day fund

Lawmakers set up the emergency and budget reserve fund — commonly known as the rainy day fund — in 1999. Money in the fund comes from the state's share of a settlement with tobacco companies for the health-related costs of smoking.

Tapping it to end the public schools' furlough program would require a two-thirds vote by the House and Senate — either in a special session or the next regular session — and could also require legislators to amend the law, because it specifically prohibits using money from the fund to pay state wages.

The furlough days, which amount to a 7.9 percent pay cut for school teachers, were put in place to save money and help the state close a budget deficit.

On Sunday, Gov. Linda Lingle said she now supports using the rainy day fund to end the controversial furloughs.

She urged lawmakers to use the money to eliminate 27 furlough days between January and June 2011. Her proposal would cost about \$50 million and essentially deplete the fund. The governor had earlier said she opposed using special funds to reduce furlough days.

A representative from her administration met yesterday with schools Superintendent Pat Hamamoto and the Board of Education to discuss the proposal.

Alex Santiago, executive director of PHOCUSED, a consortium of human services nonprofits, said the rainy day fund was established to provide a "safety net for health and human services programs." He said PHOCUSED is in support of doing away with the furlough program, and added the furloughs cause "a great deal of strain on the social service agencies as it" is, with kids out of school.

But he said that if the rainy day funds are used to end furlough Fridays, additional state money needs to be found for social services.

"We want to remind everyone that while health and human service needs aren't getting the kind of attention as furlough Friday, it nevertheless is an important subject for our elected officials to look at," Santiago said. "How are you going to shore up the safety net in place?"

Howard Garval, president and chief executive of Child and Family Service, said he is "pleased that there's a resolution on furlough Fridays." But he urged the state not to forget health and human services programs, adding that the situation for charities is "pretty bleak."

no end in sight

Ruthann Quitiquit, president and CEO of Parents and Children Together, agreed, saying nonprofits are facing tough times — with no apparent end in sight.

"I think nonprofits had hopes that if the rainy day was going to be used that it would be used for health and human services," said Quitiquit, whose organization has seen more than \$4.5 million in state funding cuts, laid off about 20 percent of its work force and instituted pay cuts.

If the fund is depleted, she said, "what will that mean down the road if the recession gets worse in Hawai'i?"

Lawmakers tapped into the fund last legislative session, taking \$8 million for adult mental health services and \$14 million for public hospitals at the Hawai'i Health Systems Corp. But legislators rejected requests to use the fund for other social service programs. Two years ago, lawmakers used \$24 million from the fund to help respond to the October 2006 earthquake on the Big Island.
