

**Department of Business, Economic Development, and Tourism
Supplemental Budget Request Fiscal Year 2008-2009**

Program ID and Title: BED 160 HA - Hawaii Housing, Finance and Development Corporation (Housing Administration)

1. Introduction:

BED 160 HA, HHFDC Administration, provides for the overall administration of the Hawaii Housing Finance and Development Corporation (HHFDC).

a. Summary of program objectives.

The HHFDC's objective is to support economic growth by increasing the supply of workforce and affordable housing and preserving the existing inventory of affordable housing.

b. Description of program objectives and activities as discussed in the Multi-Year program and Financial Plan.

The objective of this program is to enhance the effectiveness and efficiency of housing programs by formulating policies, directing operations and personnel, and providing other administrative and support services. This program's activities consist of functions carried out by seven offices that provide direct supportive services to the other program areas within the HHFDC.

1. The Office of the Executive Director (OED) serves as the focal point for the execution of statutory provisions relating to the finance and development of affordable housing in the State of Hawaii. This office is responsible for the overall administration and management of all functions and activities related to the day-to-day operations of the Corporation, including coordination/integration of staff support services.
2. The Compliance Office ensures that the HHFDC manages and operates programs in accordance with Federal and State requirements and corporate policies and directives.
3. The Housing Information Office maintains regular communication within the HHFDC, with other government and private entities, the media and the general public regarding the HHFDC's programs, services, actions, plans and policies.
4. The Information Technology Office is responsible for the maintenance of all information technology systems and processing for the HHFDC.
5. The Personnel Office provides personnel staff support and advisory services to the Executive Director, managers and employees of the HHFDC.
6. The Planning and Evaluation Office conducts overall planning, evaluation and research activities for programs administered by the HHFDC and coordinates legislative activities.

7. The Fiscal Management Office (FMO) provides administrative and advisory services in fiscal management, budget, and accounting for the HHFDC. In addition, the FMO monitors and provides oversight for the HHFDC's assets, including real property.

c. Explain how your program intends to meet its objectives in the upcoming supplemental year.

HHFDC Administration intends to meet its program objectives by continuing to provide administrative oversight and services, to support the HHFDC's affordable and workforce housing mission.

2. Program Performance Results:

a. Discuss the performance results achieved by each program in FY07.

The HHFDC was established on July 1, 2006 and, therefore, the following performance results are for FY 2007.

1. The organizational structure for HHFDC was approved on January 18, 2007.
2. An HHFDC action plan was formulated as a means to guide the agency forward.
3. Several key positions were filled including the Executive Director, Fiscal Manager, Housing Development Branch Chief, Housing Development Specialists, and Systems Analyst.
4. Financial and single audit services for HHFDC were procured.
5. Computer equipment was purchased to replace federally-funded equipment that was transferred to the Hawaii Public Housing Authority. Upgrades to the computer network, telecommunications system, and accounting system also commenced.
6. Work to review and promulgate new Hawaii Administrative Rules for HHFDC commenced; seven chapters were amended and renumbered.

b. Explain how these results relate to the program's objectives and department's mission.

The performance results met the program objectives of enhancing the effectiveness and efficiency of housing programs by formulating policies, directing operations and personnel, and providing other administrative and support services such as accounting and purchasing.

c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

The HHFDC has adopted agency-wide, outcome-based program performance measures. The HHFDC's performance measures and actual results for FY 2007 were as follows:

	Benchmark	Actual
1. The number of homebuyers assisted	80	199
2. The number of new rental units	352	442
3. The number of existing affordable rental housing units preserved	70	72
4. The number of lease rents renegotiated	1	0
5. The number of single family leasehold lots converted to fee simple	0	0

d. Discuss the actions taken by each program to improve its performance results.

The HHFDC was able to exceed its target with respect to homebuyer assistance due to increased efforts to promote its Mortgage Credit Certificate program, which provides a direct federal tax credit of 20 percent of annual mortgage interest for eligible homebuyers, resulting in a dollar-for-dollar reduction of annual federal income tax liability.

The HHFDC was able to exceed its target with respect to rental units assisted due to higher than anticipated conveyance tax revenues deposited into the Rental Housing Trust Fund, which allowed a larger number of qualified affordable rental housing projects to receive project financing.

e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

Not applicable.

3. Problems and Issues:

a. Discussion of problems and issues encountered, if any.

The HHFDC's primary administrative challenge in FY 07 was to fill personnel vacancies and functions. In FY 07, the HHFDC successfully recruited and hired qualified persons in several key administrative positions.

The HHFDC also continued to address ongoing administrative tasks stemming from the reorganization of State housing functions, including completion of the separation of the accounting system from the Hawaii Public Housing Authority, and the establishment of a new computer network.

b. Program change recommendations to remedy problems.

There are no program changes recommended to remedy problems.

- c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

See above.

4. Expenditures for Fiscal Year 2007-2008:

	Act 213/SLH 2007	Collective Bargaining	Transfer In/(Out)	(Restriction)	Net Allocation	Estimated Total Expenditures
(Pos. Counts)	(26.00)				(26.00)	(26.00)
Personal Services	2,453,874	9,690			2,463,564	2,463,564
Current Expenses	1,610,000				1,610,000	1,610,000
Equipment					-	
Motor Vehicles					-	
Total	4,063,874	9,690			4,073,564	4,073,564
(Pos. Count) Special Funds					-	-
(Pos. Count) Federal Funds					-	-
(Pos. Count) Other Funds	(23.00) 3,262,891		1,745		(23.00) 3,264,636	(23.00) 3,264,636
(Pos. Count) General Fund	(3.00) 800,983		7,945		(3.00) 808,928	(3.00) 808,928

- a. Explain all transfers within the Program I.D. and the impact on the program.

Not applicable.

- b. Explain all transfers between Program I.D.'s and the impact on the program.

Not applicable.

c. Explain any restrictions and the impacts on the program.

Not applicable.

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Appropriation FY 2008-09	Budget Adjustment	Supplemental Request FY 2008-09
(Pos. Counts)	(26.00)		(26.00)
Personal Services	2,474,292		2,474,292
Current Expenses	1,100,000	408,567	1,508,567
Equipment			
Motor Vehicles			
Total	3,574,292	408,567	3,982,859
(Pos. Counts) Special Funds			-
(Pos. Counts) Federal Funds			-
(Pos. Counts) Other Funds	(23.00) 3,312,891	408,567	(23.00) 3,721,458
(Pos. Counts) General Funds	(3.00) 261,401		(3.00) 261,401

a. Workload or program request:

As a result of the dissolution of the Housing and Community Development Corporation of Hawaii, the creation of the HHFDC, and the subsequent physical move of the Hawaii Public Housing Authority (HPHA) to their School Street office, there appears to have been an error in the calculation of rents for HHFDC in the Biennium Budget. The need for an increased allocation in Other Current Expenses for rents is due to the failure to include the portion of rent of the HHFDC's Queen Street office that had previously been allocated to the HPHA.

b. For all position count reductions, please specify whether the positions were filled or vacant.

Not applicable.

6. Program Restrictions:

Identify restrictions carried over from FY 08 as well as additional reductions due to Department of Budget and Finance budget ceilings for FY 09. If no reduction is being proposed, please indicate "none".

- a. A description of the reduction, the reasons for the reduction, and the impacts to the objectives to be accomplished by the program.

None.

- b. A listing/description of the positions cut including source of funding, please specify whether the positions were filled or vacant.

None.

7. Capital Improvement Program (CIP) Requests for Supplemental Year 2008-2009:

See BED 160 HD testimony.

8. Proposed Lapses of CIP projects:

See BED 160 HD testimony.

**Department of Business, Economic Development, and Tourism
Supplemental Budget Request Fiscal Year 2008-2009**

**Program ID and Title: BED 160 HD - Hawaii Housing, Finance and Development
Corporation (Housing Development)**

1. Introduction:

BED 160 HD, HHFDC Development, facilitates the development or preservation of affordable or workforce housing.

a. Summary of program objectives.

The HHFDC's objective is to support economic growth by increasing the supply of workforce and affordable housing and preserving the existing inventory of affordable housing.

b. Description of program objectives and activities as discussed in the Multi-Year program and Financial Plan.

The Development Program's activities include facilitating the development of affordable and workforce housing projects through the provision of development resources and tools. These include the provision of developable land; interim construction loans from the Dwelling Unit Revolving Fund; expedited state and county land use approvals and exemptions from planning, zoning and construction standards utilizing HHFDC's Chapter 201H, HRS development powers; and exemptions from the State's general excise taxes for qualified housing projects. The Development Program also maintains infrastructure improvements in the Villages of Kapolei and Waiahole Valley Agricultural Park.

c. Explain how your program intends to meet its objectives in the upcoming supplemental year.

The Program intends to meet its objectives by promoting the services as stated in II.a and working in partnership with the development community.

2. Program Performance Results:

a. Discuss the performance results achieved by each program in FY07.

The HHFDC was established on July 1, 2006 and, therefore, the following performance results are for FY 2007.

1. The HHFDC initiated an aggressive search for land suitable for the development of housing. Parcels of state land were identified for infill development on Oahu and Kauai.
2. Request for Proposals (RFP) were issued and awarded for the development of a high-rise rental complex of approximately 196 units in Kakaako and approximately 277 rental and for-sale units in the Villages of Kapolei.

3. A long-term, below market ground lease was executed with the developer of the Senior Residence at Iwilei, an affordable elderly rental housing project consisting of 159 units for the elderly.
4. A development agreement and long-term, below market ground lease were executed with the Hawaii Coalition of Christian Churches (HCCC) for Kahikolu Ohana Hale O Waianae. When completed in June 2008, the project will provide 72 emergency, transitional and affordable housing units and 40 dormitory beds.
5. Pursuant to a development agreement executed with Castle & Cooke Homes Hawaii, Inc. in FY 2006, development continues on 230 affordable for-sale and 64 affordable rental multi-family units.
6. HHFDC continued to support the Department of Hawaiian Home Lands (DHHL) in processing subdivision documents and permit drawings for the development of 326 single family homes in the Villages of Kapolei, Village 8. (This parcel was transferred to DHHL in FY 2005.)
7. The HHFDC utilized its Chapter 201H development powers to obtain zoning exemptions for Mokuola Vista, a 69 unit affordable, for-sale condominium to be built on state land in Waipahu, Oahu. Plantation Town Apartments, a 300 unit affordable, for-sale condominium on state land in Waipahu also obtained zoning exemptions pursuant to Chapter 201H.

b. Explain how these results relate to the program's objectives and department's mission.

The performance results facilitated private sector development of affordable and workforce housing.

c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

The HHFDC has adopted agency-wide, outcome-based program performance measures. The HHFDC's performance measures and actual results for FY 2007 were as follows:

	<u>Benchmark</u>	<u>Actual</u>
1. The number of homebuyers assisted	80	199
2. The number of new rental units	352	442
3. The number of existing affordable rental housing units preserved	70	72
4. The number of lease rents renegotiated	1	0
5. The number of single family leasehold lots converted to fee simple	0	0

- d. Discuss the actions taken by each program to improve its performance results.**

Program staff has initiated an outreach campaign to build awareness of the tools and resources available to facilitate housing development. This has resulted in increased activity.

- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.**

None.

3. Problems and Issues:

- a. Discussion of problems and issues encountered, if any.**

The Development Program maintains infrastructure in Waiahole Valley, Oahu. The potable water system, which is owned and operated by the HHFDC, has required costly repairs which are funded by the Dwelling Unit Revolving Fund (DURF). Funds utilized from DURF for infrastructure improvements are not recouped and, thereby, reduce the balance of funds available for housing development. Compounding the problem is the water tank and transmission lines must be replaced.

- b. Program change recommendations to remedy problems.**

The HHFDC has submitted a supplemental request for Capital Improvement Program funds to replace the Waiahole Valley potable water system. When completed, the HHFDC plans to dedicate the system to the Board of Water Supply.

- c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.**

None.

4. Expenditures for Fiscal Year 2007-2008:

	Act 213/SLH 2007	Collective Bargaining	Transfer In/(Out)	(Restriction)	Net Allocation	Estimated Total Expenditures
(Pos. Counts)	(4.00)				(4.00)	(4.00)
Personal Services	1,466,670	51,609			1,518,279	1,518,279
Current Expenses	113,926				113,926	113,926
Equipment					-	
Motor Vehicles					-	
Total	1,580,596	51,609			1,632,205	1,632,205
(Pos. Count) Special Funds					-	-
(Pos. Count) Federal Funds					-	-
(Pos. Count) Other Funds	(4.00) 1,580,596	51,609			(4.00) 1,632,205	(4.00) 1,632,205
(Pos. Count) General Fund	-				-	-

a. Explain all transfers within the Program I.D. and the impact on the program.

None.

b. Explain all transfers between Program I.D.'s and the impact on the program.

None.

c. Explain any restrictions and the impacts on the program.

None.

As applicable, provide a description of the impact of the transfers that have occurred within the program I.D. between the various cost elements, transfers occurring between different program I.D.'s, and restrictions imposed.

Not applicable.

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Appropriation FY 2008-09	Budget Adjustment	Supplemental Request FY 2008-09
(Pos. Counts)	(4.00)		(4.00)
Personal Services	1,467,805		1,467,805
Current Expenses	63,926		63,926
Equipment			
Motor Vehicles			
Total	1,531,731		1,531,731
(Pos. Counts) Special Funds			-
(Pos. Counts) Federal Funds			-
(Pos. Counts) Other Funds	(4.00) 1,531,731		(4.00) 1,531,731
(Pos. Counts) General Funds			-

a. Workload or program request:

None.

b. For all position count reductions, please specify whether the positions were filled or vacant.

Not applicable.

6. Program Restrictions:

Identify restrictions carried over from FY 08 as well as additional reductions due to Department of Budget and Finance budget ceilings for FY 09. If no reduction is being proposed, please indicate "none".

- a. A description of the reduction, the reasons for the reduction, and the impacts to the objectives to be accomplished by the program.

None.

- b. A listing/description of the positions cut including source of funding, please specify whether the positions were filled or vacant.

None.

7. Capital Improvement Program (CIP) Requests for Supplemental Year 2008-2009: CIP data for all projects within the agency being heard shall be combined into a single appendix in the department's testimony (if no request is being made, please indicate "none").

	<u>Fiscal Year (w/MOF)</u>	<u>2008</u>	<u>2009</u>
1.	HFDC 01 Waiahole Valley Portable Water System Replacement Construction C	0	2,800,000
	Total	0	2,800,000
2.	HFDC 03 Kukui Gardens Rental Housing Complex Construction C	25,000,000	26,000,000
	Total	25,000,000	26,000,000
3.	HFDC 04 Rental Housing Trust Fund Infusion Construction C		25,000,000
	Total		25,000,000
4.	HFDC 05 Dwelling Unit Revolving Fund Infusion Construction C		25,000,000
	Total		25,000,000

1. HFDC 01 Waiahole Valley Potable Water System Replacement: Construction of a new potable water reservoir tank and distribution system to replace existing dilapidated water system.

The HHFDC is the fee simple owner of the Waiahole Valley Agricultural Park and Residential Lots Subdivision, and administers 167 residential agricultural leases therein. In addition to the HHFDC lessees, the Waiahole Potable Water System serves 22 kuleana lots, 20 Department of Hawaiian Home Lands lessees, and the Waiahole Elementary School. Due to the poor condition of the tank and the transmission system and the current location of the tank, replacement is the only reasonable method of ensuring the potable water is available for Waiahole residents and students. If the water system is not replaced, it will likely fail and jeopardize the Waiahole Valley residents' health and safety. Additionally, the domestic water system provides water for the fire safety devices within the subdivision.

If the system fails, these fire safety devices will also fail. The existing potable water system, which has not been dedicated to the Board of Water Supply, has repeatedly failed, and requires replacement. Pursuant to Senate Concurrent Resolution 195 (2006), the HHFDC has consulted with the Board of Water Supply on the technical requirements and cost estimates of a replacement water system.

The existing potable water system is reaching the end of its useful life, and replacement of the system will avert costly repairs, and ensure that Waiahole Valley residents and schoolchildren continue to have safe drinking water.

2. HFDC 03 Relating to Kukui Gardens Rental Housing Complex: To preserve affordable housing by authorizing the issuance of General Obligation Bonds for the purchase of a portion of real property at Kukui Gardens.

HHFDC's goal is to preserve affordable housing by authorizing the issuance of General Obligation Bonds for the purchase of a portion of real property at Kukui Gardens. This request is for the second part of funding for the acquisition of a portion of Kukui Gardens to preserve it as affordable rental housing for low-income households in the Honolulu urban core.

3. HFDC 04 Rental Housing Trust Fund Infusion: There is a substantial need for affordable rental housing throughout the State of Hawaii. In 2006, monthly rents for existing renters averaged \$1,274. If additional funding is not provided, approximately 266 affordable rental units will not be developed or preserved.

As of October 31, 2007, the rental housing trust fund (RHTF) had \$13,884,571 in available funds with \$24,600,000 in pending applications. It is anticipated that an appropriation of \$15.0 million pursuant to Act 213, SLH 2007 and deposits of conveyance tax revenues into the RHTF will cover this immediate shortfall, but will not permit the HHFDC to pursue aggressively the development of additional affordable housing projects. The requested one-time infusion of \$25 million is needed to ensure that the HHFDC can act in response to the demand for affordable rentals.

4. HFDC 05 Dwelling Unit Revolving Fund Infusion: The dwelling unit revolving fund (DURF) may be used for various purposes such as the acquisition of real property,

the development of infrastructure, and for interim construction and permanent loans for the development of for-sale and rental housing. The infusion of a total of \$25 million into DURF would enable the HHFDC to partner with private developers and other government agencies, to produce workforce and affordable housing.

G.O. Bond funds infused into the DURF can be leveraged with other existing funding sources to finance the development of workforce and affordable housing. Upon the sale of improved land or dwelling units, the DURF funds will be repaid by the developers and made available for additional affordable housing development.

a. Senate and House district(s) for the project.

- | | |
|----------------|------------|
| 1. Senate: 23 | House: 47 |
| 2. Senate: 28 | House: 12 |
| 3. Senate: All | House: All |
| 4. Senate: All | House: All |

8. Proposed Lapses of CIP projects:

a. Project Title

Item No. A-17 HFDC 01 Waiahole Valley Potable Water System Replacement.

b. Act and year of project appropriation (include all applicable amendments).

Act 213, SLH 2007.

c. Amount requested for lapse and means of financing.

\$2,500,000 (W).

d. Justification for lapse of the project.

In place of this project, the HHFDC is requesting \$2,800,000 in CIP funds (MOF: C) in FY 2008-2009 to finance the replacement of the water system.

**Department of Business, Economic Development, and Tourism
Supplemental Budget Request Fiscal Year 2008-2009**

Program ID and Title: BED 160 HF - Hawaii Housing, Finance and Development Corporation (Housing Finance)

1. Introduction:

BED 160 HF, HHFDC Finance, facilitates the development or preservation of affordable housing for low- and moderate-income households.

a. Summary of program objectives.

The HHFDC's objective is to support economic growth by increasing the supply of workforce and affordable housing and preserving the existing inventory of affordable housing.

b. Description of program objectives and activities as discussed in the Multi-Year program an Financial Plan.

The Finance program's objectives are to assist low- and moderate-income individuals and families to rent or purchase adequate housing and to provide loans or grants for the predevelopment, development, construction, acquisition, and substantial rehabilitation of rental housing units by administering financing programs such as the Hula Mae Single and Multi-Family Programs, the Mortgage Credit Certificate Program, the Rental Assistance Program, the Hawaii Rental Housing System Revenue Bond Program, the Low Income Housing Tax Credit Program, and the Rental Housing Trust Fund Program.

c. Explain how your program intends to meet its objectives in the upcoming supplemental year.

The Program intends to meet its objectives by continuing to provide financing services as stated in II.a.

2. Program Performance Results:

a. Discuss the performance results achieved by each program in FY07.

In FY 2007, HHFDC Finance provided financing to two projects comprising 96 units statewide that completed construction prior to the end of the fiscal year. Financing was also approved for six other affordable rental projects comprising of 290 units statewide in which construction was projected to be completed prior to the end of calendar year 2007. Finally, financing was also approved for eight additional projects comprising of 566 statewide units that are currently in the planning and design phases.

b. Explain how these results relate to the program's objectives and department's mission.

The performance results met the program objectives of increasing the supply of affordable and workforce housing.

c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

The HHFDC has adopted agency-wide, outcome-based program performance measures. The HHFDC's performance measures and actual results for FY 2007 were as follows:

	<u>Benchmark</u>	<u>Actual</u>
1. The number of homebuyers assisted	80	199
2. The number of new rental units	352	442
3. The number of existing affordable rental housing units preserved	70	72
4. The number of lease rents renegotiated	1	0
5. The number of single family leasehold lots converted to fee simple	0	0

d. Discuss the actions taken by each program to improve its performance results.

The HHFDC has initiated an evaluation of its Hawaii Administrative Rules and procedures for its Housing Finance programs in an effort to streamline review and approvals.

e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

None.

3. Problems and Issues:

a. Discussion of problems and issues encountered, if any.

With the need for more affordable rentals, the need for additional "gap" financing is crucial. This type of financing is typically provided by the State's Rental Housing Trust Fund.

b. Program change recommendations to remedy problems.

There is no need for large changes to the Rental Housing Trust Fund. What is needed to remedy the problem is a continued dedicated infusion of funds from sources including the conveyance tax at the current 50% or greater and/or a large infusion of cash or general obligation bond proceeds.

- c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

None.

4. Expenditures for Fiscal Year 2007-2008:

	Act 213/SLH 2007	Collective Bargaining	Transfer In/(Out)	(Restriction)	Net Allocation	Estimated Total Expenditures
(Pos. Counts)	(4.00)				(4.00)	(4.00)
Personal Services	966,465	34,886			1,001,351	1,001,351
Current Expenses	55,018,949				55,018,949	55,018,949
Equipment					-	
Motor Vehicles					-	
Total	55,985,414	34,886			56,020,300	56,020,300
(Pos. Count) Special Funds					-	-
(Pos. Count) Federal Funds	3,000,000				3,000,000	3,000,000
(Pos. Count) Other Funds	(4.00) 37,985,414	34,886			(4.00) 8,020,300	(4.00) 38,020,300
(Pos. Count) General Fund	- 15,000,000				- 5,000,000	- 15,000,000

- a. Explain all transfers within the Program I.D. and the impact on the program.

None.

- b. Explain all transfers between Program I.D.'s and the impact on the program.

None.

c. Explain any restrictions and the impacts on the program.

None.

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Appropriation FY 2008-09	Budget Adjustment	Supplemental Request FY 2008-09
(Pos. Counts)	(4.00)		(4.00)
Personal Services	966,465		966,465
Current Expenses	25,018,949	25,000,000	50,018,949
Equipment			
Motor Vehicles			
Total	25,985,414	25,000,000	50,985,414
(Pos. Counts) Special Funds			-
(Pos. Counts) Federal Funds	3,000,000		3,000,000
(Pos. Counts) Other Funds	(4.00) 22,985,414	25,000,000	(4.00) 47,985,414
(Pos. Counts) General Funds			-

a. Workload or program request:

Rental Housing Trust Fund Infusion – Trust Fund Ceiling Increase:

There is a substantial need for affordable rental housing throughout the State of Hawaii. In 2006, monthly rents for existing renters averaged \$1,274. If additional funding is not provided, approximately 266 affordable rental units will not be developed or preserved.

As of October 31, 2007, the rental housing trust fund (RHTF) had \$13,884,571 in available funds with \$24,600,000 in pending applications. It is anticipated that an appropriation of \$15.0 million pursuant to Act 213, SLH 2007 and deposits of conveyance tax revenues into the RHTF will cover this immediate shortfall, but will not permit the HHFDC to pursue aggressively the development of additional affordable housing projects. The requested one-time infusion of \$25 million is

needed to ensure that the HHFDC can act in response to the demand for affordable rentals. See BED 160 HD.

- b. For all position count reductions, please specify whether the positions were filled or vacant.**

Not applicable.

6. Program Restrictions:

Identify restrictions carried over from FY 08 as well as additional reductions due to Department of Budget and Finance budget ceilings for FY 09. If no reduction is being proposed, please indicate "none".

- a. A description of the reduction, the reasons for the reduction, and the impacts to the objectives to be accomplished by the program.**

None.

- b. A listing/description of the positions cut including source of funding; please specify whether the positions were filled or vacant.**

None.

7. Capital Improvement Program (CIP) Requests for Supplemental Year 2008-2009:

See BED 160 HD.

8. Proposed Lapses of CIP projects:

See BED 160 HD.

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**MED-QUEST DIVISION (MQD)
HEALTH CARE PAYMENTS**

Program Structure Number: 06 02 03 05

Program I.D. and Title: HMS 401 – Health Care Payments

Page References in the Executive Budget Supplemental:

Volume II; Pages 502-503

1. Introduction:

Due to a reduction in the availability of Federal funds to cover the children of families with income at or above 250% of the Federal poverty level (FPL), the Department is requesting in the FY09 Supplemental Budget additional general funds in the amount of \$585,000 and a compensurate reduction in Federal funds to continue health insurance coverage for these children in the State Children Health Insurance Program (SCHIP), otherwise these children would have to be disenrolled from the Medicaid SCHIP effective October 1, 2008.

a. Summary of program objectives.

To enable those in need to maintain and improve their health and well-being, by providing payment, under Fee-For-Service and QUEST managed care services, for medically necessary medical, dental and other professional health services, hospital services, nursing home services, drug, prosthetic appliances, home health and other institutional health care, drugs, prosthetics, appliances and other related health services, including transportation and burial services.

b. Description of program objectives.

The program objective is to demonstrate that quality health care can be provided under both Fee-For-Service and QUEST managed care settings,

including home and community-based care settings, while also reducing the growth of expenditures. The QUEST program was designed to expand coverage to populations that were previously under-insured or un-insured and provide greater access to provider networks. While the Aged, Blind and Disabled recipients are under a Fee-For-Service model, the Division will continue quality assurance and utilization reviews, institutional pre-admissions and medical authorization reviews, and monitor over utilization patterns of Medicaid clients.

- c. Explanation of how program intends to meet its objectives in the upcoming supplemental year.

The Department is currently in the process of securing an approval from the Centers for Medicare and Medicaid Services (CMS) for a Medicaid 1115 waiver for the Aged, Blind and Disabled (ABD) population to move their care into a managed care environment. With this approval, DHS intends to improve health outcomes by managing the care of the ABD population by improving their access to providers and promoting integrated services through contracts with managed care organizations, and simultaneously to slow the growth rate of this populations' health care costs.

2. Program Performance Results:

- a. Discuss the performance results achieved by each program in FY 07.

The Department was successful in securing an extension of the current Medicaid 1115 waiver through June 30, 2008. This enables the Department to continue its effort to reduce the State's uninsured population by conducting community outreach to ensure that all qualifying adults and children receive health care coverage under the QUEST program.

The Department has been successful during this fiscal year in securing enhanced funding for our Title XXI State Children Health Insurance Program (SCHIP), which provides a higher Federal match than Title XIX,

for children above 200% and up to 300% of the Federal poverty level (FPL).

The Department has implemented a new adult dental program that provides adults with defined preventive dental benefits such as annual exams, annual cleanings, x-rays, fillings, and dentures.

The Department has also implemented the new QUEST Adult Coverage Expansion (ACE) program that covers uninsured individuals currently earning income at or below 100% of the FPL. With the approval of the pending 1115 Waiver for the ABD population, coverage will expand to individuals who have income at or below 200% of the FPL.

- .b. Explain how these results relate to the program's objectives and department's mission.

These results are consistent with the Department's mission to provide cost-effective medical, behavioral and other related health services through managed competition between QUEST health plans. The program objectives were met through the increased enrollment of eligible individuals, lowered per capita costs, stability of health plans and the growth in the present 160,000 member purchasing pool.

- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

See section 2A.

- d. Discuss actions taken by each program to improve its performance results.

The on-going challenges in the QUEST program are the increasing costs of health care services and the increasing number of strictly State-funded populations enrolled in the QUEST program such as the Compact of Free Association (CFA) recipients.

The Department is committed to providing improved quality of services to the Medicaid population. The Department must continue to closely

monitor the services provided by the QUEST health plans and the rates paid to the QUEST health plans to ensure that the plans are providing the services to clients as needed and to ensure that the rates are adequate and appropriate for the services being provided.

As health care costs continue to rise, the QUEST program continues to contain costs and provide quality health care services to an increasing number of individuals. To ensure the continued ability to meet these goals and improve health outcomes, the Department is continuously reviewing the QUEST health plans' performance as well as the actuarial soundness of the rates paid.

The Department has contracted with an External Quality Review Organization (EQRO) to annually review the performance and quality strategies of the QUEST health plans. The Department has also contracted with an Encounter Data Validation vendor to review the patient encounter data submitted by the QUEST health plans to ensure that the data submitted is accurate, timely and complete. These contracts, in addition to the Departmental staff's new quality assurance monitoring system, will help ensure that all Medicaid recipients enrolled in QUEST health plans are receiving quality, appropriate, and timely health care services.

The Department continues to promote marketplace competition by attracting additional health plans to participate in the program by evaluating current requirements in an attempt to streamline and/or reduce participation barriers.

- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

None.

3. Problems and Issues:

- a. Discussion of problems and issues encountered, if any.

None.

- b. Program change recommendations to remedy problems.

None.

- c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

None

IV. Expenditures for Fiscal Year 2007-2008:

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restrictions	Available Resources	Estimated Expenditures
(Pos. Count)	0.00				0.00	0.00
Personnel Services	0				0	0
Other Current Expenses	1,196,393,503				1,196,393,503	1,196,393,503
Equipment	0				0	0
Motor Vehicles	0				0	0
Total Requirements	1,196,393,503	0			1,196,393,503	1,196,393,503
(Pos. Count) General Fund	0.00 479,133,108				0.00 479,133,108	0.00 479,133,108
(Pos. Count) Special Fund	0.00 0				0.00 0	0.00 0
(Pos. Count) Federal Fund	0.00 672,850,832				0.00 672,850,832	0.00 672,850,832
(Pos. Count) Inter-Dept Transfers	0.00 44,409,563				0.00 44,409,563	0.00 44,409,563

- a. Explain all transfers within the Program I.D. and the impact on the program.

None

- b. Explain all transfers between Program I.D.s and the impact on the program.

None

- c. Explain any restrictions and the impact on the program.

None

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH 2007 FY 09 Appropriation	Budget Request FY 09	Executive Supplemental Budget FY 09
(Pos. Count)	0.00	0.00	0.00
Personnel Services	0	0	0
Other Current Expenses	1,236,504,803	0	1,236,504,803
Equipment	0	0	0
Motor Vehicles	0	0	0
Total Requirements	1,236,504,803	0	1,236,504,803
(Pos. Count)	0.00	0.00	0.00
General Funds	497,604,087	585,000	498,189,087
(Pos. Count)	0.00	00.0	0.00
Special Funds	0	0	0
(Pos. Count)	0.00	0.00	0.00
Federal Funds	694,491,153	(585,000)	693,906,153
(Pos. Count)	0.00	0.00	0.00
Inter-Dept Transfers	44,409,563	0	44,409,563

- a. Workload or program request:

- i. Funds for State Children's Health Insurance Program (SCHIP):

Additional general funds are required to continue this program that provides health coverage for children in families that do not qualify

for Medicaid. A clarification letter in August 2007 from Dennis Smith of the Center for Medicare and Medicaid Services (CMS), and the President's veto of the SCHIP program's reauthorization, resulted in the loss of the larger Federal match that was previously available. State funds are needed to continue this program due to this change.

	<u>FY 09</u>	
<u>Cost Element</u>	<u>Amount</u>	<u>MOF</u>
Other Current Expenses	585,000	A
Other Current Expenses	(585,000)	N

- b. For all position count reductions, please specify whether the positions were filled or vacant.

None

6. Program Restrictions

None

7. Capital Improvement Program (CIP) Requests for Supplemental Year 2008-2009:

None

8. Proposed Lapses of CIP Projects:

None

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**MED-QUEST DIVISION (MQD)
MED-QUEST DIVISION ADMINISTRATION AND ELIGIBILITY DETERMINATION**

Program Structure Number: 06 04 04

Program I.D. and Title: HMS 902 – General Support for Health Care
Payments

Page References in the Executive Budget Supplemental:

Volume II; Pages 508-509

1. Introduction:

The MQD requests an increase in the Federal fund ceiling to cover increased fringe benefit amounts and the conversion of some of its temporary exempt positions to permanent civil service positions. No additional operating funds are being requested as the program continues to seek ways to streamline its activities.

a. Summary of program objectives.

To enhance Medicaid program effectiveness and efficiency by formulating policies, administering operations and personnel, and providing other administrative services.

b. Description of program objectives.

The major activities of this program are to perform overall program planning, implementation, maintenance, review and modification for Medicaid health insurance programs and services. Staff provide long- and short-range planning, develop new services in response to Federal and State initiatives/requirements, review and research Federal and State policy issues, initiate policy changes, promulgate rules and regulations, conduct public hearings, develop provider participation, conduct

preliminary investigation of fraud and abuse, conduct quality control reviews, recover overpaid funds, provide in-service training, explore new alternatives in the provisions of health care services, provide public education and coordinate activities with program staff within the Department.

- c. Explanation of how program intends to meet its objectives in the upcoming supplemental year.

The program intends to maintain its operations within our appropriated funding by becoming more efficient. Priority will be placed on filling vacant positions and re-organizing the Division to provide for consolidated program services. Past operational enhancements, such as developing an automated recipient eligibility verification system, utilizing Internet and point-of-sale systems, the creation of a Customer Services Branch, and the streamlining and simplification of the application and eligibility determination and recertification processes, have increased efficiency and productivity. The program has also reduced the paperwork requirements for recipients by simplifying the application and renewal forms. Self-declaration by applicants and a passive renewal process for recipients have simplified the requirements for low income residents as well as streamlined program operations.

2. Program Performance Results:

- a. Discuss the performance results achieved by each program in FY 07. The Medicaid health insurance programs respond to State and Federal initiatives to provide adequate access to quality health care for the low-income population in an efficient and cost-effective manner. To accomplish these goals, the program administers the QUEST statewide Section 1115 Medicaid Waiver Demonstration program, which provides the Temporary Assistance for Needy Families (TANF), General Assistance (GA), and other qualified low-income populations with health care benefits.

The QUEST program, in addition to the Fee-For-Service Medicaid program, provides services to approximately 201,000 State of Hawaii residents. Currently, the Department contracts with four QUEST health plans and approximately 5,300 Medicaid Fee-For-Service providers to provide medical, behavioral health, and dental services to its recipients. In addition, the Department has four Memoranda of Agreements with the Department of Health (DOH) to provide behavioral health and early intervention services to Medicaid recipients, allowing the State to draw-down Federal matching funds for DOH programs that were previously fully State funded.

- b. Explain how these results relate to the program's objectives and department's mission.

The Department privatized the administration of health care for the QUEST eligible population by purchasing private medical and behavioral health services for this group. This private and public sector partnership has enabled the Department to provide more adults and children with comprehensive health care services and maximize Federal funding to assist in the coverage of the TANF, GA, and other eligible populations.

- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

The QUEST program has been successful in increasing access to care, improving the quality of care, and controlling health care costs. The Centers for Medicare and Medicaid Services (CMS) has approved the QUEST managed care waiver through June 30, 2008. An application to move the present Medicaid Fee-For-Service, Aged, Blind and Disabled (ABD) population into managed care has been submitted to CMS, with approval anticipated shortly.

The QUEST program has provided health care benefits to approximately three out of every ten State of Hawaii children under the age of 21 during some point in the past fiscal year. The quality of the QUEST health care

program services has also been favorable, as supported by the HEDIS performance measures.

- d. Discuss actions taken by each program to improve its performance results.

The Department was successful in securing an extension of the current Medicaid 1115 waiver through June 30, 2008. This enables the Department to continue its effort to reduce the State's uninsured population by conducting community outreach to ensure that all qualifying adults and children receive health care coverage under the QUEST program.

The Department was successful in securing enhanced funding for Title XXI State Children Health Insurance Program (SCHIP), which provides a higher Federal match than Title XIX, for children above 200% and up to 300% of the Federal poverty level (FPL).

The Department is also implementing a new adult dental program that provides adults preventive and restorative dental benefits such as annual exams, annual cleanings, x-rays, fillings, and dentures.

The Department has also implemented the new QUEST Adult Coverage Expansion (ACE) program that covers uninsured individuals currently earning income at or below 100% of the FPL. With the approval of the pending 1115 Waiver for the ABD population, coverage will expand to individuals who have income at or below 200% of the FPL.

- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

None.

3. **Problems and Issues:**

- a. Discussion of problems and issues encountered, if any.

With the implementation of the Medicaid Fee-For-Service (FFS) claims processing component of the Hawaii Pre-paid Medicaid Management

Information System in November 2002, the Department now has an integrated system that also houses the managed care component employed in the administration of its QUEST managed care program. Early operational problems associated with the new claims processing system have largely been resolved through the past year and the Department has moved from the initial implementation to the maintenance phase of operations.

The Med-QUEST Division (MQD) has worked towards compliance with the administrative simplification requirements of the Federal Health Insurance Portability and Accountability Act (HIPAA) of 1996. MQD has successfully met the compliance deadlines for the HIPAA privacy and security provisions. The MQD is now working to implement the National Provider Identifier (NPI) title of HIPAA with a compliance date of May 2007.

The Medicaid Fee-For-Services (FFS) and QUEST recipient enrollment has grown significantly from approximately 160,000 to approximately 190,000 within the past three fiscal years. Despite this increase in health insurance recipients, the Hawaii Uninsured Project still reports a significant number of Hawaii residents who are without health insurance coverage. The Department will continue outreach efforts and advocacy to assist qualified individuals to seek coverage through Medicaid FFS and QUEST.

Compliance with the Federal Deficit Reduction Act (DRA), which has imposed additional citizenship eligibility verification requirements for recipients and applicants, has diverted Departmental staff and resources to accommodate the community education and outreach efforts in implementing this ongoing requirement. The Department has initiated cooperation with other agencies and departments which has simplified this process for many of the State's residents.

- b. Program change recommendations to remedy problems.

The Med-QUEST Division will address the HIPAA compliance issues and the increased workload related to eligibility determination by streamlining operations and maximizing the efficiency of its existing staff. Whenever possible, the policies and procedures will be streamlined and liberalized while maintaining compliance with Federal Medicaid policies.

- c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

None

IV. Expenditures for Fiscal Year 2007-2008:

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restrictions	Available Resources	Estimated Expenditures
(Pos. Count)	206.00				206.00	206.00
Personnel Services	12,831,640	420,052			13,251,692	13,251,692
Other Current Expenses	14,965,154				14,965,154	14,965,154
Equipment	151,652				151,652	151,652
Motor Vehicles	0				0	0
Total Requirements	27,948,446	420,052	0	0	28,368,498	28,368,498
(Pos. Count) General Fund	100.74 10,143,198				100.74 10,278,535	100.74 10,278,535
(Pos. Count) Special Fund	0.00 0				0.00 0	0.00 0
(Pos. Count) Federal Fund	105.26 17,805,248	284,715			105.26 18,089,963	105.26 18,089,963
(Pos. Count) Other Fund	0.00 0				0.00 0	0.00 0

a. Explain all transfers within the Program I.D. and the impact on the program.

None

b. Explain all transfers between Program I.D.s and the impact on the program.

None

c. Explain any restrictions and the impact on the program.

None

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH 2007 FY 09 Appropriation	Budget Request FY 09	Executive Supplemental Budget FY 09
(Pos. Count)	206.00	72.00	278.00
Personnel Services	12,878,376	1,489,311	14,367,687
Other Current Expenses	14,965,154		14,965,154
Equipment	151,652		151,652
<u>Motor Vehicles</u>	<u>0</u>		<u>0</u>
Total Requirements	27,995,182	1,489,311	29,484,493
(Pos. Count) General Funds	100.74 10,155,716	35.25 0	135.99 10,155,716
(Pos. Count) Special Funds	0.00 0	0.00 0	0.00 0
(Pos. Count) Federal Funds	105.26 17,839,466	36.75 1,489,311	142.01 19,328,777
(Pos. Count) Other Funds	0.00 0	0.00 0	0.00 0

a. Workload or program request:

1. Increase Federal Fringe Benefit Amount:

Federal fringe benefit rates have increased substantially in recent years. This request will increase MQD's Federal fund ceiling to enable it to meet its Federal fund Personal Services requirements in FY 09.

<u>Cost Element</u>	<u>FY 09</u>	
	<u>Amount</u>	<u>MOF</u>
Personal Services, (Table BJ-1A, Line 601)	1,489,311	N

2. Convert Temporary Positions to Permanent:

The Department of Human Resources Development (DHRD) instructed MQD to begin to convert its temporary exempt positions to regular civil service positions. MQD is seeking to convert at most seventy two (72.00) positions from temporary to permanent but discussions with DHRD are ongoing and will likely result in fewer conversions which we will identify for the Legislature as soon as possible. MQD depends upon the 72.00 temporary and exempt staffers to provide the various program services and support program specialists, branch and staff office administrators, research officers, HIPAA managers, business analysts, contract specialist, fiscal and accounting support, network specialists and membership representatives, etc., to sustain Hawaii's crucial \$1.2 billion Medicaid programs, serving approximately 200,000 Hawaii Medicaid recipients.

ii. A listing/description of the positions requested, and funding requirements by cost category and source of funding.

See attachment listing 72.00 positions for conversion. DHS will identify the final revised list of MQD positions for conversion as soon as possible.

- b. For all position count reductions, please specify whether the positions were filled or vacant.

None

6. Program Restrictions

None

7. Capital Improvement Program (CIP) Requests for Supplemental Year 2008-2009:

None

8. Proposed Lapses of CIP Projects:

None

HMS 902 IA REQUEST FOR PERMANENT COUNTS

1/15/2008

PROG ID	POS. NO.	Table	MOF	POSITION TITLE	FY09
HMS902IA	51852	T1	A	SECRETARY I - FO	0.50
HMS902IA	51852	T1	N	SECRETARY I	0.50
HMS902IA	51854	T1	A	CLERK TYPIST II - SO	0.50
HMS902IA	51854	T1	N	CLERK TYPIST II	0.50
HMS902IA	51857	T1	A	CLERK TYPIST II - EB	0.50
HMS902IA	51857	T1	N	CLERK TYPIST II	0.50
HMS902IA	51858	T1	A	CLERK TYPIST II - EB	0.50
HMS902IA	51858	T1	N	CLERK TYPIST II	0.50
HMS902IA	51859	T1	A	CLERK TYPIST II - EB	0.50
HMS902IA	51859	T1	N	CLERK TYPIST II	0.50
HMS902IA	51860	T1	A	CLERK TYPIST II - EB	0.50
HMS902IA	51860	T1	N	CLERK TYPIST II	0.50
HMS902IA	51861	T1	A	CLERK TYPIST II - EB	0.50
HMS902IA	51861	T1	N	CLERK TYPIST II	0.50
HMS902IA	51862	T1	A	CLERK TYPIST II - EB	0.50
HMS902IA	51862	T1	N	CLERK TYPIST II	0.50
HMS902IA	110967	T1	A	MEMBERSHIP REPRESENTATIVE - MFIS	0.50
HMS902IA	110967	T1	N	MEMBERSHIP REPRESENTATIVE	0.50
HMS902IA	110968	T1	A	ENROLLMENT CLERK - CSB - CSS	0.50
HMS902IA	110968	T1	N	ENROLLMENT CLERK	0.50
HMS902IA	110969	T1	A	ENROLLMENT CLERK - CSB - CSS	0.50
HMS902IA	110969	T1	N	ENROLLMENT CLERK	0.50
HMS902IA	110970	T1	A	ENROLLMENT CLERK - CSB - CSS	0.50
HMS902IA	110970	T1	N	ENROLLMENT CLERK	0.50
HMS902IA	110971	T1	A	MEMBERSHIP REPRESENTATIVE - MFIS	0.50
HMS902IA	110971	T1	N	MEMBERSHIP REPRESENTATIVE	0.50
HMS902IA	110972	T1	A	ENROLLMENT CLERK - CSB - CSS	0.50
HMS902IA	110972	T1	N	ENROLLMENT CLERK	0.50
HMS902IA	110973	T1	A	MEMBERSHIP REPRESENTATIVE - MFIS	0.25
HMS902IA	110973	T1	N	MEMBERSHIP REPRESENTATIVE	0.75
HMS902IA	110974	T1	A	MEMBERSHIP REPRESENTATIVE - MFIS	0.25
HMS902IA	110974	T1	N	MEMBERSHIP REPRESENTATIVE	0.75
HMS902IA	110975	T1	A	MEMBERSHIP REPRESENTATIVE - MFIS	0.25
HMS902IA	110975	T1	N	MEMBERSHIP REPRESENTATIVE	0.75
HMS902IA	110976	T1	A	MEMBERSHIP REPRESENTATIVE - MFIS	0.25
HMS902IA	110976	T1	N	MEMBERSHIP REPRESENTATIVE	0.75
HMS902IA	110977	T1	A	MFIS SUPERVISOR - CSB	0.50
HMS902IA	110977	T1	N	MFIS SUPERVISOR	0.50
HMS902IA	110979	T1	A	MEMBRSHIP SVCS SUPVR - CSB	0.50
HMS902IA	110979	T1	N	MEMBRSHIP SVCS SUPVR	0.50
HMS902IA	111030	T1	A	SECRETARY I - CSB	0.50
HMS902IA	111030	T1	N	SECRETARY I	0.50
HMS902IA	111031	T1	A	MEMBERSHIP REPRESENTATIVE - MFIS	0.25
HMS902IA	111031	T1	N	MEMBERSHIP REPRESENTATIVE	0.75
HMS902IA	111045	T1	A	HLTH CARE SYSTEMS TRAINER	0.50
HMS902IA	111045	T1	N	HLTH CARE SYSTEMS TRAINER	0.50
HMS902IA	111047	T1	A	HLTH CARE SYSTEMS TRAINER	0.50

HMS902IA	111047	T1	N	HLTH CARE SYSTEMS TRAINER	0.50
HMS902IA	111095	T1	A	INFORMATION TECHNOL SPCLT IV	0.50
HMS902IA	111095	T1	N	INFORMATION TECHNOL SPCLT IV	0.50
HMS902IA	111151	T1	A	INFORMATION TECHNOL SPCLT IV	0.25
HMS902IA	111151	T1	N	INFORMATION TECHNOL SPCLT IV	0.75
HMS902IA	111376	T1	A	CLERK IV - CSB - CSS	0.50
HMS902IA	111376	T1	N	CLERK IV	0.50
HMS902IA	112341	T1	A	AUDITOR V	0.50
HMS902IA	112341	T1	N	AUDITOR V	0.50
HMS902IA	112677	T1	A	ACCOUNTANT III	0.50
HMS902IA	112677	T1	N	ACCOUNTANT III	0.50
HMS902IA	117098	T1	A	CLERK III - PPDO	1.00
HMS902IA	117099	T1	A	CLERK III - PPDO	1.00
HMS902IA	118416	T1	A	ELIGIBILITY WORKER II	0.50
HMS902IA	118416	T1	N	ELIGIBILITY WORKER II	0.50
HMS902IA	118417	T1	A	ELIGIBILITY WORKER II	0.50
HMS902IA	118417	T1	N	ELIGIBILITY WORKER II	0.50
HMS902IA	118418	T1	A	ELIGIBILITY WORKER II	0.50
HMS902IA	118418	T1	N	ELIGIBILITY WORKER II	0.50
HMS902IA	118419	T1	A	ELIGIBILITY WORKER II	0.50
HMS902IA	118419	T1	N	ELIGIBILITY WORKER II	0.50
HMS902IA	118420	T1	A	ELIGIBILITY WORKER II	0.50
HMS902IA	118420	T1	N	ELIGIBILITY WORKER II	0.50
HMS902IA	118421	T1	A	ELIGIBILITY WORKER II	0.50
HMS902IA	118421	T1	N	ELIGIBILITY WORKER II	0.50
HMS902IA	118422	T1	A	ELIGIBILITY WORKER II	0.50
HMS902IA	118422	T1	N	ELIGIBILITY WORKER II	0.50
HMS902IA	118423	T1	A	ELIGIBILITY WORKER II	0.50
HMS902IA	118423	T1	N	ELIGIBILITY WORKER II	0.50
HMS902IA	118424	T1	A	ELIGIBILITY WORKER II	0.50
HMS902IA	118424	T1	N	ELIGIBILITY WORKER II	0.50
HMS902IA	118425	T1	A	ELIGIBILITY WORKER II	0.50
HMS902IA	118425	T1	N	ELIGIBILITY WORKER II	0.50

41.00

A	General Fund FTE	20.00
N	Federal Fund FTE	21.00

prog_id	position_no	table_id	mof	position_title	FY09_fte	FY09_amt
HMS902IA	51852	T1	A	SECRETARY I	0.50	15,078
HMS902IA	51852	T1	N	SECRETARY I	0.50	15,078
HMS902IA	51854	T1	A	CLERK TYPIST II	0.50	12,882
HMS902IA	51854	T1	N	CLERK TYPIST II	0.50	12,882
HMS902IA	51857	T1	A	CLERK TYPIST II	0.50	11,466
HMS902IA	51857	T1	N	CLERK TYPIST II	0.50	11,466
HMS902IA	51858	T1	A	CLERK TYPIST II	0.50	11,466
HMS902IA	51858	T1	N	CLERK TYPIST II	0.50	11,466
HMS902IA	51859	T1	A	CLERK TYPIST II	0.50	11,466
HMS902IA	51859	T1	N	CLERK TYPIST II	0.50	11,466
HMS902IA	51860	T1	A	CLERK TYPIST II	0.50	11,466
HMS902IA	51860	T1	N	CLERK TYPIST II	0.50	11,466
HMS902IA	51861	T1	A	CLERK TYPIST II	0.50	11,466
HMS902IA	51861	T1	N	CLERK TYPIST II	0.50	11,466
HMS902IA	51862	T1	A	CLERK TYPIST II	0.50	11,466
HMS902IA	51862	T1	N	CLERK TYPIST II	0.50	11,466
HMS902IA	100496	T1	A	MED ASSIST PRGRM SPCLT	0.50	27,882
HMS902IA	100496	T1	N	MED ASSIST PRGRM SPCLT	0.50	27,882
HMS902IA	100519	T1	A	MED ASSIST PRGRM SPCLT	0.50	26,017
HMS902IA	100519	T1	N	MED ASSIST PRGRM SPCLT	0.50	26,017
HMS902IA	101589	T1	A	HLTH COVERAGE PRGRM SPCLT	0.50	33,930
HMS902IA	101589	T1	N	HLTH COVERAGE PRGRM SPCLT	0.50	33,930
HMS902IA	103026	T1	A	HLTH COVERAGE MNGMNT BR ADMNST	0.50	65,000
HMS902IA	103026	T1	N	HLTH COVERAGE MNGMNT BR ADMNST	0.50	65,000
HMS902IA	103031	T1	A	RESEARCH OFFICER	0.50	37,500
HMS902IA	103031	T1	N	RESEARCH OFFICER	0.50	37,500
HMS902IA	108900	T1	A	HIPAA PROJECT MANAGER	0.50	31,368
HMS902IA	108900	T1	N	HIPAA PROJECT MANAGER	0.50	31,368
HMS902IA	108908	T1	A	HLTH PLAN DATA SPCLT	0.50	24,648
HMS902IA	108908	T1	N	HLTH PLAN DATA SPCLT	0.50	24,648
HMS902IA	108909	T1	A	HEALTH CARE BUSINESS ANALYST	0.50	30,144
HMS902IA	108909	T1	N	HEALTH CARE BUSINESS ANALYST	0.50	30,144
HMS902IA	108910	T1	A	HEALTH CARE BUSINESS ANALYST	0.50	29,001
HMS902IA	108910	T1	N	HEALTH CARE BUSINESS ANALYST	0.50	29,001
HMS902IA	108913	T1	A	FINANCE OFFICER	0.50	27,882
HMS902IA	108913	T1	N	FINANCE OFFICER	0.50	27,882
HMS902IA	108914	T1	A	HLTH CARE BUSINESS ANALYST	0.50	22,920
HMS902IA	108914	T1	N	HLTH CARE BUSINESS ANALYST	0.50	22,920
HMS902IA	108915	T1	A	HLTH CARE BUSINESS ANALYST	0.50	29,003
HMS902IA	108915	T1	N	HLTH CARE BUSINESS ANALYST	0.50	29,003
HMS902IA	108926	T1	A	MANAGED CARE NURSE SUPERVISOR	0.25	26,000
HMS902IA	108926	T1	N	MANAGED CARE NURSE SUPERVISOR	0.75	78,000
HMS902IA	108927	T1	A	ENCOUNTER DATA VALIDATION SPCL	0.50	28,998
HMS902IA	108927	T1	N	ENCOUNTER DATA VALIDATION SPCL	0.50	28,998
HMS902IA	108928	T1	A	HLTH PLAN DATA SPCLT	0.25	10,179
HMS902IA	108928	T1	N	HLTH PLAN DATA SPCLT	0.75	30,537
HMS902IA	108930	T1	A	HLTH CARE CNTRCT & PURCH SPCLT	0.50	22,920
HMS902IA	108930	T1	N	HLTH CARE CNTRCT & PURCH SPCLT	0.50	22,920
HMS902IA	110716	T1	A	PROJECT ASSISTANT	0.50	16,308
HMS902IA	110716	T1	N	PROJECT ASSISTANT	0.50	16,308
HMS902IA	110722	T1	A	HEALTH CARE FINCG (TPL) ASST	0.00	0

prog_id	position_no	table_id	mof	position_title	FY09_fte	FY09_amt
HMS902IA	110722	T1	N	HEALTH CARE FINCG (TPL) ASST	0.00	0
HMS902IA	110967	T1	A	MEMBERSHIP REPRESENTATIVE	0.50	15,075
HMS902IA	110967	T1	N	MEMBERSHIP REPRESENTATIVE	0.50	15,075
HMS902IA	110968	T1	A	ENROLLMENT CLERK	0.50	13,941
HMS902IA	110968	T1	N	ENROLLMENT CLERK	0.50	13,941
HMS902IA	110969	T1	A	ENROLLMENT CLERK	0.50	11,466
HMS902IA	110969	T1	N	ENROLLMENT CLERK	0.50	11,466
HMS902IA	110970	T1	A	ENROLLMENT CLERK	0.50	12,395
HMS902IA	110970	T1	N	ENROLLMENT CLERK	0.50	12,395
HMS902IA	110971	T1	A	MEMBERSHIP REPRESENTATIVE	0.50	16,106
HMS902IA	110971	T1	N	MEMBERSHIP REPRESENTATIVE	0.50	16,106
HMS902IA	110972	T1	A	ENROLLMENT CLERK	0.50	13,941
HMS902IA	110972	T1	N	ENROLLMENT CLERK	0.50	13,941
HMS902IA	110973	T1	A	MEMBERSHIP REPRESENTATIVE	0.25	8,477
HMS902IA	110973	T1	N	MEMBERSHIP REPRESENTATIVE	0.75	25,430
HMS902IA	110974	T1	A	MEMBERSHIP REPRESENTATIVE	0.25	8,392
HMS902IA	110974	T1	N	MEMBERSHIP REPRESENTATIVE	0.75	25,176
HMS902IA	110975	T1	A	MEMBERSHIP REPRESENTATIVE	0.25	9,531
HMS902IA	110975	T1	N	MEMBERSHIP REPRESENTATIVE	0.75	28,593
HMS902IA	110976	T1	A	MEMBERSHIP REPRESENTATIVE	0.25	9,531
HMS902IA	110976	T1	N	MEMBERSHIP REPRESENTATIVE	0.75	28,593
HMS902IA	110977	T1	A	MFIS SUPERVISOR	0.50	25,092
HMS902IA	110977	T1	N	MFIS SUPERVISOR	0.50	25,092
HMS902IA	110978	T1	A	CSB ADMINISTRATOR	0.50	18,816
HMS902IA	110978	T1	N	CSB ADMINISTRATOR	0.50	18,816
HMS902IA	110979	T1	A	MEMBRSH SVCS SUPVR	0.50	17,631
HMS902IA	110979	T1	N	MEMBRSH SVCS SUPVR	0.50	17,631
HMS902IA	111003	T1	A	NETWORK SPECIALIST	0.50	21,179
HMS902IA	111003	T1	N	NETWORK SPECIALIST	0.50	21,179
HMS902IA	111004	T1	A	NETWORK SPECIALIST	0.50	21,174
HMS902IA	111004	T1	N	NETWORK SPECIALIST	0.50	21,174
HMS902IA	111030	T1	A	SECRETARY I	0.50	14,484
HMS902IA	111030	T1	N	SECRETARY I	0.50	14,484
HMS902IA	111031	T1	A	MEMBERSHIP REPRESENTATIVE	0.25	9,165
HMS902IA	111031	T1	N	MEMBERSHIP REPRESENTATIVE	0.75	27,495
HMS902IA	111045	T1	A	HLTH CARE SYSTEMS TRAINER	0.50	19,018
HMS902IA	111045	T1	N	HLTH CARE SYSTEMS TRAINER	0.50	19,018
HMS902IA	111046	T1	A	HLTH CARE BUSINESS ANALYST	0.50	23,148
HMS902IA	111046	T1	N	HLTH CARE BUSINESS ANALYST	0.50	23,148
HMS902IA	111047	T1	A	HLTH CARE SYS TRNR	0.50	21,174
HMS902IA	111047	T1	N	HLTH CARE SYS TRNR	0.50	21,174
HMS902IA	111068	T1	A	PROVIDER DATA TECHNICIAN	0.50	13,413
HMS902IA	111068	T1	N	PROVIDER DATA TECHNICIAN	0.50	13,413
HMS902IA	111095	T1	A	INFORMATION TECHNOL SPCLT IV	0.50	20,358
HMS902IA	111095	T1	N	INFORMATION TECHNOL SPCLT IV	0.50	20,358
HMS902IA	111099	T1	A	HLTH CARE BUS ANALYST	0.50	22,822
HMS902IA	111099	T1	N	HLTH CARE BUS ANALYST	0.50	22,822
HMS902IA	111100	T1	A	HLTH CARE BUS ANALYST	0.50	22,032
HMS902IA	111100	T1	N	HLTH CARE BUS ANALYST	0.50	22,032
HMS902IA	111151	T1	A	INFORMATION TECHNOL SPCLT IV	0.25	10,179
HMS902IA	111151	T1	N	INFORMATION TECHNOL SPCLT IV	0.75	30,537

prog_id	position_no	table_id	mof	position_title	FY09_fte	FY09_amt
HMS902IA	111376	T1	A	CLERK IV	0.50	12,882
HMS902IA	111376	T1	N	CLERK IV	0.50	12,882
HMS902IA	112341	T1	A	AUDITOR V	0.50	22,920
HMS902IA	112341	T1	N	AUDITOR V	0.50	22,920
HMS902IA	112677	T1	A	ACCOUNTANT III	0.50	20,358
HMS902IA	112677	T1	N	ACCOUNTANT III	0.50	20,358
HMS902IA	112888	T1	A	HIPAA PROJECT COORDINATOR	0.50	33,933
HMS902IA	112888	T1	N	HIPAA PROJECT COORDINATOR	0.50	33,933
HMS902IA	117098	T1	A	CLERK III	1.00	22,932
HMS902IA	117099	T1	A	CLERK III	1.00	22,932
HMS902IA	117105	T1	A	CLMS/DATA INTEGRITY SEC SUPVR	0.50	24,786
HMS902IA	117105	T1	N	CLMS/DATA INTEGRITY SEC SUPVR	0.50	24,786
HMS902IA	118416	T1	A	ELIGIBILITY WORKER V	0.50	18,330
HMS902IA	118416	T1	N	ELIGIBILITY WORKER V	0.50	18,330
HMS902IA	118417	T1	A	ELIGIBILITY WORKER V	0.50	18,330
HMS902IA	118417	T1	N	ELIGIBILITY WORKER V	0.50	18,330
HMS902IA	118418	T1	A	SECRETARY I	0.50	11,916
HMS902IA	118418	T1	N	SECRETARY I	0.50	11,916
HMS902IA	118419	T1	A	CLERK TYPIST II	0.50	11,466
HMS902IA	118419	T1	N	CLERK TYPIST II	0.50	11,466
HMS902IA	118420	T1	A	ELIGIBILITY PROGRAM SPECIALIST	0.50	20,358
HMS902IA	118420	T1	N	ELIGIBILITY PROGRAM SPECIALIST	0.50	20,358
HMS902IA	118421	T1	A	ENCOUNTER DATA VALIDATN SPCLT	0.50	22,920
HMS902IA	118421	T1	N	ENCOUNTER DATA VALIDATN SPCLT	0.50	22,920
HMS902IA	118422	T1	A	DATA PROCESSING CONTROL CLERK	0.50	11,466
HMS902IA	118422	T1	N	DATA PROCESSING CONTROL CLERK	0.50	11,466
HMS902IA	118423	T1	A	ELIGIBILITY WORKER II	0.50	14,988
HMS902IA	118423	T1	N	ELIGIBILITY WORKER II	0.50	14,988
HMS902IA	118424	T1	A	ELIGIBILITY WORKER III	0.50	15,666
HMS902IA	118424	T1	N	ELIGIBILITY WORKER III	0.50	15,666
HMS902IA	118425	T1	A	CLERK IV	0.50	11,466
HMS902IA	118425	T1	N	CLERK IV	0.50	11,466
HMS902IA	118498	T1	A	ADMINISTRATIVE ASSISTANT	0.50	15,078
HMS902IA	118498	T1	N	ADMINISTRATIVE ASSISTANT	0.50	15,078
HMS902IA	90795K	T1	A	HAPA SYSTEMS DEV SPCLT	0.50	24,786
HMS902IA	90795K	T1	N	HAPA SYSTEMS DEV SPCLT	0.50	24,786
HMS902IA	90812K	T1	A	DATA PROCSSG SYSTS ANAL IV	0.25	11,460
HMS902IA	90812K	T1	N	DATA PROCSSG SYSTS ANAL IV	0.75	34,380
HMS902IA	97511K	T1	A	ELIGIBILITY PROGRAM SPCLT IV	1.00	40,716
HMS902IA	97514K	T1	A	HIPAA COMPLIANCE OFFICER	0.50	22,920
HMS902IA	97514K	T1	N	HIPAA COMPLIANCE OFFICER	0.50	22,920
					72.00	2,954,457
			A		35.25	1,417,605
			N		36.75	1,536,852

**ORAL TESTIMONY
SENATE COMMITTEE ON HUMAN SERVICES AND PUBLIC
HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**HIGHLIGHTS OF DEPARTMENT-WIDE
BUDGET SUMMARY INFORMATION**

Honorable Chair, Vice Chair and Members of the Senate Committee on Human Services and Public Housing. Good afternoon.

I am Lillian Koller, Director of the Department of Human Services (DHS). I am honored to be here today representing a Department whose committed staff strive, day-in and day-out, to provide timely, efficient and effective programs, services and benefits, for the purpose of empowering those who are the most vulnerable in our State to expand their capacity for self-sufficiency, self-determination, independence, healthy choices, quality of life and personal dignity.

Before I introduce the Department's Division and Branch Chiefs to cover each HMS program in the order listed on your Agenda, I would like to very briefly give you a mile high view of our Department and our highest priority budget requests.

DHS has 27 HMS Program I.D.'s, four divisions, five support offices, two administratively attached agencies -- the Hawaii Public Housing Authority (HPHA) and the Office of Youth Services (OYS) -- and two commissions -- the Commission on the Status of Women and the Commission on Fatherhood -- as well as over 2,700 positions statewide.

We have the second biggest departmental operating budget with more than \$1,875,972,365 already appropriated for FY 09 but as much as 56% of our appropriated funds -- \$1,041,955,421 -- are

Federal funds – this is the major share of all Federal funds received by the State. As much as 91.5% of our operating budget is funding for non-discretionary fixed costs including social assistance entitlement programs for Hawaii's most vulnerable residents, including financial assistance to impoverished persons, child care, housing and energy assistance, health care payments to medical providers, child and adult protective services and homeless services.

The highest priority requests in the Executive Supplemental Budget for FY 09 are for funding critically needed by the Hawaii Public Housing Authority (HPHA), an agency administratively attached to the Department of Human Services. Specifically, HPHA is requesting: \$4.3 million in general funds to expand services for the growing homeless population; \$20 million for CIP to build a permanent facility for the homeless in Honolulu; and \$26,410,000 in CIP for renovations and improvements to public housing projects; as well as an Emergency Appropriation for FY 08 of \$10.9 million in general funds for this agency to address its chronic funding shortfall.

The next priority requests are related to another administratively attached agency, the Office of Youth Services (OYS), to meet the requirements of its agreement with the U.S. Department of Justice to improve the Hawaii Youth Correctional Facility (HYCF), primarily based on a Federal staffing analysis and recommendations. These OYS staffing requests are budget neutral, except for \$53,000 in general funds for two additional youth correctional officer positions.

The next priority request is for additional general funds to cover an anticipated reduction of Federal funds in the State Children's Health Insurance Program (SCHIP) administered by the Department's Med-QUEST Division (MQD) to prevent disruption of Medicaid coverage for children of families at and above 250 percent of the Federal poverty level. This \$585,000 is the only request for an increase in any of the Department's payments programs.

The next priority group of requests is related to converting positions from temporary to permanent to assist in the hiring and retention of staff at our Benefit, Employment and Support Services Division (BESSD) and our Social Services Division (SSD). Also, upon recommendation of the Department of Human Resources

Development (DHRD), our Med-QUEST Division (MQD) is seeking position conversions. Discussions with DHRD resulted in a reduction of MQD's request for 72 positions to 41 positions and I believe that we have provided the Committee with the final revised list of the 41 MQD positions for conversion.

Two additional positions are requested for the Department's Personnel Office to meet the growing volume and complexity of the work.

The rest of the Department's requests consist of increases to the Federal appropriations to accommodate increased contributions for the Federal share of employee fringe benefit costs.

The aggregate of requested adjustments for the Department of Human Services are additional general funds of \$5,065,489 and additional Federal funds of \$6,226,767.

Now, I would like to introduce the Department's Division and Branch Chiefs to briefly tell you about their FY 09 Supplemental Budget Requests by HMS Program I.D. in the order listed on your Agenda.

First up, here's Lois Lee, Acting Administrator of the Department's Med-QUEST Division (MQD), to cover HMS 401 and 902.

Next up, here's Patty Johnson, Branch Administrator of the Adult Community Care Services Branch of the Department's Social Services Division (SSD), to cover HMS 601 and 605.

Next up, here's Amy Tsark, Acting Administrator of the Department's Social Services Division (SSD), to cover HMS 301, 303 and 901.

Next up, here's Martha Torney, Executive Director of the administratively attached Office of Youth Services, to cover HMS 501 and 503.

Next up, here's Chad Taniguchi, Executive Director of the Department's administratively attached Hawaii Public Housing Authority (HPHA) to cover HMS 220, 222, 224, 225, 229, and 807.

Next up, here's Joe Cordova, Administrator of the Department's Vocational Rehabilitation and Services for the Blind Division (VRSBD or VR for short), to cover HMS 238 and 802.

Next up, here's Sharon Ferguson-Quick, Executive Director of the Department's administratively attached Commission on the Status of Women to cover HMS 888.

Next up, here's Henry Oliva, the Department's Deputy Director, to briefly review the Department's General Administration program, HMS 904, which includes the Director's Office, Support Offices and the Fatherhood Commission.

Last, but certainly not least, here's Pankaj Bhanot, Acting Assistant Administrator of the Department's Benefit, Employment and Support Services Division (BESSD), to cover HMS 206, 211, 212, 236, 237, 302, 305, and 903.

Mahalo for your favorable consideration of our requests. If you have any questions or comments, we can respond at this time.

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**SOCIAL SERVICES DIVISION (SSD)
ADULT AND COMMUNITY CARE SERVICES**

Program Structure Number: 06 01 07

Program I.D. and Title: HMS 601 – Adult and Community Care Services

Page References in the Executive Budget Supplemental:

Volume II; Pages 494 - 495

1. Introduction:

The Adult and Community Care Services Branch (ACCSB) of the Department's Social Services Division administers the HMS 601 programs that provide a range of in-home and community-based social, health, protective, and other supportive services to dependent and disabled adults. The HMS 601 program is funded with approximately 65% State general funds and 34% Federal funds; and it also receives \$10,000 in private contributions. **The Supplemental Budget request is for an increase in the program's Federal ceiling to accommodate higher Federal fringe benefits.**

a. Summary of program objectives:

To prevent inappropriate institutionalization of dependent, disabled adults by providing them with a range of in-home and community-based social, health, and other supportive services, and to investigate and address reports of abuse, neglect, and exploitation against dependent adults.

b. Description of program objectives:

ACCSB maintains four primary objectives:

1. Prevent premature institutionalization by meeting the long-term care and protective service needs of adults throughout the State, enabling them to remain in the community.
2. Protect dependent adults from abuse, neglect, and exploitation.
3. Promote individual independence and self-sufficiency through a range of home and community-based services.
4. Develop and coordinate both public and private home and community-based services to effectuate a comprehensive, efficient, and cost-effective long-term care system.

c. Explanation of how program intends to meet its objectives in the upcoming supplemental year.

The program will meet its objectives on an annual basis with the following programs and services:

1. Adult Services: Case Management, adult foster care placement and supportive services will be provided to 1,600 disabled adults with less than nursing facility level of care needs to remain safely in their own homes or community-based alternatives. Intake, assessment, placement and monitoring services will be provided to 55 adults in residential care homes. Chore services (cash payments and purchase of services) will be provided to 1,330 dependent adults. Day Care services (purchase of services) will be provided for 70 dependent adults. Personal Care services (purchase of services) will be provided for 40 dependent adults on Maui.
2. Senior Companion Program: Through specialized stipend services, limited personal care and in-home companionship services will be

provided to 500 frail elderly persons in their own homes by 120 Senior Companion Volunteers.

3. Respite Companion Program: Job readiness skills will be provided to 60 low income older adults.
4. Foster Grandparent Program: Through specialized stipend services, “grandparenting,” social stimulation and literacy activities will be provided to 800 children with special or exceptional needs by 162 low-income, elderly persons.
5. Adult Protective Services (APS): Crisis intervention, investigation and emergency services to remedy abuse, neglect or financial exploitation will be provided to 580 vulnerable, dependent adults.
6. Medicaid Waiver Programs: The administration of five cost-effective Medicaid waiver programs:
 - Nursing Home Without Walls (NHWW),
 - Residential Alternatives Community Care (RACC),
 - HIV/Aids Community Care (HCC),
 - Medically Fragile Community Care (MFCC), and
 - Developmentally Disabled/Mentally Retarded (DD/MR) Home and Community-Based Services

Except for Medicaid waiver administrative and NHWW staffing costs, the services and funding for the Medicaid waiver programs are managed under Med-QUEST Division.

2. **Program Performance Results:**

- a. Discuss the performance results achieved by each program in FY 07.

Outcome #1: In FY 07, 1,441 individuals were provided non-Medicaid waiver case management services (Chore 1,339, Day Care 51, and Foster

Care 51). Due to increased utilization, chore services were closed for intake during part of FY06. The Legislature appropriated an additional \$1,191,058 for FY07 which was released by the Governor. Intake is again open. Case management services for adult foster care will continue to decrease as Department staff continues to effectively stabilize clients in adult residential care home placements, thus allowing for the closure of cases and the focusing of efforts on Medicaid waiver clients through the Nursing Home Without Walls program.

Outcome #2:

In FY 07, the following objectives were achieved:

- Senior Companion Program provided services to approximately 293 individuals through the efforts of 102 Senior Companions.
- Respite Companion Program provided job readiness skills to 41 individuals.
- Foster Grandparent Program served 750 children through the efforts of 155 grandparents.
- Retired Senior Volunteer Program provided 753 seniors with volunteer opportunities which accounted for 53,170 community service hours.

Outcome #3: Through early crisis intervention, case management and other support services, the percent of adults re-abused within a 12-month period has been maintained below 7% for the past 4 years. This represents, 6.6% in FY 06 and 4.2% in FY 07.

Outcome #4: The Department maintained partnerships with public, private, legislative, and community groups to plan, develop and coordinate systems for the delivery of long-term care services in the State. ACCSB is continuing a partnership with the Department of the Attorney General to implement the Case Management for Elderly Victims of Crime Project on

Oahu to provide services to elderly victims of abuse or neglect who have unmet needs. Funding is provided through the Victims of Crime Act (VOCA).

- b. Explain how these results relate to the program's objectives and department's mission.
 1. The demand for home and community-based long-term care services has steadily increased. The Department has been able to address some of this demand through its Medicaid waiver, Nursing Home Without Walls program, which offers a less costly alternative to institutional nursing facility placement and maximizes Federal dollars for the State.
 2. The continuing provision of services to frail, elderly individuals by Senior/Respite Companions demonstrates their effectiveness in preventing or delaying institutionalization by providing basic personal care, respite and supervision services while, at the same time, supplementing the incomes of those individuals serving as companions.
 3. The continuing provision of "grandparenting," social stimulation and training services to special and exceptional needs children reflects the effectiveness of low-income, well-elderly foster grandparents to provide care while, at the same time, supplementing the income of these seniors.
 4. The Adult Protective Services (APS) program provides remedies for dependent adults who are abused or neglected and provides the necessary support services to meet their social and long-term care needs in the community.
 5. Implementation of the licensure of community foster care homes has provided individuals who are not Medicaid recipients with

access to cost-effective community-based care, thereby delaying Medicaid dependency for long-term care services.

6. Through partnerships with public, private, legislative and community groups, the Department is able to avoid duplicating existing services and direct its available resources towards resolving unmet needs in the community. An example of this is the Department's work with SCR 144 Task Force. The Department through its work with this intergovernmental community task force has identified strategies to increase options for clients to "age in place."

- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

Outcome #1: Chore and Personal Services were able to expand because of Legislative approval of additional services. The use of these State appropriations saved the State money by allowing the clients to be served in the community, avoiding more costly institutional care.

Outcome #2: provides low-income senior citizens with a meaningful way to provide service to their community for a stipend while learning job skills that will enable them to pursue paid employment.

Outcome #3: demonstrates the effectiveness of APS in preventing re-abuse among vulnerable adults.

Outcome #4: shows the State's commitment to partnering with its citizens in implementing policy.

- d. Discuss actions taken by each program to improve its performance results.

To improve performance results, ACCSB:

1. Provided training to staff to increase their skills and proficiency to maximize program outcomes.
 2. ACCSB is continuing a partnership with the Department of the Attorney General to implement the Case Management for Elderly Victims of Crime Project on Oahu to provide services to elderly victims of abuse or neglect who have unmet needs.
- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

None.

3. Problems and Issues:

- a. Discussion of problems and issues encountered, if any.
None.
- b. Program change recommendations to remedy problems.
None.
- c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

None.

4. Expenditures for Fiscal Year 2007-2008:

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restrictions	Available Resources	Estimated Expenditures
(Pos. Count)	117.50				117.50	117.50
Personnel Services	6,808,938	257,293			7,066,231	7,066,231
Other Current Expenses	10,046,666				10,046,666	10,046,666
Equipment						
Motor Vehicles	40,000				40,000	40,000
Total Requirements	16,895,604	257,293	0	0	17,152,897	17,152,897
(Pos. Count) General Fund	99.58 11,027,642)	193,189			99.58 11,220,831	99.58 11,220,831
(Pos. Count) Special Fund	0.00 10,000				0.00 10,000	0.00 10,000
(Pos. Count) Federal Fund	17.92 5,577,856	64,104			17.92 5,641,960	17.92 5,641,960
(Pos. Count) Other Fund	0.00 280,106				0.00 280,106	0.00 280,106

a. Explain all transfers within the Program I.D. and the impact on the program.

None.

b. Explain all transfers between Program I.D.s and the impact on the program.

None.

c. Explain any restrictions and the impact on the program.

None.

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH 2007 FY 09 Appropriation	Budget Request FY 09	Executive Supplemental Budget FY 09
(Pos. Count)	117.50		117.50
Personnel Services	6,810,119	233,930	7,044,049
Other Current Expenses	10,025,039		10,025,039
Equipment			0
Motor Vehicles			0
Total Requirements	16,835,158	233,930	17,069,088
	99.58		99.58
(Pos. Count) General Funds	10,987,194		10,987,194
	0.00		0.00
(Pos. Count) Special Funds	10,000		10,000
	17.92		17.92
(Pos. Count) Federal Funds	5,557,858	233,930	5,791,788
	0.00		0.00
(Pos. Count) Other Funds	280,106		280,106

a. Workload or program request:

The Supplemental Budget request includes an increase in the program's Federal ceiling to accommodate higher Federal fringe benefit rates.

FY 09

<u>Cost Element</u>	<u>Amount</u>	<u>MOF</u>
Personal Services	233,930	N

b. For all position count reductions, please specify whether the positions were filled or vacant.

None.

6. Program Restrictions

None

7. Capital Improvement Program (CIP) Requests for Supplemental Year 2008-2009:

None

8. Proposed Lapses of CIP Projects:

None

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**SOCIAL SERVICES DIVISION (SSD)
COMMUNITY-BASED RESIDENTIAL SUPPORT**

Program Structure Number: 06 02 03 04

Program I.D. and Title: HMS 605 – Community-Based Residential Support

Page References in the Executive Budget Supplemental:

N/A

1. Introduction:

The Community-Based Residential Support program provides the State supplemental funds for the Federal Supplemental Security Income (SSI) payments to reduce community long-term care costs. The HMS 605 program is funded with 100.00% State general funds. **There is no Supplemental Budget request for this program.**

a. Summary of program objectives:

To prevent inappropriate institutionalization of dependent, disabled adults by assisting with community-based residential needs.

b. Description of program objectives.

The program's objective is to prevent institutionalization of dependent, disabled adults by assisting with community-based residential needs, as made possible through funding by the SSI-SSP program. The Adult and Community Care Services Branch (ACCSB) in SSD is responsible for the management of the funds. The separate budget program structure in HMS 605 allows for better management and monitoring of the fund's utilization, and simplifies data retrieval for reporting purposes.

- c. Explanation of how program intends to meet its objectives in the upcoming supplemental year.

ACCSB provides services to low-income persons with disabilities and chronic illnesses who are Medicaid eligible and live in community settings as an alternative to more costly institutional placement.

ACCSB maintains four primary objectives:

1. Prevent premature institutionalization by meeting the long-term care and protective service needs of adults throughout the State, enabling them to remain in the community.
2. Protect dependent adults from abuse.
3. Promote individual independence and self-sufficiency through a range of home and community-based services.
4. Develop and coordinate both public and private home and community-based care services to effectuate a comprehensive, efficient, and cost-effective long-term care system.

The program intends to meet its objectives through the provision of SSP payments to eligible SSI recipients residing in domiciliary care facilities and adult foster homes. In each year of the FY 08-09 biennium, the program will have 2,635 recipients.

2. Program Performance Results:

- a. Discuss the performance results achieved by each program in FY 07.
- In FY 07 the program served 2,388 clients. Fewer clients entered Type I and Type II Adult Residential Care Homes (ARCH) due to ARCH operators choosing private pay clients over Medicaid recipients.
- b. Explain how these results relate to the program's objectives and department's mission.

The provision of SSP payments will enable recipients to utilize less expensive community-based residential settings and to avoid more

expensive institutional care. In FY 07 there were 1,577 recipients in Type I Adult Residential Care Homes (ARCH), 58 recipients in Type II ARCH, and 753 recipients in Residential Alternatives Community Care Program (RACC) who received State supplemental payments.

- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

The program's effectiveness will be measured by the number of individuals receiving SSP payments while in domiciliary placement.

- d. Discuss actions taken by each program to improve its performance results.

The Department will maintain its payment levels as required under a Maintenance of Effort (MOE) agreement with the U.S. Department of Health and Human Services. Failure to meet established payment levels could result in the loss of Federal Medicaid payments to the State.

- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

None.

3. Problems and Issues:

- a. Discussion of problems and issues encountered, if any.

None.

- b. Program change recommendations to remedy problems.

None.

- c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

None.

4. Expenditures for Fiscal Year 2007-2008:

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restrictions	Available Resources	Estimated Expenditures
(Pos. Count)	0.00				0.00	0.00
Personnel Services					0	0
Other Current Expenses	16,982,395				16,982,395	16,982,395
Equipment					0	0
Motor Vehicles					0	0
Total Requirements	16,982,395	0	0	0	16,982,395	16,982,395
(Pos. Count) General Fund	0.00 16,982,395				0.00 16,982,395	0.00 16,982,395
(Pos. Count) Special Fund					0.00	0.00
(Pos. Count) Federal Fund					0.00	0.00
(Pos. Count) Other Fund					0.00	0.00

a. Explain all transfers within the Program I.D. and the impact on the program.

None.

b. Explain all transfers between Program I.D.s and the impact on the program.

None.

c. Explain any restrictions and the impact on the program.

None.

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH 2007 FY 09 Appropriation	Budget Request FY 09	Executive Supplemental Budget FY 09
(Pos. Count)	0.00		0.00
Personnel Services			0
Other Current Expenses	17,125,395		17,125,395
Equipment			
<u>Motor Vehicles</u>			
Total Requirements	17,125,395	0	17,125,395
(Pos. Count) General Funds	0.00 17,125,395		0.00 17,125,395
(Pos. Count) Special Funds			
(Pos. Count) Federal Funds			
(Pos. Count) Other Funds			

6. Program Restrictions

None

7. Capital Improvement Program (CIP) Requests for Supplemental Year 2008-2009:

None

8. Proposed Lapses of CIP Projects:

None

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**SOCIAL SERVICES DIVISION (SSD)
GENERAL SUPPORT FOR SOCIAL SERVICES**

Program Structure Number: 06 04 07

Program I.D. and Title: HMS 901 – General Support for Social Services

Page References in the Executive Budget Supplemental:

Volume II; Pages 514 - 515

1. Introduction:

General Support for Social Services provides administrative direction, planning, grants management, budget coordination, staff training, contracting, quality assurance, compliance monitoring, and information system development and management. The HMS 901 program is funded with 56.00% State general funds (\$2,904,283 A) and 44.00% Federal funds (\$2,246,680 N). **For FY 09, the Department is requesting an additional \$190,337 in Federal funds in order to meet the Federal share of fringe benefit costs.**

a. Summary of program objectives.

To enhance program effectiveness and efficiency by contracting for services, providing quality assurance, monitoring programs, administering grants and Federal funds, providing training and information systems support, and providing other administrative and housekeeping services.

b. Description of program objectives.

In order to provide administrative direction and support in planning, development, and implementation of a comprehensive statewide social service program that includes Adult Community Care Services (ACCS)

and Child Welfare Services (CWS) within the Social Services Division (SSD), General Support SSD staff performs the following major activities:

- planning
- budget coordination and monitoring
- staff training
- contracting and contracts monitoring
- grants management and staff compliance monitoring
- information system development and maintenance

The program intends to successfully attain its objectives in the areas of administering personnel, developing and implementing policies, planning directions and goals for personnel and the public, implementing policies required by the Federal government, meeting personnel needs, maintaining quality assurance standards for purchased social services, maintaining quality assurance standards for Medicaid Waiver Services (MWS), and post-auditing paid claims for MWS on a timely basis.

- c. Explanation of how program intends to meet its objectives in the upcoming supplemental year.

The program intends to meet its objectives by developing Division-level plans; providing basic/introductory program-specific skills and computer training to new employees and advanced (beyond introductory) training to other eligible employees; conducting Federal/internal compliance reviews; processing Medicaid waiver client payments; and executing contracts and monitoring contract providers.

2. Program Performance Results:

- a. Discuss the performance results achieved by each Program in FY 07.

In FY 07, 14 Division-level plans were completed, 91 training slots were provided to new employees in basic/introductory courses representing a decrease from the large number of newly hired employees of previous

years, 592 training slots were provided for eligible employees in refresher trainings, 10 compliance reviews were completed, 304 Medicaid waiver client payment cases were audited and 788 contracts were executed and monitored.

- b. Explain how these results relate to the program's objectives and department's mission.

The program's performance results support the Department objectives of providing staff training and support that enables DHS employees to do their jobs effectively and efficiently.

- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

Program measures of effectiveness include process measures and outcome indicators with a target of not less than 90% achievement. In FY 06 and FY 07, most outcome indicators exceeded or met the targeted levels of performance. For FY 07, the performance level for staff training decreased because of unfilled vacancies in child welfare positions. The previous increases in trainings were attributable to the carrying out the child welfare program improvement plan (PIP

- d. Discuss actions taken by each program to improve its performance results.

The program will continue to improve its performance results by streamlining operations and procedures. In particular, the Support Services Office (SSO) continues to participate with other Departmental divisions and staff offices to maintain uniform policies and procedures to ensure compliance with Federal HIPAA regulations. SSO is completing enhancement and expansion of the Division-wide area network to provide information systems access to CWS staff. In a project being conducted in cooperation with Maui Community College, SSO is providing

administrative and budget support for the development of a new child welfare information system. The new system will replace the current, outdated technology that no longer meets casework and quality assurance needs.

The Department has ongoing regulatory responsibilities under Act 153, SLH 2004 for adult foster family homes, the number of which continues to grow at an approximate rate of 15% per year. The Department certifies all adult foster family homes through a contract that also performs a compliance monitoring and quality assurance function. This allows the Department's quality assurance role to be focused on monitoring client outcomes and promote responsiveness and cost effectiveness. In FY 07, the Division, through SSO, also issued a contract for the recruitment and training of child foster homes in preparation for licensing. In order to facilitate the certification and licensing of these adult and child foster homes as well as of other service providers, the Department, through SSO, issued in FY 07 a contract for conducting fingerprint, criminal history and other background checks required in order to assure clients safety and well being..

- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

None

3. Problems and Issues:

- a. Discussion of problems and issues encountered, if any.

None

- b. Program change recommendations to remedy problems.

None

- c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

None

4. Expenditures for Fiscal Year 2005-2006:

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restriction s	Available Resources	Estimated Expenditures
(Pos. Count)	47.00				47.00	47.00
Personal Services	2,755,388	106,675			2,862,063	2,862,063
Other Current Expenses	2,760,749				2,760,749	2,760,749
Equipment					0	0
Motor Vehicles					0	0
Total	5,515,137	106,675	0	0	5,622,812	5,622,812
Requirements						
(Pos. Count)	27.56				27.56	27.56
General Fund	3,148,835	59,258			3,208,093	3,208,093
(Pos. Count)					0.00	0.00
Special Fund					0	0
(Pos. Count)	19.44				19.44	19.44
Federal Fund	2,367,302	47,417			2,414,719	2,414,719
(Pos. Count)					0.00	0.00
Other Fund					0	0

- a. Explain all transfers within the program I.D. and the impact on the program.

None

- b. Explain all transfers between program I.D.s and the impact on the program.

None

- c. Explain any restrictions and the impacts on the program.

None

5. Supplemental Budget Requests for Fiscal Year 2006-2007:

	Act 213/SLH 2007 FY 09 Appropriation	Budget Request FY 09	Executive Supplemental Budget FY 09
(Pos. Count)	47.00		47.00
Personal Services	2,755,737	190,337	2,946,074
Other Current Expenses	2,395,226		2,395,226
Equipment			0
Motor Vehicles			0
Total Requirements	5,150,963	190,337	5,341,300
(Pos. Count)	27.56		27.56
General Funds	2,904,283		2,904,283
(Pos. Count)			0.00
Special Funds			0
(Pos. Count)	19.44		19.44
Federal Funds	2,246,680	190,337	2,437,017
(Pos. Count)			0.00
Other Funds			0

Provide the total position counts and funds requested.

a. Workload or program request.

For FY 09, the Department is requesting an additional \$190,337 in Federal funds in order to meet the Federal share of fringe benefit costs. This will allow the Department to charge fringe benefit costs to the appropriate Federal grants.

	<u>FY 09</u>	
<u>Cost Element</u>	<u>Amount</u>	<u>MOF</u>
Personal Services	190,337	N

b. For all position count reductions, please specify whether the positions were filled or vacant.

None

6. Program Restrictions

None

7. Capital Improvement Program (CIP) Requests for Supplemental Year 2009

None

8. Proposed Lapses of CIP projects:

None

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**SOCIAL SERVICES DIVISION
CHILD PROTECTIVE SERVICES**

Program Structure Number: 06 01 03

Program I.D. and Title: HMS 301 – Child Protective Services

Page References in the Multi-Year Program and Financial Plan:

Volume II; Pages 486 - 487

1. Introduction:

The Child Protective Services (CPS) program provides protective and permanency services to children and families. The HMS 301 program is funded with approximately 44% State general funds, 55% Federal funds and 1% special funds. **The Supplemental Budget requests the conversion of one temporary position to permanent position and an increased Federal ceiling to cover higher Federal fringe benefits.**

a. Summary of program objectives.

To enable children at risk of abuse/neglect to live in a safe and secure environment by providing in-home and out-of-home social services that benefit the children and their families.

b. Description of program objectives.

CPS has two paramount program objectives:

1. Safety: Provide for the safety and well-being of children.

2. Permanency: Return children to a safe home with parents or legal caretakers or provide an alternate safe, permanent home.

c. Explanation of how program intends to meet its objectives in the upcoming supplemental year.

The program intends to meet its objectives by providing the following Child Protective Services: intake, assessment, case management, foster care, adoption, independent living, and licensing of foster family boarding homes, child placing organizations and child caring institutions.

2. Program Performance Results:

- a. Discuss the performance results achieved by each Program in FY 06 and FY 07.

In FY 03, the Department undertook the coordination and implementation of Hawaii's Federal Child and Family Services Review (CFSR). The CFSR is the single most important Federal review of a state's child welfare system, measuring systemic capabilities and effectiveness of its programs and services. Using CFSR findings, a state is required to successfully develop and implement a Program Improvement Plan (PIP). Hawaii's two-year PIP was approved by the Federal Administration for Children and Families (ACF) on July 1, 2004. The successful accomplishment of the PIP on June 30, 2006, maintenance of systemic improvements that were accomplished during the PIP, and preparation for the upcoming 2009 CFSR have been major factors in all aspects of our HMS 301 CPS program.

The Department has adopted Federal child welfare outcomes for performance monitoring. The outcomes listed below are for the reporting period July 2006 through June 2007.

Goal 1: Reduce the recurrence of child abuse and/or neglect

Measure: Of all children who were victims of confirmed child maltreatment during the reporting period, what percentage had another confirmed report within a 6 month period?

For FY 06, only 3.0% or 62 children had another confirmed report within six months, surpassing the national standard of 6.1%.

For FY 07, only 2.2% or 41 children had another confirmed report within six months, surpassing the national standard of 6.1%.

In April 2007, Director Koller was selected to receive the 2007 Administration on Children, Youth and Families Commissioner's Award for her exceptional contribution to the prevention and treatment of child abuse and neglect in Hawaii. The award recognized the Director and the Department for reducing the number of children removed from their homes by 30 percent, increasing access to community-based services for families with children and improving the skills and qualifications of Child Protective Services staff and foster families.

Goal 2: Reduce the incidence of child abuse and/or neglect in foster care

Measure: Of all children who were in foster care during FY 07, what percentage were the subjects of confirmed maltreatment by a foster parent or facility staff?

In FY 06, 1%, or 47 children in foster care were subject to confirmed maltreatment by a foster parent or facility staff.

In FY 07, 0.60% or 25 children in foster care were subject to confirmed maltreatment by a foster parent or facility staff. This significantly improved outcome is slightly above the national standard of 0.57%.

Through our Hui Ho'omalua contract with the Partners In Development Foundation (PIDF), the Department has standardized recruitment, screening and home studies processes and enhanced training and ongoing support and retention of foster/resource families. The Hui partnership includes PIDF, Catholic Charities Hawaii, Foster Family Programs of Hawaii, Kokua Ohana and a consortium of other community providers to increase services, resources and support for children and all families—birth, relatives, foster/resource families.

Goal 3: Reduce time in foster care to reunification, without increasing re-entry

Measure: Of all children who were reunified with their parents or caregivers, what percentage were reunified within 12 months from the latest removal from the family home?

In FY 06, the Department exceeded the national standard of 76.2%. 78.9% or 919 children were reunified with their parents or caregivers within 12 months from their entry into foster care,

In FY 07, 75.9% or 835 children were reunified with their parents or caregivers within 12 months from their entry into foster care, slightly less than the national standard of 76.2%.

For the first quarter of FY 08, 77.5% or 221 children were reunified with their parents or caregivers within 12 months from their entry into foster care which again exceeds the national standard of 76.2%

Delays in reunification occur for many reasons including the multiple treatment needs of many of our families that require more than 12 months to successfully address to ensure the safety of children when we return them to a safe family home.

Goal 4: Reduce foster care re-entries

Measure: Of all children who entered foster care, what percentage re-entered foster care within 12 months of a prior foster care episode?

In FY 06, 12.1% or 212 children were reunified with their parents or caregivers and re-entered foster care within 12 months of a prior foster care episode. This figure is above the national standard of 8.6%.

In FY 07, 13.9% or 217 children were reunified with their parents or caregivers and re-entered foster care within 12 months of a prior foster care episode. This figure is above the national standard of 8.6%.

To address this area, we have continued our collaboration with the University of Hawaii through data analysis, research, literature search and ongoing evaluation of CPS cases to identify the reasons why children are re-entering foster care and develop effective strategies to decrease the foster care re-entry rate to meet or exceed the national standard for this measure.

Goal 5: Reduce time in foster care to adoption

Measure: Of all children who exited foster care to a finalized adoption, what percentage exited care within 24 months from the latest removal from home, surpassing the national standard of 32.0%.

In FY 06, we surpassed the national standard, with 36.5% of children in out-of-home care exiting care to adoption within 24 months from their latest removal from the home.

In FY 07, we again surpassed the national standard, with 34.3% of children in out-of-home care exiting care to adoption within 24 months from their latest removal from the home.

- The National Adoption Excellence Awards were established by the U.S. Department of Health and Human Services in 1997 as a way of recognizing outstanding accomplishments in achieving permanency for America's children waiting in foster care for permanent homes. The Department was recognized on December 12, 2007 in the category of "Child Welfare System Improvement " for progress in promoting adoptions in recent years through a coordinated and multi-faceted approach in collaboration with the Family Court and community and faith-based organizations.

November was first proclaimed as National Adoption Month by President Gerald Ford in 1976. For the first time on Saturday,

- November 17, 2007, Hawaii joined our counterparts across the country in celebrating this event by finalizing 16 adoptions on one mass adoption day. The Oahu court house was opened for this festive event. Partners In Development Foundation, HOPE INC., Catholic Charities of Hawaii, Hawaii Foster Family Program, Child and Family Services, Hawaii Heart Gallery and Hawaii Adoption and Permanency Alliance partnered with the Judiciary, the Department of Attorney General and the Department of Human Services to make it a very special day for 16 children who were adopted and their adoptive families.

Goal 6: Increase placement stability

Measure: Of all children served who had been in foster care, what percentage had no more than two placement settings during that time period?

In FY 06, 82.2% or 1,680 children experienced two or fewer placements within their first twelve months of care.

In FY 07, 85.4% or 1,462 children experienced two or fewer placements within their first twelve months of care, a significant improvement over FY 06 but still slightly below the national standard of 86.7%.

The national standard is a count of the number of times a child changes placement. It does not take into consideration the reasons a child may have been moved, which include changes that are beneficial to a child such as a move from a foster home to an adoptive home or a change in placement from a non-relative to a relative placement

We believe our improvement in this outcome is a result of our aggressive efforts to identify, recruit, train, license and support foster parents through Hui Hoomalu.

- b. Explain how these results relate to the program's objectives and department's mission.

The FY 07 performance results reflect the Department's efforts to successfully meet or exceed the goals of safety, permanency and well-being for children.

- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

The effectiveness of the program is measured using Federally mandated outcome indicators that provide both qualitative and quantitative measures of children receiving services from the Department's CPS program. See Section II. A, for a discussion of the measures of program effectiveness and results.

Since FY 03, program effectiveness has been measured by the State's CFSR and PIP. The CFSR review examined outcomes of services provided to children and families and identified systemic factors that affect positive program outcomes. The CFSR identified program needs and strengths to develop the PIP. The PIP, which was reviewed and approved by ACF, contained the goals, action steps, benchmarks and timelines the Department agreed to accomplish in order to address the areas needing improvement identified in the CFSR.

As part of the PIP, our HMS 301 CPS program established the following Key Priorities:

- Ensure child safety by a timely response to all reports of child abuse and neglect accepted for investigation by CPS
- Conduct ongoing safety, risk, and needs assessments on all children and families in cases active with CPS
- Ensure that every family and every child, as appropriate, are actively involved in developing their case plan

Ensure that every child in our care, every family, and every foster family are visited at least once a month by the assigned caseworker

- and afforded the opportunity of a face-to-face interview in cases active with CPS

Hawaii successfully achieved substantial systemic improvements to successfully address areas that the CFSR identified as needing improvements and has avoided financial sanctions.

However, despite aggressive and intensive efforts, the Department is still struggling to meet two of the national data standards: Stability of Foster Care Placements and Reentry into Foster Care.

The Department also has made and maintained significant and successful progress as a result of the implementation of the PIP. Some of our more significant accomplishments include:

- Successfully implemented a Differential Response System (DRS) on December 16, 2005 that prioritizes intake referrals and utilizes community-based service providers to meet the need for family strengthening services (FSS) or voluntary case management (VCM) services as alternatives to CPS intervention.

As a result of our promising outcomes, the Department was invited to present at two national conferences -- National Differential Response Conference in Long Beach California from November 17-19, 2007 and the Children's Bureau Conference for Agencies and Courts from December 10 – 13, 2007. Our outcomes as of October 31, 2007 are as follows:

- ❖ 4,217 families were referred for CPS investigations of allegations of abuse or neglect.
- ❖ 1,188 families were referred for VCM services from CPS intake.
- ❖ 2,447 families were referred for FSS services from CPS intake.

- ❖ Recurrence of child abuse and/or neglect decreased from 5.7% in SFY 2004 to 2.2% in SFY 2007. Currently at 1.5%. We are far exceeding the national standard of 6.1%.
- ❖ 38% of Referrals to CPS intake are being triaged to the FSS and VCM programs.
- ❖ Approximately 15% of referrals to FSS and VCM are returned due to safety concerns.
- ❖ Children in out-of-home care decreased by approximately 20% since the implementation of the DRS.
- ❖ The average caseload for each CPS worker has decreased from 24 to 18 cases.

Improved assessment and decision-making through application of updated intake screening, safety, risk and needs assessment tools. We have also requested and received technical assistance from the National Resource Center for Child Protection (NRCCPS) to conduct quality case reviews and trainings for CPS, FSS and VCM staff to identify implementation and casework challenges and solutions that involved all of the CPS and community partners.

- Expanded community-based services (including FSS, provision of VCM services, home-based individual and family counseling, enhanced funding for transportation, outreach and visitation services, substance abuse treatment, parenting and other life skills training, enhanced Healthy Start early intervention home visitors with child development and substance abuse components) for incarcerated parents with children transitioning back to the community, and intensive mentoring of at-risk youth and their families.

- Increased efforts to partner with Hawaiian and faith-based communities to seek out relatives, preserve cultural connections and to recruit, retain and support foster and adoptive families.
- Increased funding and expanded use of Ohana Conferencing (OC) to involve families and youth in case planning. The expansion also included a “Family Finding” component in 2007 that promotes family connections between children in foster care and their family. It should be noted that OC was cited by ACF as a “*promising practice*” for other States to consider and replicate.
- Implemented a communication plan keeping staff and community partners informed of the changes through Policy Announcements, community meetings, extensive training, and utilization of website postings and newsletter discussions, e.g., Hawaii Foster Parent Association and Hui Hoomalu newsletters and websites. As part of this effort, during, and subsequent to the completion of the PIP, the Department provided community meetings and trainings sessions that, for the most part, were open to stakeholders as well as CPS staff.
- Maintained ongoing efforts to strengthen the roles of Section Administrators and Supervisors to move/oversee cases through the system, to direct critical decisions, and ensure quality of work and compliance with policy, procedures and achievement of outcomes by providing guidance, consultation and technical assistance in performance management from the successful Maui management team, through use of supervisory and administrative reviews, new supervisory training from the University of Hawaii, School of Social Work’s Training Academy and participation in the continuous quality improvement (CQI) process.
- Provided community and State training through partnering with National Resource Centers (NRC’s), e.g., National Resource Center for Adoption; National Resource Center for Family-Centered Practice

and Permanency Planning, National Resource Center for Child Protection, AdoptUSKids and others.

- Collaborated with the Child Welfare League of America and Casey Family Programs to conduct Hawaii specific research on decision-making related to the placement of children by the Department. The research was completed in December 2007. A final written report is expected in June 2008. The findings indicated that Hawaiian and Part Hawaiian children are over-represented in foster care. Casey Family Programs has also committed to assist DHS in building on our current family-focused work such as our ongoing implementation and improvement of the DRS, Ohana Conferencing, family finding, priority of relative placement and siblings placed together to develop a true family engagement model of practice in Hawaii.
- Partnered with the University of Hawaii School of Nursing to develop a pilot to better meet the health needs of foster children.
- Community partnership to construct an emergency shelter facility (Receiving Home) for abused and neglected children in Waianae. The Receiving Home will serve about 15 children, newborn to 17 years of age. Placement preference will be given to children from the Waianae Coast. The project received a donation of \$1,000,000 to build the facility and a commitment of \$400,000 annually for ongoing operational costs from the Michael Wood Foundation. The Receiving Home will provide Waianae with a much needed emergency shelter facility to ensure that abused and neglected children can be safely maintained in close proximity to their homes, sibling groups can be kept together, children can be maintained in their schools, encourage family connections, provide a safe place for parents to visit with their children, and the community will have the opportunity to be involved in the project, from initial planning to staffing and volunteering at the receiving home.

The Department has been able to sustain and enhance improvements to our child welfare system that ensure the safety and well-being of our children. We greatly appreciate the ongoing commitment of our CPS staff, community partners, purchase of service providers, the Family Courts, the Legislature, and the many others who have stepped forward to help us in our efforts.

- d. Discuss actions taken by each program to improve its performance results.

The Department continues to emphasize a range of services directed at strengthening the family unit and helping children remain in their own homes. The Department is also increasing its concurrent efforts to place children in adoptive and other permanent placements.

The CPS program is more effectively using the resources currently available to the Department. This is a part of our ongoing strategy to enhance family strengthening and voluntary service programs and to increase the use of existing community resources, thus providing a wider array of services to support and strengthen at-risk children and their families.

During FY 2007, Hawaii has continued to explore opportunities for ongoing specialized training for managers, workers, supervisors and paraprofessionals through the National Resource Center network, Child Welfare League of America, the Casey Family Programs, universities, individual contractors and national, local and community training providers such as those noted below:

Strengths-Oriented Practice:

- The Department continues to work in partnership with the University of Hawaii, School of Social Work, on an innovative work study program for social worker students interested in completing a Masters of Social

Work degree (MSW). This has helped in addressing the chronic vacancies in social worker positions in the CPS Branch.

- Expanded availability of Ohana Conferencing to facilitate family and youth involvement in case planning has been a major contributing factor in the Department successfully meeting its objective regarding family and youth involvement in case planning. Ohana Conferencing is a family decision-making practice that is used to develop and implement safety and permanency plans agreed upon by family members. First started as a pilot project in 1995, Ohana Conferencing has helped more than 3,000 families since 1998. In FY 07, 1,424 Ohana Conferences were conducted. In addition, 296 Youth Circles were conducted, making for more than 1,600 total conferences in SFY 2007. Ohana Conferencing enlists the support of key family members and other supports to the family to work with the Department to address and resolve child safety issues. We have expanded the availability of the Ohana Conferences to all parties in a CPS case, funded outreach into the community to provide information on the Conferences to potential participants, increased the number of Conferences available, and added Youth Circle Conferences for youth who are exiting the foster care system, to reconnect them with members of their extended family who can offer support and encouragement. We also implemented "Family Finding Initiative" in 2007 which is accessed at the initiation of a CPS case to identify, locate, contact and enlist appropriate family members who can provide support to children in out-of-home care.
- Continued our collaboration with the University of Hawaii, School of Social Work to decrease foster care re-entry and increase placement stability through data analysis, research, literature search and ongoing evaluation of CPS cases to develop strategies to meet the national standards for these measures.

- Completed, issued, trained, and implemented revised procedures in conjunction with the Department's Med-QUEST Division to ensure timely access of children in out-of-home care to appropriate medical services.
- Developed supportive resource, management, training and supervision through the supervisors and workers training, and other strategies as needed for those offices found needing improvement on an ongoing basis.
- Successfully implemented Hui Hoomalu -- an innovative, consolidated contract that provides Statewide, All Inclusive, Integrated and Collaborative Initiative for the Identification, Recruitment, Screening, Training and Ongoing Support of Resource Families for children in the Department's custody.

Multi-Agency Partnerships:

- Maintained our ongoing effort with Hawaiian and faith-based communities, including the Federally-funded Kokua Ohana Project, to increase recruitment and retention of Hawaiian foster and adoptive families with on-site consultation from AdoptUsKids, the National Resource Center on Adoption, and Harvest Family Ministry on faith-based recruitment.
- Continued to support the Hawaii Foster Youth Coalition, a youth-led organization that assists youth in foster care with developing leadership skills and advocacy and provides a mechanism for youth feedback on CPS and by working with purchase of service providers and the Hawaii Foster Youth Coalition to help youth transition from foster care to independent living.
- Implemented the Heart Gallery to Hawaii through a collaboration with other community leaders and stakeholders. The Heart Gallery

enlists the aid of professional photographers who donate their time to take portraits of children in care who are in need of permanent homes. The program is well-established and has demonstrated its effectiveness in other States and will provide a welcome addition to our resources.

- Maintained a streamlined process for referral and treatment of children between the CPS program and the Department of Health's Children and Adolescent Mental Health Division that accommodates referrals of children with potential problems that would require intensive mental health treatment and expedites the provision of treatment.
- Expanded funding and scope of services of the comprehensive services contracts to increase access by foster parents.
- Expanded efforts to locate, recruit, and place children with extended family and kin to preserve and ensure that children in care stay connected to their families and, if necessary, can be permanently placed with members of their family or "Ohana."
- Collaborated with the Department of Health, Alcohol and Drug Abuse Division to obtain a Federal Access to Recovery (ATR) grant from the Federal Substance Abuse and Mental Health Services Administration (SAMSHA), that awarded the State of Hawai'i \$8.25 million over the next three years, to fund substance abuse recovery support services for parents and guardians of families in the Child Protective Services (CPS) system. The SAMHSA ATR program is a presidential initiative which utilizes a voucher system where clients can access substance abuse clinical treatment and recovery support services. The goals of the program are to expand capacity, support client choice, and increase the array of faith-based and community-based providers for clinical treatment and recovery

support services. It also has the goal of reducing substance abuse, especially of methamphetamine.

- Enhanced services to child welfare families with substance abuse problems through the Family Drug Court, an ongoing successful collaboration partnership between the CPS Branch, the Family Court, and the Department of Health, Alcohol and Drug Abuse and Public Health Nursing Divisions.
- Participated in ongoing collaborative groups including the Child Protective Services Advisory Council, Title IV-B/2 Statewide and Regional Planning Committees, the Blueprint for Child Welfare Reform, and the Court Improvement Project.
- Reviewed and analyzing supervisory review data, case review findings, and data gathered on specific cases with the State Continuous Quality Improvement (CQI) Council.

System Upgrades:

- The Department was granted funding by the 2007 Legislature to update the Child Protective Services System (CPSS) database. On September 12, 2007, a “kick off” conference was held to inform the CPS staff and our legislative and community partners of the plan to revamp and improve the CPSS system in collaboration with Maui Community College’s Rural Development Project to a user friendly system that is also able to provide ongoing timely and accurate information on outcomes. The system will integrate Federal and State requirements and maintain the strengths of the current system, but also include staff and community partners in our effort to complete this critical project. One of the innovations that was unveiled was a website, where CPS staff and community partners can make suggestions, track the projects progress and provide feedback on instruments, tools etc, as they are developed and unveiled.

e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

None

3. Problems and Issues:

None

4. Expenditures for Fiscal Year 2007-2008:

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restrictions	Available Resources	Estimated Expenditures
(Pos. Count)	544.50				544.50	544.50
Personnel Services	24,333,296	772,280			25,105,576	25,105,576
Other Current Expenses	39,616,972				39,616,972	39,616,972
Equipment	137,290				137,290	137,290
Motor Vehicles	100,000				100,000	100,000
Total Requirements	64,187,558	772,280			64,959,838	64,959,838
(Pos. Count) General Fund	294.69 26,578,341				294.69 26,876,608	294.69 26,876,608
(Pos. Count) Special Fund	0.00 450,000				0.00 450,000	0.00 450,000
(Pos. Count) Federal Fund	249.81 37,159,217				249.81 37,633,230	249.81 37,633,230
(Pos. Count) Other Fund						

a. Explain all transfers within the Program I.D. and the impact on the program.

None.

b. Explain all transfers between Program I.D.s and the impact on the program.

None.

c. Explain any restrictions and the impact on the program.

None.

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH 2007 FY 09 Appropriation	Budget Request FY 09	Executive Supplemental Budget FY 09
(Pos. Count)	544.50	1.00	545.50
Personnel Services	24,335,908	1,383,236	25,719,144
Other Current Expenses	39,416,972		39,416,972
Equipment	137,290		274,580
Motor Vehicles	100,000		200,000
Total Requirements	63,990,170	1,383,236	65,373,406
(Pos. Count) General Funds	294.69 26,380,946	0.75 30,537	295.44 26,411,483
(Pos. Count) Special Funds	0.00 450,000		0.00 450,000
(Pos. Count) Federal Funds	249.81 37,159,224	0.25 1,352,699	250.06 38,511,923
(Pos. Count) Other Funds			

Provide the total position counts and funds requested.

a. Workload or program request:

To meet the Federal mandate to implement aggressive system reform in Child Protective Services as a result of Hawaii's Child and Family Services Review (CFSR) by the Federal Department of Health and Human Services (DHHS) in July 2003, the Child Protective Services Branch (CPSB) received approval of a Demonstration Project proposal and requested authorization for positions exempted from civil service coverage pursuant to HRS 76-16(12) in March 2004. The CFSR identified many areas needing improvement in our CPS system. Failure to achieve improvement would have resulted in huge financial penalties and loss of future Federal funds. The Project afforded the Department with the flexibility to respond quickly and to demonstrate innovative and best practice modalities to make improvement. A Program Improvement Plan (PIP) was approved by DHHS in June 2004. A core system reform was the development and implementation of a Differential Response System (DRS), i.e., by prioritizing intake referrals and working with community-based organizations to meet the need for family strengthening services or voluntary case management services as an alternative to CPS intervention. Over time, the DRS has proven to result in a substantial decrease in CPSB's caseload. With the Governor's approval, the PIP positions were established to provide much additional support and assistance to complement existing CPSB staffing as mandated by the PIP.

As we stated previously, many of these positions were filled and are providing valuable services to children and families active with the Child Protective Services Branch (CPSB). The Department requested and was granted the conversion from temporary to permanent positions to ensure the ability to retain qualified staff in the last legislative session.

One of the positions was inadvertently not converted from temporary to permanent. This is the last temporary position in the Child Protective Services Branch.

In the Supplemental Budget, we are requesting conversion of this position, HSP IV (#113138), as a housekeeping measure to complete the conversion from temporary positions to permanent. This position is filled and is actively providing valuable services to children and families active with CPSB. This Waianae position is critical in maintaining our effort to ensure we are providing timely and appropriate services to families in the community. This position will also ensure we are able to continue our compliance with Federal requirements.

Position Title	<u>Number</u>	<u>ORG</u>	<u>FTE</u>	<u>MOF</u>
Human Service Professional IV	113138	SO	.75	A
Human Service Professional IV	113138	SO	.25	N

The Supplemental Budget also includes an increase in the program's Federal appropriation to accommodate higher Federal fringe benefit rates.

FY 09

<u>Cost Element</u>	<u>Amount</u>	<u>MOF</u>
Personal Services	1,383,236	N

b. For all position count reductions, please specify whether the positions were filled or vacant.

None

6. Program Restrictions

None

7. Capital Improvement Program (CIP) Requests for Supplemental Year 2006-2007:

None

8. Proposed Lapses of CIP Projects:

None

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, ESQ., DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**SOCIAL SERVICES DIVISION (SSD)
CHILD PROTECTIVE SERVICES PAYMENTS**

Program Structure Number: 06 01 03

Program I.D. and Title: HMS 303 – Child Protective Services Payments

Page References in the Executive Budget Supplemental:

N/A

1. Introduction:

Child Out-of-Home payments are issued for children who are unable to be maintained safely in their family homes because of abuse or neglect. The HMS 303 program is funded with approximately 69% State general funds and 31% Federal funds. The approved budget for State Fiscal Year (FY) 2008 of \$64,911,679 is comprised of \$44,816,013 in general funds and \$20,095,666 in Federal funds. **There is no Supplemental Budget request for this program.**

a. Summary of program objectives.

To ensure an adequate standard of living for children who are unable to be maintained in their family homes because of abuse or neglect by providing payment for room and board and costs related to care or assistance in family preservation, reunification, adoption, and other permanent placements.

b. Description of program objectives.

This payment program supports the overall goal of the Child Protective Services (CPS) Branch to ensure the safety, permanency and well-being of children in their own homes, or, when removal is necessary, in out-of-home placements. By setting and maintaining reimbursement rates for

children's basic living costs, the program gives substitute caretakers the means to provide an adequate standard of living for children in their care.

A total of 4,139 children were in relative and non-relative foster care during FY 2006. The number of children in foster care decreased in FY 2007 to 3,517.

There has been an overall decrease in both the number of intakes and the number of children in foster care. This decrease is due in part to the expanded prevention and family strengthening and support services available through the Department's purchase of services (POS) contracts. However, children are entering foster care with serious social adjustment and psychological problems due to parental maltreatment, and the Department continues to experience an increase in the number of children for whom difficulty-of-care, adoption and permanency assistance payments must be made.

- c. Explanation of how your program intends to meet its objectives in the upcoming supplemental year.

The program intends to meet its objectives by providing payments to support the following: foster care, emergency shelter, children living with permanent custodians or legal guardians, foster youth attending higher education, and subsidies to facilitate adoption for children with special needs. Payments also cover basic daily living needs and other essentials such as clothing, transportation to school, and visitation services to facilitate reunification or to prevent out-of-home placement.

2. Program Performance Results:

- a. Discuss the performance results achieved by each Program in FY 06 and FY 07.

The Program provided the following types of benefit payments:

- Foster care maintenance (relative and non-relative foster care):
 - FY 2006: 4,139 children for the year.
 - FY 2007: 3,517 children for the year

These figures represent a decrease of approximately 15% compared to the previous years. Factors that have impacted on these figures include the establishment of a statewide centralized intake process, implementation of new intake, safety and risk assessment tools, and the expansion of prevention and family strengthening services.

- Higher education:
 - FY 2006: 227 former foster youth for the year.
 - FY 2007: 210 former foster youth for the year.

These figures represent an increase of approximately 22% over FY 2005. This program has been positively impacted by the continuing emphasis on youth participation in transition services and outreach to transitioning and former foster youth. The higher education board allowance payments provide funds to obtain education and training that will enable the former foster youth to become self-sufficient.

These benefits are one component of the Independent Living Program (ILP) that the Department offers transition aged youth. Purchase of services ILP contracts throughout the State include services designed to help youth develop needed knowledge and skills, and make connections with resources for employment, housing, and education. The contracts also contain provisions for transitional living arrangements and limited housing and rental support.

- Permanency assistance:
 - FY 2006: 1,347 children for the year.
 - FY 2007: 1,362 children for the year.
- Adoption assistance:
 - FY 2006: 3,011 children for the year.
 - FY 2007: 3,396 children for the year.

These figures represent an increase of approximately 9% for permanency assistance and 13% adoption assistance over FY 2006 numbers. These programs help support a permanent and stable placement for children who cannot return to their birth family. The Department's continuing emphasis on efforts to provide timely permanency for children is part of the goals for the Federal Program Improvement Plan (PIP) and in concert with Federal policy and requirements. Due to the increased needs of children entering the foster care and the emphasis on providing a permanent legal home for children who cannot return to a safe family home, the permanency assistance and adoption assistance programs are projected to continue to increase for the foreseeable future.

- Difficulty-of-care payments:
 - FY 2006: 1,060 monthly average number of children
 - FY 2007: 1,020 monthly average number of children

These figures represent an average decrease of approximately 16% compared to the monthly average number of children receiving difficulty of care payments in FY 2004 and FY2005. Difficulty of care payments are issued when the foster parents provide additional care and supervision for a child who has special and additional needs for support, usually related to the child's emotional, behavioral, or medical needs that exceed the needs of an "average" child. As the cases coming into CPS increase in complexity, it is expected that there will be a high number of children who need additional care and supervision. However, it is anticipated that these numbers will decrease in a manner similar to the decrease in the total number of children in out-of-home placement as we continue with family strengthening services as alternative responses to more intensive forms of CPS responses, including out-of-home placement.

- b. Explain how these results relate to the program's objectives and department's mission.

These results relate to the Department's Program Objectives by ensuring the safety and support of children in secure, nurturing, and permanent homes.

- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

Program effectiveness is measured by: 1) number of children provided with foster board and related payments; 2) percentage of children under the Department's placement responsibility who are determined Title IV-E eligible; and 3) number of children provided with adoption assistance and permanency assistance payments. These measures provide data on the Department's performance in providing safe and permanent homes for children who are abused or neglected.

These outcome measures are achieved through the Department:

- Continuing to maintain a high number of completed adoptions, including adoption of children with special needs. The Department has made a commitment to provide adoptive homes for children who cannot return to a safe home with their birth family. Although the number of completed adoptions varies from year to year, we have been successful in maintaining high numbers as shown by the 424 completed in FY 2006 and 372 in FY 2007.
- Expanding the availability of post-permanency services to adoptive families and those assuming legal guardianship of children through CPS by increasing funding for existing services including the Comprehensive Counseling and Support Services contract, the Adoption Connection and funding through the Department's Title IVB/2 grant.

- Continuing the collaboration with the Hawaii Foster Youth Coalition (HFYC) and providing financial support with funds awarded through the Federal Chafee Foster Care Independence Program, to help youth transition from foster care to independent living, including maintaining support for the annual youth conference for transitioning youth and support for HFYC local and statewide board meetings and other activities.
- Participating in on-going collaborative groups including the Child Protective Services Advisory Council, Title IV-B/2 Statewide and Regional Planning Committees, the Blueprint for Child Welfare Reform, and the Court Improvement Project.
- Increasing efforts to maximize the use of Federal funds to support these payment programs, including:
 - Continuation of the Federally approved Preponderance of Evidence Method (POEM) and provision of training to staff on this process for determining Title IV-E eligibility to maximize claims and reimbursements into eligibility determination procedures. The Title IV-E saturation rates fluctuate per quarter based on the comparison of the IV-E eligible children in the foster care or adoption assistance population with the total number of children the population. The average saturation rates for FY 2006 were approximately 70% for foster care and 78% for adoption assistance. Average rates were approximately 65% for foster care and 79% for adoption assistance in FY 2007. The Department earned Title IV-E funds for board maintenance, training and administrative expenses in the amounts of \$33,807,373 for FY 2006 and \$35,002,115 for FY 2007.
 - Hawaii successfully passed the primary Federal Title IV-E Foster Care Eligibility Audit completed by the U. S. Department of Health and Human Services on June 8, 2007.

A total of 80 cases statewide were reviewed by a team of State and Federal reviewers. Findings indicated that zero error cases were found! During the exit interview, the Federal Audit Team commended the State for our exemplary programs and practice citing the following strengths in our Child Welfare System:

- The Federal Team was impressed by our family-oriented approach, the use of ohana conferencing and use of relatives in foster care and adoption and how staff adjusted their work to take advantage of Hawaii's culture.
- Placement stability – the reviewers saw very few situations of multiple placements.
- Good collaboration with the Police, who are well trained and not removing children unnecessarily.
- Safe Family Home Reports were uniform, well-written and consistent.
- There were current pictures of children in the case records – a good safety feature to help identify and locate missing children.

The success of our IV-E Program ensures that the State will continue to receive and maximize Federal reimbursement to strengthen and support services for Hawaii's vulnerable children and their families.

- Recruitment, Licensure, Supporting foster homes and foster parents:
- Successfully implemented Hui Hoomalu -- an innovative, consolidated contract that provides Statewide, All Inclusive, Integrated and Collaborative Initiative for the Identification, Recruitment, Screening, Training and Ongoing Support of Resource Families for children in the Department's custody.

- DHS has contracted with providers such as Heart Gallery Hawaii (HGH) and HOPE INC, Inc. to focus on the “waiting” youth who have not found permanency (teens, older children and other children with special needs). These agencies collaborate with other providers to promote awareness of the “waiting” foster youth, to find adoptive homes, to sustain the permanent placements.
- We have also encouraged and increased the recruitment of relatives as placement resources for children in out-of-home placements. DHS has supported trainings on Family Findings and the establishment of Family Connections Consortium (FCC). FCC is a collaboration of agencies committed to finding family connections and permanency for all foster youth. EPIC Ohana Conferencing is the lead agency. DHS, Catholic Charities Hawaii (CCH)-Hui, CCH-Wendy’s Wonderful Kids, HOPE, and HGH are partners in this Consortium.
- Expanded funding and scope of services of the comprehensive services contracts to allow access by foster parents and in collaboration with the Department’s Benefit, Employment and Support Services Division (BESSD) provided foster parents with access to BESSD funded parenting classes.
- The CPS program and the Department of Health’s Children and Adolescent Mental Health Division continue to collaborate to streamline and expedite referrals and treatment of children whose severe emotional and behavioral difficulties require intensive mental health treatment and services.
- Collaboration with BESSD to use Temporary Assistance for Needy Families (TANF) funds to support the Youth Advocate Program (YAP), which is designed to provide early intervention and intensive, individualized, strengths-based services that focus on the youth’s and family’s needs and goals to prevent out-of-home placement for youth

known to – or at risk of becoming known to – the child welfare or juvenile justice systems.

- d. Discuss actions taken by each program to improve its performance results.

Program Improvement Plan (PIP)/Systemic Improvements

- In FY 2003, the Department undertook the coordination and implementation of Hawaii's Federal Child and Family Services Review (CFSR). Using the findings of the Federal CFSR, the Department successfully developed, implemented and completed a Program Improvement Plan (PIP). Hawaii's two-year PIP was approved by the Federal Administration for Children and Families (ACF) on July 1, 2004 and completed by June 30, 2006. The PIP remains a major factor in all aspects of our HMS 301 CPS program.
- Pursuant to the PIP, significant approaches were implemented and maintained subsequent to the completion of the PIP that improved services to families and children, including but not limited to:
 - Provided statewide training for providers and staff regarding the new intake, safety and risk assessment tools and the new family strengthening and voluntary case management services.
 - Implemented community-based differential response system with a broad array of community and agency resources and services to augment the capacity of the Department and community-based agencies to keep children with their families and promote and sustain the child's safety.
 - Increased resources that include but are not limited to:
 - Enhanced family strengthening and community support services including expanded comprehensive counseling

and supportive services through a variety of purchase of services (POS) contracts.

- Expansion of Ohana Conferencing to enhance family engagement, assessment and case planning, “family finding” and identification and recruitment of relative care placement resources.
- Expansion of Ohana Conferencing to include a “Youth Circle” conference to assist youth transitioning from care to develop a support system plan, including reconnection with birth families as appropriate. Youth who have participated in the Youth Circles have cited this as an important component in transition planning. During 2007 the number of Youth Circles continued to expand, with 296 being held; increases of approximately 173% compared to 2006 and 500% compared to 2005.
- Targeted recruitment of foster homes for relative placements, Hawaiian families, and children with special needs to address the disproportionate numbers of Native Hawaiian or Part Hawaiian children in foster care.
- The CPS program continues to partner with the Kokua Ohana Project, as part of a grant from the Federal Administration of Native Americans, to focus on developing and enhancing the ability of faith based organizations to increase the availability of foster homes for children of native Hawaiian ancestry.
- Funded and implemented the Hui Hoomalu program, which is a partnership between the Partners In Development Foundation, Catholic Charities, the Kokua Ohana Program and the Foster Family Program to

consolidate and enhance the recruitment, training, licensing, support and retention of foster homes.

- Increased collaboration:
 - Within the Child Protective Services Branch, between sections, units, and workers.
 - Within the Social Services Division, between branches.
 - Within the Department, between Divisions: Benefit, Employment and Support Services Division (BESSD); Med-QUEST Division (MQD); Office of Youth Services (OYS).
 - Between Departments: Health; Education; Judiciary.
 - With the community, including but not limited to Hawaii Foster Parent Association (HFPA); the Hui Hoomalu program, Adoption Connection, HOPE INC., the Heart Gallery Hawaii, the University of Hawaii, School of Social Work; and Hawaii Foster Youth Coalition and others to secure adoptive placements and post-permanency services for children and their adoptive parents;.
 - With the Federally funded National Resource Centers (NRCs), including the National Resource Centers for: Child Protection; Family Centered Practice and Permanency Planning; Adoption; and AdoptUSKids to expand community and staff training.
 - The Department collaborated with community leaders and stakeholders to bring the Heart Gallery to Hawaii. The National Heart Gallery is developed to bring community awareness of foster children waiting for adoptive homes and enlists the aid of professional photographers who donate their time to take portraits of

children in care who are in need of permanent homes. The program is well established nationwide and has demonstrated its effectiveness in other states and has provided an effective and welcome addition to our resources.

The Department has been making a concerted effort to quickly place children in adoptive homes or with legal guardians to comply with the requirements of the Federal Adoption and Safe Families Act of 1997 (PL105-89). There is a continuing upward trend in the nation, and Hawaii is no exception, in the number of children being adopted including special needs children and legal guardianships for which the Department must provide adoption or permanency assistance and difficulty-of-care payments. These children will be eligible for on-going payments until age 18 or longer if they are still in high school. National studies have found that the cost of adoption assistance will continue to grow.¹

The National Adoption Excellence Awards were established by the U.S. Department of Health and Human Services in 1997 as a way of recognizing outstanding accomplishments in achieving permanency for America's children waiting in foster care for permanent homes. The Department was recognized on December 12, 2007 in the category of "Child Welfare System Improvement " for progress in promoting adoptions in recent years through a coordinated and multi-faceted approach in collaboration with the Family Court and community and faith-based organizations.

November was first proclaimed as National Adoption Month by President Gerald Ford in 1976. For the first time on Saturday, November 17, 2007, Hawaii joined our counterparts across the country in celebrating this event

¹ "Growth in the Adoption Population" (<http://aspe.hhs.gov/hsp/fostercare-issues02/adoption/index.htm>) & "Adoption and Foster Care Analysis and Review System, Report #5" (www.acf.dhhs.gov/programs/cb/publications/afcars/apr2001.htm)

by finalizing 16 adoptions' on one mass adoption day. The Oahu court house was opened for this festive event. Partners In Development Foundation, HOPE INC., Catholic Charities of Hawaii, Hawaii Foster Family Program, Child and Family Services, Hawaii Heart Gallery and Hawaii Adoption and Permanency Alliance partnered with the Judiciary, the Department of Attorney General and the Department of Human Services to make it a very special day for 16 children who were adopted and their adoptive families.

The Department is also emphasizing and encouraging the involvement of extended families to become placement resources for children in out-of-home care, to support parent's efforts to reunite with their children, to keep children connected to their extended families and, if necessary, to become permanent placements for children who are unable to return to safe family homes.

In July 2007 the Department collaborated with the Family Court/Judiciary Court Improvement Program to hold the successful "Ohana is Forever" conference, with 450 in attendance (Judges, attorneys, guardians ad litem, CPS social workers, foster youth, former foster youth, foster parents, family members, counselors and others) to emphasize the importance of family connections to children and youth in foster care.

Also highlighted was an example of the impact that family finding can have by presenting the story of one foster youth who was reconnected with his family after he had not been in contact with them for approximately 10 years.

The Department will also partner with the Family Court/Judiciary Court Improvement Program to provide "Ohana II", a follow up conference to the "Ohana is Forever" conference in April 2008. Our goal is to have over 100 foster youth statewide attend the conference.

The Department is also increasing efforts to involve and include the Hawaii Foster Youth Coalition in our efforts to promote outcomes for children and youth in foster care by involving the coalition in conferences , the Legislature and in other initiatives aimed at promoting family connectedness, recognizing and meeting the multiple needs of children in foster care and to prepare youth with independent living skills to prepare them for life beyond foster care.

The Department continues to enhance and emphasize services identified in the PIP that are directed at strengthening the family unit and helping children to remain in their own homes. At the same time, the Department is increasing its concurrent permanency planning efforts to ensure that children who cannot remain in or be returned to a safe family home are placed in adoptive or other permanent placements.

The Department is continuing its efforts to maximize Title IV-E Federal funding.

- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

There have been no modifications to the program's performance measures.

3. Problems and Issues:

- a. Discussion of problems and issues encountered, if any.

None

- b. Program change recommendations to remedy problems.

None

- c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

None

4. Expenditures for Fiscal Year 2007-2008:

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restrictions	Available Resources	Estimated Expenditures
(Pos. Count)					0.00	0.00
Personal Services					0	0
Other Current Expenses	64,911,679				64,911,679	64,911,679
Equipment					0	0
Motor Vehicles					0	0
Total	64,911,679	0	0	0	64,911,679	64,911,679
Requirements						
(Pos. Count)					0.00	0.00
General Fund	44,816,013				44,816,013	44,816,013
(Pos. Count)					0.00	0.00
Special Fund					0	0
(Pos. Count)					0.00	0.00
Federal Fund	20,095,666				20,095,666	20,095,666
(Pos. Count)					0.00	0.00
Other Fund					0	0

a. Explain all transfers within the Program I.D. and the impact on the program.

None

b. Explain all transfers between Program I.D.s and the impact on the program.

None

c. Explain any restrictions and the impact on the program.

None

As applicable, provide a description on the impact of the transfers that have occurred within the program I.D. between the various cost elements, transfers occurring between different program I.D.'s and restrictions imposed.

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH 2007 FY 07 Appropriation	Budget Request FY 09	Executive Supplemental Budget FY 09
(Pos. Count)			0.00
Personal Services			0
Other Current Expenses	64,911,679		64,911,679
Equipment			0
Motor Vehicles			0
Total Requirements	64,911,679	0	64,911,679
(Pos. Count)			0.00
General Funds	44,816,013		44,816,013
(Pos. Count)			0.00
Special Funds			0
(Pos. Count)			0.00
Federal Funds	20,095,666		20,095,666
(Pos. Count)			0.00
Other Funds			0

Provide the total position counts and funds requested.

None

6. Program Restrictions

None

7. Capital Improvement Program (CIP) Requests for Supplemental Year 2008-2009: CIP data for all projects within the agency being heard shall be combined into a single appendix in the department's testimony (if no request is being made, please indicate "none").

None

8. Proposed Lapses of CIP Projects:

None

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**OFFICE OF YOUTH SERVICES
IN-COMMUNITY YOUTH PROGRAMS**

Program Structure Number: 06 01 05 01

Program I.D. and Title: HMS 501 – In-Community Youth Programs

Page References in the Executive Budget Supplemental:

Volume II; Pages 823-826

1. Introduction:

The Office of Youth Services (OYS) provides a range of services statewide to address the juvenile justice needs of Hawaii's youth through prevention program services, residential services, and through the oversight of incarcerated youth committed to the Hawaii Youth Correctional Facility (HYCF). The OYS also acts as the single State pass-through agency for Federal funds from the Office of Juvenile Justice and Delinquency Prevention (OJJDP). **The OYS is requesting in the Supplemental Budget the conversion of three temporary positions to permanent.**

a. Summary of program objectives.

To provide a continuum of services and programs for at-risk youth statewide and enhance program effectiveness and efficiency by formulating policies, executive direction/planning, budgeting/program operations oversight, personnel support services, and other administrative services.

b. Description of program objectives.

The OYS continues to support the development of a comprehensive continuum of youth services in Hawaii. Specific objectives include overall

administrative responsibilities and duties to effectively manage the OYS and its programs, which include: the Office of Juvenile Justice and Delinquency Prevention programs, the Safe and Drug Free Schools and Communities programs, Title XX Social Service Block Grant Programs; the provision of a continuum of programs and services to meet the needs of the community and youth, ranging from prevention programs to institutional aftercare; and administrative support and direction to the HYCF.

- c. Explanation of how program intends to meet its objectives in the upcoming supplemental year.

The OYS FB 2007-2009 Requests for Proposals (RFP) resulted in 74 provider contracts to address all aspects of the continuum of services for children and youth, ranging from primary prevention services such as positive youth development programs through aftercare supervision and services for youth released from the HYCF. These contracts included ten funded through Act 281/Session Laws of Hawaii 2006, for non-school hour programming.

The OYS is responding to emerging needs of youth in the community. There is concern that gang activity is increasing and OYS will continue its role in bringing together law enforcement and service providers in a unified approach to gang prevention.

The Honolulu Police Department (HPD) announced in October 2007 that they would discontinue three diversion programs (Akamai, Evening Counseling, and Student Attendance Program) to free up additional officers for law enforcement functions. Two thousand youth participating in these programs each year were instead to be referred to the City and County Department of the Prosecuting Attorney (DPA) and the Department of the Attorney General (AG) for formal action beginning January 1, 2008. Many in the juvenile justice system were greatly

concerned about the impact on youth and the system as a whole by losing the diversion programs.

To respond to this concern, the OYS has convened regular meetings that include representatives from HPD, DPA, AG, City and County Department of Community Services, the Judiciary, and the Department of Education to work towards replacing the HPD programs with alternatives to prevent referrals of status offenders and first-time law violators to the DPA and AG. All agree that immediate interventions upon arrest are necessary to divert youth from further involvement with the juvenile justice system. An immediate result of the group's effort was HPD providing an additional six months of diversion services to June 30, 2008.

2. Program Performance Results:

- a. Discuss the performance results achieved by each program in FY 07.

The OYS continues to provide a wide range of services that are accessed by over 10,000 children and youth each year. Through a concerted planning effort in conjunction with the University of Hawaii, the Program Planning Office (PDO) staff were better able to assist various communities identify their unique needs through community meetings and the development of RFPs accordingly.

Programs such as the Girls' Court and the Safe House provide opportunities for youth not previously available in the State and contribute to the reduction of admissions to the HYCF.

New initiatives, such as the truancy programs and services for homeless youth expand and enhance the range of programs available to better serve Hawaii's children and youth. Developing and implementing the Non-School Hour programs allowed for the introduction of new and creative programs to help children and youth find their inner strengths and build on them.

The Memorandum of Agreement (MOA) between the U.S. Department of Justice and the State also requires considerable attention, time, and resources from OYS administration. Progress is being made and is discussed more fully under HMS 503.

- b. Explain how these results relate to the program's objectives and department's mission.

The OYS monitoring visits and evaluation studies help us determine if programs are fully utilized, cost effective and meeting the needs of children. All of the programs and services under the OYS are consistent with the objectives of the entire Department. Cross-system integration of the Department's services will also encourage all Divisions within the Department to work in partnership with the youth and their families we assist.

- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

The four areas of performance measurement include 1) training and technical assistance to providers and communities, 2) program monitoring visits, 3) studies and evaluations of programs, conditions, or statistical analysis of need, and 4) interagency collaboration efforts.

OYS has established a sound track record for providing conference and training opportunities to raise awareness, demonstrate best practices, and bring credible guest speakers on a variety of subject areas related to juvenile justice. During the fiscal biennium, the OYS sponsored conferences related to youth gangs, truancy, and disproportionate minority contact with the juvenile justice system.

Outcome measures for programs and services indicate that the OYS provides effective prevention, intervention, diversion, and rehabilitation services to youth through its purchase of services contracts. Not all targets are being met within specific programs, though. When problems

are identified, PDO staff work closely with the service provider to resolve issues and overcome any barriers to success.

The OYS continues to actively partner with other State agencies and the community in a number of ways, such as being active members of the Juvenile Justice Information Committee, Hawaii Children's Trust Fund, Keiki Caucus, and the Truancy Group. These partnerships help hone our skills and contribute to modifying existing and developing new programs for youth.

- d. Discuss actions taken by each program to improve its performance results.

The OYS has completed a new strategic plan, which will guide us in future years, for community mobilization and program planning and enhancement of the continuum of services ranging from prevention to secure care for high-risk youth. Through community mobilization, the OYS is able to (1) better assess the needs of at-risk youth and their families across the State, (2) provide relevant training and technical assistance to communities in various youth services areas, and (3) provide stronger coordination and collaborative efforts within communities.

Administration and facilitation of a coordinated youth services delivery system is accomplished through the OYS convening and/or participating in meetings with juvenile justice agencies, state agencies that provide services to youth (Departments of Education, Health, and Human Services), the University of Hawaii, private providers, and members of the community.

- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

None.

3. **Problems and Issues:**

- a. Discussion of problems and issues encountered, if any.

None.

b. Program change recommendations to remedy problems.

None.

c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

None.

4. Expenditures for Fiscal Year 2007-2008:

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restrictions	Available Resources	Estimated Expenditures
(Pos. Count)	21.00				21.00	21.00
Personnel Services	1,269,996	50,727			1,320,723	1,320,723
Other Current Expenses	11,666,289				11,666,289	11,666,289
Equipment	0				0	0
Motor Vehicles	0				0	0
Total Requirements	12,936,285	50,727	0	0	12,987,012	12,987,012
(Pos. Count) General Fund	21.00 7,765,437				21.00 7,810,404	21.00 7,810,404
(Pos. Count) Special Fund	0.00 0				0.00 0	0.00 0
(Pos. Count) Federal Fund	0.00 5,170,848	5,760			0.00 5,176,608	0.00 5,176,608
(Pos. Count) Other Fund	0.00 0				0.00 0	0.00 0

a. Explain all transfers within the Program I.D. and the impact on the program.

None.

b. Explain all transfers between Program I.D.s and the impact on the program.

None.

c. Explain any restrictions and the impact on the program.

None.

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH 2007 FY 09 Appropriation	Budget Request FY 09	Executive Supplemental Budget FY 09
(Pos. Count)	21.00	3.00	24.00
Personnel Services	1,270,253	0	1,270,253
Other Current Expenses	11,255,039	0	11,255,039
Equipment	0	0	0
Motor Vehicles	0	0	0
Total Requirements	12,525,292	0	12,525,292
(Pos. Count)	21.00	3.00	24.00
General Funds	7,354,444	0	7,354,444
(Pos. Count)	0.00	0.00	0.00
Special Funds	0	0	0
(Pos. Count)	0.00	0.00	0.00
Federal Funds	5,170,848	0	5,170,848
(Pos. Count)	0.00	0.00	0.00
Other Funds	0	0	0

a. Workload or program request:

The OYS is requesting two Children and Youth Specialists IV and one Children and Youth Specialist V be converted from temporary civil services positions to permanent. All three positions have been a part of the OYS for more than 15 years and the need for them will continue. By

converting the positions to permanent, the incumbents will have a greater level of job security and the positions will be easier to fill should vacancies occur.

The positions listed below are already funded in the OYS base budget through general funds:

#102367, Children and Youth Specialist IV, SR 22, \$40,716
#107954, Children and Youth Specialist IV, SR 22, \$39,360
#107955, Children and Youth Specialist V, SR 24, \$44,064

- b. For all position count reductions, please specify whether the positions were filled or vacant.

None.

6. Program Restrictions

None.

7. Capital Improvement Program (CIP) Requests for Supplemental Year 2008-2009:

None.

8. Proposed Lapses of CIP Projects:

None.

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**OFFICE OF YOUTH SERVICES
YOUTH SERVICES PROGRAM**

Program Structure Number: 06 01 05 03

Program I.D. and Title: HMS 503 – Hawaii Youth Correctional Facility

Page References in the Executive Budget Supplemental:

Volume II; Pages 828-831

1. Introduction:

The Hawaii Youth Correctional Facility (HYCF) is responsible for youth committed to its custody and care by the Family Courts, which includes the provision of a range of educational/vocational, medical/mental health, and rehabilitative services.

In February 2006, the State of Hawaii entered into a Settlement Agreement with the U.S. Department of Justice (DOJ) concerning conditions of confinement at HYCF. The State has three years to come into substantial compliance with the terms of the Agreement; if this is not achieved, the DOJ can continue to pursue its lawsuit against the State in Federal court. A court appointed monitor has been assigned to monitor compliance with the provisions of the Agreement on a quarterly basis.

The Office of Youth Services (OYS) is requesting in the Supplemental Budget the authorization and funding for additional positions, trade-offs and conversions of temporary to permanent positions, based on a Federal staffing analysis and recommendations to improve the HYCF.

- a. Summary of program objectives.

To provide secure custody and quality care for youth who have been sent to HYCF, and who will receive rehabilitation programs, specialized services, and custodial care, to increase their ability to successfully function within the community upon their releases without re-offending.

b. Description of program objectives.

The HYCF will pursue the key policies, initiatives, and objectives as articulated in the Multi-Year Program/Financial plan and meet the requirements of the Settlement Agreement with the Department of Justice in the following ways:

- Continue to work towards meeting substantial compliance in each of the 53 provisions of the DOJ Settlement Agreement within the designated three-year time period.
- Complete the development of all HYCF draft Policies, Procedures, Practices and forward to the DOJ for final review. Once approved, to implement and train HYCF staff on the new Policies, Procedures and Practices.
- Continue to develop and implement a comprehensive rehabilitation program to include medical, mental health services, vocational education, substance abuse services, sex offender treatment program, social and cognitive skills building through the behavior management program.
- Continue to develop and establish a Cottage Management System that will provide for consistency and continuity in the delivery of services to the individual youth within the Cottage.
- Continue to provide youth with appropriate transition and aftercare services, with individualized service plans, to increase their success in the community.
- Continue to work with DOE and DOH through an interagency agreement to develop and implement interagency policies and procedures to ensure communication consistency and systemic

alignment in the provision of services to youth committed to HYCF by the Family Court.

- Provide for the effective development of employment and retention of a qualified, trained, enthusiastic professional staff, in sufficient numbers, to address the needs of youth in the juvenile system, including staff at the HYCF, incorporating a rigorous pre-service and in-service staff training program.
 - Develop and maintain Performance-Based Standards in programs, contracts, and evaluation.
- c. Explanation of how program intends to meet its objectives in the upcoming supplemental year.

Meeting the requirements of the DOJ Settlement Agreement, with the assistance and support of the OYS administration, is priority for the facility. The 2006 and 2007 have provided additional funds to help meet these requirements.

These funds allow for, among other things, the establishment of additional staff positions at both the HYCF and OYS administration to provide adequate support for addressing aspects of the Agreement. Progress has been slow, though, in establishing and filling the new positions due to a number of things, including the lack of existing staff to develop multiple positions simultaneously and the inherent bureaucratic personnel process which has numerous sequential required steps. Despite these problems, a number of new positions were established and filled, others are in recruitment, and more are currently being established.

One of the keystones for compliance with the DOJ Settlement Agreement is the development and implementation of policies and procedures to govern the facility. More than 100 policies and procedures have been drafted and are now in the review and implementation process. Both the public unions have been very helpful in moving the consultation process along by accepting batches of policies each month and expediting their

review with members. Once the policies are signed, they are forwarded to DOJ attorneys for final approval. Policies are then shared through meetings conducted on each shift with cottage staff. More intensive training is needed on a number of policies and this is being woven into the planning process for basic and in-service training.

The development of medical policies and procedures have been contracted out to the National Commission on Correctional Health Care, the organization responsible for setting health care standards for juvenile and adult correctional facilities. It is our goal to become fully accredited in this area in the next two years.

The OYS has secured the services of the National Juvenile Detention Association (NJDA) in the planning, development, and implementation of the training mentioned above. A training needs assessment was carried out in November 2007 and a planning session, which included 11 security officers, two social workers, the Acting Youth Facility Administrator, and the Executive Director, was held in December 2007. In February, a proposed 40-hour training program will be presented to the same staff for critique and refinement. Then, for the subsequent six months, the NJDA will mentor those selected to train as they train others.

The OYS continues to have the advantage of assistance provided by a technical advisor with extensive experience in the juvenile justice system through an inter-government loan from the Juvenile Justice Division of the Bureau of Prison. The incumbent is physically located at the HYCF and exclusively dedicated to advising the State on complying with the Settlement Agreement. He is also the primary contact for the court appointed monitor.

2. Program Performance Results:

- a. Discuss the performance results achieved by each program in FY 07.

Developing new approaches to managing the facility, implementing a new behavior management system, introducing a cottage management system reflective of contemporary approaches to operating a juvenile correctional facility, conducting staff training on the newly introduced practices and programs, and improving the physical plant have guided our activities and have been the focus of the OYS under the Lingle-Aiona Administration.

The development of policies and procedures, discussed above, in the areas of Protection from Harm, Training, Access to Medical and Mental Health Care, Special Education, Compliance and Quality Improvement are well underway. The Quality Assurance Team, made of HYCF section administrators, meet weekly to provide internal assessment and evaluation on the DOJ improvement initiatives. HYCF works with DHS Personnel to aggressively fill Youth Correctional Officer position vacancies.

A Memorandum of Agreement between the Department of Public Safety and Office of Youth Services allows access to additional correctional staff to help ensure adequate coverage. HYCF continues ongoing meetings with union representatives to improve collaboration on meeting DOJ compliance, as it relates to staff. Weekly meetings with facility leadership and monthly staff meetings are held to address communication barriers to ensure life safety issues are addressed.

The most recent Federal Monitor's report (September 2007) rated eight provisions in substantial compliance with the terms of the DOJ Settlement Agreement, with the remaining 45 provisions in partial compliance.

- b. Explain how these results relate to the program's objectives and department's mission.

The provisions in the Settlement Agreement relate directly to our goals of providing wards with programs and services in a safe and secure environment.

- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

The provisions of the Settlement Agreement are guiding the activities at the HYCF, as discussed above. The Acting Youth Facility Administrator (YFA) works closely with the technical advisor to develop corrective action plans to address substantial remedial measures included in the Settlement Agreement and subsequent Federal monitor's reports. All reports are available upon request.

- d. Discuss actions taken by each program to improve its performance results.

See above.

- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

None.

3. Problems and Issues:

- a. Discussion of problems and issues encountered, if any.

The DOJ findings of October 2004 clearly delineate problems at the Hawaii Youth Correctional Facility. These findings were divided into three categories: Protection from Harm (self-harm, staff abuse, youth assaults, disciplinary isolation, lack of supervision, and inadequate grievance system); Access to Mental Health and Medical Care; and Access to Education Instruction for Youth with Disabilities.

Progress in improving some aspects of the facility have been impeded by limited numbers of staff to work towards compliance with the Settlement Agreement. Staff shortages caused by vacant positions, employees on workman's compensation, and employees on leave pending investigation exacerbate the problem. Added to that is the required process to establish, recruit, and fill new positions. These positions are needed to help meet many of the provisions of the Settlement Agreement.

Staffing and training are the two areas that must be resolved to reach substantial compliance in all provisions of the Settlement Agreement. Staff shortages negatively impact program improvements and impede training efforts. HYCF is often faced with the choice of ensuring adequate coverage or risk placing youth in cottage lockdown to allow staff to attend training.

- b. Program change recommendations to remedy problems.

Substantial efforts are being put forth by existing staff to improve the deficiencies noted in the initial DOJ Statement of Findings and subsequent monitoring reports.

- c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

See above.

4. Expenditures for Fiscal Year 2007-2008:

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restrictions	Available Resources	Estimated Expenditures
(Pos. Count)	119.00				119.00	119.00
Personnel Services	5,791,538	167,369			5,958,907	5,958,907
Other Current Expenses	4,494,479				4,494,479	4,494,479
Equipment	42,200				42,200	42,200
Motor Vehicles	142,000				142,000	142,000
Total Requirements	10,477,217	167,369	0	0	10,644,586	10,644,586
(Pos. Count) General Fund	118.50 10,460,677				118.5 10,628,046	118.50 10,628,046
(Pos. Count) Special Fund	0.00 0				0.00 0	0.00 0
(Pos. Count) Federal Fund	0.00 0				0.00 0	0.00 0
(Pos. Count) Inter-Dept Transfer	0.50 16,540				0.50 16,540	0.50 16,540

a. Explain all transfers within the Program I.D. and the impact on the program.

None.

b. Explain all transfers between Program I.D.s and the impact on the program.

None.

c. Explain any restrictions and the impact on the program.

None.

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH. 2007 FY 09 Appropriation	Budget Request FY 09	Executive Supplemental Budget FY 09
(Pos. Count)	119.00	6.00	125.00
Personnel Services	5,792,560	76,000	5,868,560
Other Current Expenses	4,464,479	(23,000)	4,441,479
Equipment	0	0	0
Motor Vehicles	0	0	0
Total Requirements	10,257,039	53,000	10,310,039
(Pos. Count) General Funds	118.50 10,240,499	6.50 69,308	125.00 10,309,807
(Pos. Count) Special Funds	0.00 0	0.00 0	0.00 0
(Pos. Count) Federal Funds	0.00 0	0.00 0	0.00 0
(Pos. Count) Other Funds	0.50 16,540	(0.50) (16,308)	0.00 232

a. Workload or program request:

1. Establish 3.00 Registered Nurse III positions to provide 24/7 nursing coverage. This request is in response to a staffing analysis of the Health Care Services Section completed by the National Commission on Correctional Health Care (NCCHC) which recommends one nurse per shift. There are currently two Registered Nurse III positions; with the addition three positions, 24/7 coverage by State employees can be achieved. To make up the present shortfall, the OYS contracts with a nursing service.

Positions will be funded through reallocation of contract funds to personnel costs.

<u>Position Title</u>	<u>Number</u>	<u>ORG</u>	<u>FTE</u>	<u>Amount</u>	<u>MOF</u>
Registered Nurse III		YB	3.00		A

2. Establish two Youth Corrections Officer positions to provide transport to court hearings and outside medical/dental appointments. Currently, there are three to five outside transports per week day, 15-25 per week. Security officers are often taken off the line to conduct the transports which negatively impacted the DOJ Settlement Agreement requirement of one staff per eight youth and too often resulted in the cancellation of the outside appointment. We requested funds to purchase transportation services last year, but the Federal monitor has required any outside service have experience in transporting juvenile justice youth. This condition could not be met. Reallocating operating funds identified for transport will cover \$23,000 of the cost.

<u>Position Title</u>	<u>Number</u>	<u>ORG</u>	<u>FTE</u>	<u>Amount</u>	<u>MOF</u>
Youth Corr. Officer		YB	2.00	\$53,000	A

3. Trade off the current Dental Assistant III position for a Medical Records Technician. Another recommendation of the NCCHC is to create a medical records position in lieu of having nurses use their valuable and needed time on record keeping. HYCF currently has a Dental Assistant III position funded .5 FTE with general funds and .5 FTE with U funds (the position was previously shared with the Women's Community Correctional Center). This request is to trade the .5 FTE for a 1.00 FTE Medical Records Technician.

<u>Position Title</u>	<u>Number</u>	<u>ORG</u>	<u>FTE</u>	<u>Amount</u>	<u>MOF</u>
Med. Records. Tech	35978	YB	0.50		A
	39578		0.50	16,308	A

4. Convert temporary Recreational Specialist III position to permanent. HYCF is made up of three distinct living units that each require a dedicated Recreational Specialist III. With two positions already permanent, this conversion will ensure all three living units have proper staffing.

<u>Position Title</u>	<u>Number</u>	<u>ORG</u>	<u>FTE</u>	<u>Amount</u>	<u>MOF</u>
Rec. Spec. III	117215	YB	1.00		A

- b. For all position count reductions, please specify whether the positions were filled or vacant.

None.

6. Program Restrictions

None.

7. Capital Improvement Program (CIP) Requests for Supplemental Year 2008-2009:

None.

8. Proposed Lapses of CIP Projects:

None.

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

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**Hawaii Public Housing Authority (HPHA)
Rental Housing Services**

Program Structure Number: 06 02 02 01

Program I.D. and Title: HMS 220 – Rental Housing Services

Page References in the Executive Budget Supplemental:

Volume II; Pages 496-497

1. Introduction:

HMS 220 has no FY 09 Supplemental Budget operating requests. However, the program is requesting two FY 09 CIP projects totaling \$26,410,000, and an emergency appropriation for FY 08 in the amount of \$10,870,314,

a. Summary of program objectives,

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HMS 220, the Rental Housing Services program, manages 5,363 Federal and 864 State-assisted rental housing properties.

b. Description of program objectives,

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To provide public rental housing facilities and opportunities for low income residents.

Federal Low Income Public Housing (5,363 units)

- residents pay 30 percent of income for rent, no minimum rents
- in addition to rents collected, HUD (Federal Department of Housing & Urban Development) provides an operating subsidy

State Family Public Housing (288 units)

- residents pay 30 percent of income for rent, with minimum rents starting from \$108 for a one-bedroom
- other than rents collected, there is no operating subsidy

State Elderly Housing (576 units)

- residents pay 30 percent of income for rent, with minimum rents starting from \$175/month for a studio
- other than rents collected, there is no operating subsidy

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State affordable housing (222 units)

- Most residents pay 30 percent of income for rent
- In addition to rents collected, operating subsidies are provided by Federal project-based Section 8 or State rental assistance payments

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HPHA also administers for HUD via subcontract with Bremerton Housing

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Authority the Section 8 New Construction project based rental housing subsidies for the State of Hawaii for privately built rental units.

The Hawaii Public Housing Authority (HPHA) is responsible for managing the State's public housing projects, including:

- fixing vacant units
- filling vacant units
- collecting rent, enforcing rules; evicting tenants for non-rent payment or rules violations
- finishing work orders; inspecting units regularly
- organizing residents
 - to maintain units and grounds
 - to conserve water and electricity
 - to assist with community security

- to work cooperatively with staff and community volunteers
 - f. maintaining units long term via capital projects; completing key projects (elevators, fire alarms, energy performance contracting)
 - g. developing an effective procurement system
 - h. Completing implementation of the emPHAsys accounting system; using data for daily management; converting to HUD asset management structure by Asset Management Projects (AMPs)
 - i. holding staff accountable to meeting program objectives through honest performance evaluations
- c. Explanation of how program intends to meet its objectives in the upcoming supplemental year.
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- a. Fix vacant units:
 - With \$29.5 million in State CIP funding and \$12 million per year in Federal capital funding, HPHA is scheduled to complete 412 vacant units by December 2009. See attached schedule A.
 - Work is being done primarily through private contractors, supplemented by HPHA staff, residents, and community volunteers.
 - b. Fill vacant units:
 - To speed up the placement process, effective 10/1/07 applicants for Federal public housing have one chance to accept an offer of public housing.
 - To improve coordination, staff members at 16 local management areas called AMPs (Asset Management Projects) now directly place waiting list applicants into AMP vacancies.
 - c. Collect rent/enforce lease; evict for non-payment of rent, lease violations: HPHA currently has tenants accounts receivables totaling \$4 million, of which \$1.5 million is owed by tenants still occupying units.

- Emphasis is on evicting non-paying residents and stopping delinquencies at their first onset.
 - Improved training of applicants and new residents is planned, with translated materials.
 - More intensive screening of applicants is planned to prevent renters with poor rent histories and criminal convictions from entering housing. Focus will be on hard working families who follow the rules.
- d. Finish work orders; inspect units regularly:
- With current staffing levels all units should be timely repaired according to HUD standards, but they are not.
- Managers and Maintenance Supervisors need to plan, assign, and monitor work better. This is a management problem at root, and needs the cooperation of unionized staff.
 - A labor-management advisory committee is planned.
- e. Organize Residents
- to maintain units and grounds
 - work with resident councils to reduce litter, cut grass, and paint lower floors
 - to conserve water and electricity
 - contract with an Energy Services Company to audit all energy/water usage and propose retrofits to energy saving and conservation-oriented improvements
 - to assist with community security
 - work with resident councils and police to conduct neighborhood watches and walks, identify rules violators early

- HPHA will seek more funding for security guard and off-duty police funding and security camera funding
 - to work cooperatively with staff and community volunteers
- f. Maintain units long term via capital projects; complete key projects (elevators, fire alarms, energy performance contracting)
- HPHA has submitted a request for a minimum of \$26.4 million in CIP funding for public housing.
 - Develop plan to budget, plan, assign, and monitor capital projects
 - Elevator and fire alarm projects on schedule (See Attachment "HMS 220 Elevator Progress Report"); energy performance contract behind schedule
- g. Develop effective procurement system
- Train and monitor
- h. Complete implementation of the emPHAsys accounting system; use data for daily management; convert to HUD asset management structure by AMPs.
- Compile FY 2007 general ledger for audit, operations management, and budget planning
 - Compile first half FY 2008 general ledger for audit, operations management, and budget planning
 - Develop clear performance measurements that are kept up-to-date, and useful to AMP staff and central office
- i. Hold staff accountable to meeting program objectives through honest performance evaluations
- Start with chiefs, then managers, then supervisors, then on to line staff.

2. Program Performance Results:

a. Discuss the performance results achieved by each Program in FY 07 and the first half of FY 08.

a. Fix vacant units

- 793 vacant units fixed and filled 7/1/06-6/30/07, average of 129 days per unit of total 198 turnaround days.
- 259 vacant units fixed and filled 7/1/07-12/31/07, average of 93 days per unit of total 131 turnaround days.

b. Fill vacant units

- 793 vacant units filled 7/1/06-6/30/07, average of 69 days per unit of total 198 turnaround days.
- 259 vacant units filled 7/1/07-12/31/07, average of 38 days per unit of total 131 turnaround days.
- Goal: Increase occupancy from 92% to 95% by 6/30/09

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c. Collect rent, enforce lease; evict for lease violations

- 1,493 tenants delinquent with accounts receivables of \$1,709,137.52 as of 12/31/07
- Goal: From 1/1/08-12/31/08 result for all 446 tenants with receivables over 90 days delinquent: 100% will be taken to eviction, collection, or unit will be vacated. From 1/1/08 – 12/31/08 result for all 637 tenants with receivables currently less than 90 days delinquent: if not paid in full by 90 days, cause to pay, vacate, or refer for eviction.
- Tenants brought to eviction hearings 7/1/06 - 6/30/07: 139 for nonpayment of rent, 61 for non-rent lease violations (200 total).
- Tenants brought to eviction hearings 7/1/07- 12/31/07: 47 for nonpayment of rent, 36 for rules violations (83 total).
- Tenants evicted for rent or non-rent violations 7/1/06-6/30/07: 97

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- Tenants evicted for rent or no-rent lease violations 7/1/07-12/31/07:
36

d. Finish work orders; inspect units regularly:

- 3,612 emergency work orders, 92% abated within 24 hours 7/1/06-6/30/07
- 1,497 emergency work orders, 88% abated within 24 hours 7/1/07-12/31/07

- Goal: 97% percent of all emergency work orders abated within 24 hours

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- 27,287 regular work orders, completed within average 26 days 7/1/06-6/30/07

- 14,396 regular work orders, completed within average 14 days 7/1/07-12/31/07

- Goal: all regular work orders completed within average of 25 days 1/1/08 – 12/31/08; 100% of all regular work orders completed within 1-year of opening

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- 5,162 Federal units inspected (out of 5,363 possible) for 7/1/06-6/30/07

- 636 Federal units inspected (out of 5,363 possible) for 7/1/07-12/31/07

- Goal: 100% of 5,363 Federal units and 864 State units inspected at least annually 1/1/08 – 12/31/08

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e. Organize residents

- to maintain units and grounds
- to conserve water and electricity
- to assist with community security

- to work cooperatively with staff and community volunteers.

- 25 active resident associations (out of 44 possible) as of 6/30/07
- 20 active resident associations (out of 44 possible) as of 12/31/07
- Goal: 44 resident associations active 1/1/08-12/31/08
- 15,278 million KWH of electricity used, 7/1/06-6/30/07
- Goal: 5% reduction in electricity used 1/1/08 – 12/31/08
- Gallons of water used for 7/1/06-6/30/07
- Goal: 5% reduction in water used 1/1/08-12/31/08

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f. Maintain units long term via capital projects; complete key projects (elevators, fire alarms, energy performance contracting)

- See project timetable "Schedule A", which is budget, plan, and assignments for capital projects
- Elevator and fire alarm projects on schedule; energy performance contract behind schedule

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g. Develop effective procurement system

- In 2007 Procurement Office established and fully-staffed
- 8/16/07 HPHA Board of Directors, with union consultation, adopted a Statement of Procurement Policy
- Goal: Develop 3 year advance procurement plan by 6/30/08

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h. Complete implementation of emPHAsys accounting system; use data for daily management.

- Hire chief financial officer; contract accountants, budget analyst by 3/31/08
- FY 2007 general ledger due 1/31/08
- First half FY 2008 general ledger due 2/15/08

- See performance measurements above.
- j. Hold staff accountable to meeting program objectives through honest performance evaluations
- Performance goals targeted 2/15/08; 100% performance evaluations completed 1/1/08 – 12/31/08
- b. Explain how these results relate to the program's objectives and department's mission.
- HPHA needs to make substantial improvements in each of the above areas to meet HUD performance standards, increase income, and decrease expenses.
- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.
- Please see the measures of effectiveness in the preceding section.
- d. Discuss actions taken by each program to improve its performance results.
- During FY 2007 the HPHA worked with HUD to develop an Improvement Plan to address the remaining performance targets and strategies, which include improvements to its tenant placement process, boosting rent collections and more expeditious eviction of problem tenants. The program performance outcomes for 7/1/07-12/31/07 show some improvement over the performance outcomes for the previous year from 7/1/06-6/30/07 (see 2.a., above).
- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.
- Performance measures are based on HUD requirements and standards, with the knowledge that meeting HUD standards will increase income, decrease expenses, and serve more of the user population.

3. Problems and Issues:

- a. Discussion of problems and issues encountered, if any.

1. Lack of financial reports. Since the Housing and Community Development Corporation of Hawaii (HCDCH) split into the Hawaii Public Housing Authority (HPHA) and the Hawaii Housing Finance and Development Corporation (HHFDC) on 7/1/06, HPHA was unsuccessful in hiring any managerial level accounting staff until June 2007. HPHA has not been able to put together a general ledger for 18 months. This severely impacts management of operations.
2. Inadvertent lapsing of funds. Because of the lack of coordination between accounting staff and construction staff members, \$1.6 million in State funds were inadvertently lapsed as of 6/30/07. In order to make up budget shortfalls, B&F loaned HPHA \$1.6 million for FY 2007.
3. Lack of accurate budgeting. The budget details submitted to B&F and the Legislature have not been changed for several years. Therefore, they should be considered ceilings at best, and do not accurately portray planned or actual expenditures. HPHA needs to be able to hire a budget analyst, which it has not had for at least 18 months.
4. New HUD management structure: HUD will require management of assets with a decentralized structure as of 7/1/08. HPHA is attempting to comply with this mandate, and believes it will improve efficiency and effectiveness.
5. Inconsistent level of funding from HUD: For several years now, HUD has funded less than 100 percent of operating subsidies to public housing authorities nationwide. For FFY 2007 the funding percentage was 83 percent of what HUD projected as necessary. For FFY 2008 HUD estimates the funding percentage will be 84 percent of what HUD projects as necessary. This reduced amount equals approximately \$3-4 million dollars per year shortfall for HPHA.
6. Unfunded program changes by HUD: HUD has increased responsibilities through such mandates as Pet Policy and Community

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Service Requirement, which can be helpful, but also require more work for existing staff.

7. Aging inventory needs more capital repairs. As the average age of properties in this program is 30+ years old, substantial funds are required for extraordinary repairs or replacement of items such as elevators, electrical, plumbing, roofs, site infrastructure, and abatement of hazardous material, renovation of unit interiors to preserve and maximize their useful life, and for compliance with the Americans with Disabilities Act (ADA). Federal funds of \$12 million per year are insufficient.

b. Program change recommendations to remedy problems.

1. HPHA needs additional operating resources to keep operating.

2. HPHA needs to ask more of its residents, staff, and the community to become part of the solution. Taxpayers and government cannot do it alone.

3. HPHA is seeking to sell its non-public housing inventory (222 units) to nonprofits who will continue providing the units as affordable units, with HPHA owning the land in perpetuity. Proceeds will be used to reduce operating deficits or put into capital repairs.

4. HPHA intends to explore redevelopment of public housing to include affordable and market units, as other housing authorities countrywide have done, while at least maintaining the current number of public housing units.

c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

See III. a and III. b above.

4. Expenditures for Fiscal Year 2007-2008:

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restrictions	Available Resources	Estimated Expenditures
(Pos. Count)	224.00				224.00	224.00
Personnel Services	11,450,452	427,074			11,877,526	11,877,526
Other Current Expenses	45,747,125				45,747,125	45,747,125
Equipment	858,451				858,451	858,451
Motor Vehicles	0				0	0
Total Requirements	58,056,028	427,074	0	0	58,483,102	58,483,102
(Pos. Count)	1.00				1.00	1.00
General Fund	10,194,240	989			10,195,229	10,195,229
(Pos. Count)	0.00				0.00	0.00
Special Fund	0				0	0
(Pos. Count)	200.00				200.00	200.00
Federal Fund	43,869,465	389,249			44,258,714	44,258,714
(Pos. Count)	23.00				23.00	23.00
Revolving Funds	3,992,323	36,836			4,029,159	4,029,159

(above figures are budgeted only and have not been substantively revised for several years).

- a. Explain all transfers within the Program I.D. and the impact on the program.

HPHA anticipates the need to transfer positions within the Program I.D. based on operational needs that arise during the 2007-08 fiscal year. For example, in November 2007 HPHA took over management of 118 housing units at Palolo Valley Homes from a private contractor. Position transfers within HPHA are required to address this new operational need.

- b. Explain all transfers between Program I.D.s and the impact on the program.

None

- c. Explain any restrictions and the impact on the program.

As of 1/1/08 HPHA is restricted from hiring several positions because of a projected budget deficit for FY 2008.

A State operating subsidy that provided the amount of the Federal operating subsidy shortfall and an amount that would allow State public housing to operate at break-even levels would be welcome. HPHA is requesting an emergency appropriation to address this funding shortfall in FY 08.

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH 2007 FY 09 Appropriation	Budget Request FY 09	Executive Supplemental Budget FY 09
(Pos. Count)	224.00	0.00	224.00
Personal Services	11,450,462	0	11,450,462
Other Current Expenses	40,997,125	0	40,997,125
Equipment	453,451	0	453,451
Motor Vehicles	0	0	0
Total Requirements	52,901,038	0	52,901,038
(Pos. Count)	1.00	0.00	1.00
General Funds	5,039,240	0	5,039,240
(Pos. Count)	0.00	0.00	0.00
Special Funds	0	0	0
(Pos. Count)	200.00	0.00	200.00
Federal Funds	43,869,475	0	43,869,475
(Pos. Count)	23.00	0.00	23.00
Revolving Funds	3,992,323	0	3,992,323

(above figures are budgeted only and have not been substantively revised for several years).

Provide the total position counts and funds requested.

HPHA has 374 position counts, of which 300 are filled. New position counts are not needed. Funds for current positions are needed because Federal operating subsidies are insufficient and State operating subsidies historically have not been provided.

- a. Workload or program request:

None

- b. For all position count reductions, please specify whether the positions were filled or vacant.

None

6. Program Restrictions

None

7. Capital Improvement Program (CIP) Requests for Supplemental Year 2008-2009: CIP data for all projects within the agency being heard shall be combined into a single appendix in the department's testimony (if no request is being made, please indicate "none").

1. Lump Sum CIP

- a. Project title and description.

Lump Sum CIP – Non-Routine Repair and Maintenance, Improvements and Renovations, Statewide

- b. Financial requirements by project phase and means of financing.

<u>PHASE</u>	<u>MOF</u>	<u>FY 2008</u>	<u>FY 2009</u>
Design	C	2,000,000	2,000,000
Construction	C	18,000,000	18,000,000
Total	C	20,000,000	20,000,000

- c. Explanation and scope of project.

The HPHA is repairing or renovating various low-income and elderly State and Federal Projects in HPHA's inventory. Some examples of work being performed include re-roofing, repainting, asbestos abatement, repairing solar water heating system, and repairing interior plumbing.

- d. Justification for the project.

The majority of the HPHA's buildings were old and obsolete and have building code issues, requiring extraordinary maintenance and repairs. Some buildings have lead-based paint and asbestos

hazards which may be problematic for the health and safety of the families residing in the public housing units.

- e. For all lump sum requests, please provide a specific breakout detailing specific projects for all planned expenditures.

See Attachment 1

- f. Senate and House District(s) for the project.

House: District statewide Senate: District statewide

2. Elevator Improvements

- a. Project title and description.

Elevator Improvements, Statewide

- b. Financial requirements by project phase and means of financing.

<u>PHASE</u>	<u>MOF</u>	<u>FY 2008</u>	<u>FY 2009</u>
Design	C	750,000	410,000
Construction	C	4,250,000	6,000,000
Total	C	5,000,000	6,410,000

- c. Explanation and scope of project.

The HPHA's elevators average age is 29 years. Given the age of the elevators and the condition, all the HPHA's elevators will be either modernized or renovated to meet current ADA standards.

- d. Justification for the project.

The majority of the HPHA elevators are located in elderly high rise buildings. With an average age of 29 years, the HPHA elevators are currently experiencing reliability problems, resulting in the HPHA tenants without reliable elevator service. Therefore, the HPHA intends to modernize or renovate all its elevators.

- e. For all lump sum requests, please provide a specific breakout detailing specific projects for all planned expenditures.

See Attachment 1

f. Senate and House District(s) for the project.

House: Districts 26, 29, 35, 39 Senate: Districts 11, 14, 18, 22

8. Proposed Lapses of CIP Projects:

None

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**Hawaii Public Housing Authority
Rental Assistance Services**

Program Structure Number: 06 02 02 01

Program I.D. and Title: HMS 222 – Rental Assistance Services

Page References in the Multi-Year Program and Financial Plan:

N/A

1. Introduction:

HMS 222, Rental Assistance Services, provides Federal and State-funded rent subsidies to enable low- and moderate-income families to rent units in the private marketplace. **There are no Supplemental Budget requests for HMS 222 in FY 09.**

a. Summary of Program Objectives.

To assist low and moderate-income families to obtain safe, decent and affordable rental housing in the private market. This includes seeking additional financial resources to fund rental programs.

b. Description of Program Objectives.

Present your summary of the objectives and activities as discussed in the Multi-Year Program and Financial Plan.

This program administers both the Federal tenant-based Section 8 Program and the State Rent Supplement Program. Under these programs, rental units in the private sector are utilized and rental assistance payments are made directly to participating landlords. The program currently administers \$17,408,280 in Federal Housing Assistance Payments and \$945,876 in State Rental Assistance Payment monies. The

rental assistance monies would be able to assist approximately 2,386 families.

- c. Explain how your program intends to meet its objectives within the upcoming fiscal biennium.

HPHA intends to meet its program objectives by continuing to provide services as stated in II.A. and by proactively seeking private landlords to participate in the program through continued outreach efforts.

2. Program Performance Results:

- a. Discuss the performance results achieved by each program in FY 07 and FY 08.

During FY 2007 HPHA assisted 1,844 households under the Section 8 Housing Choice Voucher program. The Budget Utilization rate was 99.3%, which increased since the preceding year due to the stabilization of the rental market.

For the State Rent Supplement Program, in FY 2007, HPHA assisted an average of 369 households monthly and expended 68.1% of its appropriations.

- b. Explain how these results relate to the program's objectives and department's mission.

The performance results assisted in meeting the program objectives of assisting low and moderate-income families to obtain safe, decent and affordable rental housing in the private market.

- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

The effectiveness of Federal subsidy programs is measured by the number of households assisted and the extent to which HPHA is able to reach HUD's required lease up rate of 95%. HUD evaluates the program using the Section 8 Management Assessment Program (SEMAP) which

measures the performance of housing agencies administering Section 8 rental voucher and certificate programs in 14 key areas including the 1) proper selection of applicants from the Section 8 waiting list; 2) accurate verification of family income, 3) performance of quality control inspections to ensure housing quality, and 4) expanding housing choice outside areas of poverty or minority concentration. The indicators show whether eligible families are being helped to afford decent rental units at a reasonable subsidy cost as intended by federal housing legislation and appropriation.

The effectiveness of the State Rent Supplement Program is measured by the number of households assisted and the extent to which the expenditure of appropriations is maximized.

- d. Discuss actions taken by each Program to improve its performance results.

HPHA continues to maximize the Federal funding by issuing Housing Choice Vouchers to eligible families that meet the program requirements.

HPHA continues to work with HUD and the counties in an outreach program for existing and new landlords to expand the pool of private rental units for recipients of Section 8 Housing Choice Vouchers. Joint workshops are held at least twice a year. The HPHA has also posted landlord and consumer-oriented information on its website.

The Rent Supplement Program has increased the income limits and the maximum subsidy amount effective 1/1/2008. This increase is expected to increase participation in the program.

- e. Please explain all modifications to your program's performance measures and discuss the rationale for these modifications.

Not applicable.

3. Problems and Issues:

- a. Discussion of problems and issues encountered, if any.

The ability of this program to provide assistance to needy families is directly affected by fiscal constraints and the supply of private rental inventory with reasonable rents.

The State Rent Supplement Program is currently underutilized due to statutory requirements that the subsidy amount be limited to no more than \$160 per month, and that only those earning 50 percent or less of the area median income as determined by the U.S. Department of Housing and Urban Development (HUD) may participate in the program.

Effective 1/1/2008, the income limits and maximum subsidy amounts were increased to overcome this barrier.

b. Program change recommendations to remedy problems.

HPHA continues to reach out to private landlords and property managers and inform them of the benefits of participating in the program by holding seminars.

c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

Program changes to the Section 8 program are subject to revisions to the Public Housing Agency Plan, Section 8 Administration, and Hawaii Administrative Rules.

The Section 8 Subsidy Programs Branch has experienced loss of personnel due to retirement. As the Branch attempts to meet Federal and HPHA goals, staffing will become an issue and Federal performance levels must be met.

4. Expenditures for Fiscal Year 2007-2008:

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restrictions	Available Resources	Estimated Expenditures
(Pos. Count)	19.00				19.00	19.00
Personnel Services	1,654,550	59,418			1,713,968	1,713,968
Other Current Expenses	25,141,809				25,141,809	25,141,809
Equipment	0				0	0
Motor Vehicles	0				0	0
Total Requirements	26,796,359	59,418	0	0	26,855,777	26,855,777
(Pos. Count)	4.25				4.25	4.25
General Fund	1,232,968	8,979			1,241,947	1,241,947
(Pos. Count)	0.00				0.00	0.00
Special Fund	0				0	0
(Pos. Count)	14.75				14.75	14.75
Federal Fund	25,563,391	50,439			25,613,830	25,613,830
(Pos. Count)	0.00				0.00	0.00
Other Funds	0				0	0

A. Explain all transfers within the program I.D. and the impact on the Program.

None.

B. Explain all transfers between program I.D.'s and the impact on the program.

None.

C. Explain all restrictions and the impacts on the program.

None.

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH 2007 FY 09 Appropriation	Budget Request FY 09	Executive Supplemental Budget FY 09
(Pos. Count)	19.00	0.00	19.00
Personal Services	1,654,610	0	1,654,610
Other Current Expenses	25,141,809	0	25,141,809
Equipment	0	0	0
Motor Vehicles	0	0	0
Total Requirements	26,796,419	0	26,796,419
(Pos. Count)	4.25	0.00	4.25
General Funds	1,233,027	0	1,233,027
(Pos. Count)	0.00	0.00	0.00
Special Funds	0	0	0
(Pos. Count)	14.75	0.00	14.75
Federal Funds	25,563,392	0	25,563,392
(Pos. Count)	0.00	0.00	0.00
Other Funds	0	0	0

a. Workload or Program Request:

None

b. For all position count reductions, please specify whether the positions were filled or vacant.

None

6. Restrictions/Reductions

None

7. Capital Improvement Program (CIP) Requests for Fiscal Year 2008-2009:

None

8. Proposed Lapses of CIP projects:

None

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**Hawaii Public Housing Authority
Temporary Housing and Other Services to the Homeless**

Program Structure Number: 06 02 02 15

Program I.D. and Title: HMS 224 – Homeless Services

Page References in the Executive Budget Supplemental:

Volume II; Pages 500-501

1. Introduction:

The Homeless Services program is requesting additional operating funds of \$4.3 million to expand services to the homeless, and \$20 million for a CIP project to replace the Next Step Homeless Shelter in Kakaako with a permanent facility.

a. Summary of program objectives.

The objective of the State Homeless Programs is to comprehensively address the needs of the homeless in Hawaii and to provide the opportunity for homeless people to help themselves achieve improved living situations.

b. Description of program objectives.

The State Homeless Programs, directed by the Hawaii Public Housing Authority (HPHA), currently consists of three basic components: Development and management of emergency and transitional shelter facilities; provision of shelter and social services; and homeless intervention for the unsheltered homeless and the homeless-at-risk.

c. Explanation of how program intends to meet its objectives in the upcoming supplemental year.

The success of Hawaii's economy in recent years has paradoxically resulted in a severe increase in the number of homeless in Hawaii, as evidenced by the surging populations that inhabit our beaches and public areas and the ever increasing presence of homeless persons in suburban area parks, shopping centers, and road sides. Hawaii's people working at minimum wage jobs are least able to compete when property values rise, followed by increasing rents and the evolution of previously affordable rentals to houses placed on the market for sale.

The Homeless Management Information System puts the cumulative number of homeless on a single day in January 2007 at 11,514 persons, the highest number ever reached in Hawaii. In the course of FY 2007, homeless outreach, shelter and emergency grant agencies served more than 18,000 homeless persons, which illustrates the fluid nature of homelessness for some.

For the past 10 years, all of the State's homeless shelters were at capacity with waiting lists of those needing shelter. The Governor's response to the severely elevated plight of the homeless and the Legislative support with resources have resulted in eight new shelter developments in the past two years to meet the needs of the homeless and five more in various stages of development. Shelters completed and opened in the last two years include:

Kauai – Ka Uapo transitional shelter

Kauai – Mana 'Olana emergency-transitional shelter

Maui – Ho'olanani emergency shelter

Hawaii – Wilder/Kuleana Houses

Oahu – Onelauena emergency shelter (Kalaeloa)

Oahu – Pai'olu Kaiaulu emergency-transitional shelter (Waianae)

Oahu – Next Step emergency shelter (downtown Honolulu)

Oahu – Lighthouse Outreach emergency shelter (Waipahu)

Shelters under development include:

Oahu – Building 36 (Kalaeloa)

Oahu – Villages of Maili (Waianae)

Oahu – Seawinds (Waianae)

Oahu – Kahikolu (Waianae)

Hawaii – Koloko Project (Kona)

The State Homeless Programs will continue the effort to contract with private, nonprofit providers to manage and operate current and new homeless facilities which provide a safe place for families to repair their lives, address the issues that caused them to become homeless, and become empowered to achieve long term, permanent housing. The increased funding requested in the Supplemental Budget for fiscal year 2009 is to accommodate the new shelter facilities that will become operational and to make up for the short fall in funding for the current fiscal year.

2. Program Performance Results:

- a. Discuss the performance results achieved by each program in FY 2007.

In FY 2007, more than 18,000 homeless persons received services through 25 State funded providers of shelter, outreach, and emergency grant programs. The Outreach Program served 10,986 unsheltered homeless persons, providing emergency medical intervention, food, clean clothes, bus passes, assistance securing a State ID, and case management to enable a move to a safer living situation. Outreach workers provided 125,326 encounters to the unsheltered in their efforts to transition the homeless to shelter accommodations.

Emergency and transitional shelters provided safe housing and case management for 7,142 persons, of whom 2,098 transitioned to permanent housing within the fiscal year. Nearly 50% of the homeless served by the State Shelter Stipend Program are children and youth under the age of 24.

The State Homeless Grant Program targets homeless prevention by providing one-time financial assistance to prevent eviction. The program helped 781 persons avoid becoming homeless.

- b. Explain how these results relate to the program's objectives and department's mission.

The Department of Human Services provides a safety net for Hawaii's families who are encountering distress in coping with the demands of life and family. The homeless are the most severely distressed and need immediate intervention for health and safety as well as to forestall long-term physical and psychological impacts, much like post traumatic stress. Homelessness exacerbates physical and mental health, strains family ties, and saps the economy by debilitating a huge potential work force. It also severely interferes with the emotional and educational development of our children.

The objective of long term stability in permanent housing by enabling homeless persons to make better life skill choices, strengthening the family unit, and increasing employability are important components of the Department of Human Services objectives.

- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

The program's effectiveness is ultimately measured by the successful transition of homeless clients into permanent housing for the long term. The provider agencies are required to track exiting clients for six months in order to be sure that homeless clients not only transition to permanent housing but also retain that housing.

In FY 2006, 1,843 homeless persons successfully transitioned from the shelters to permanent housing. In FY 2007, 2,100 persons exited the shelters to permanent housing.

Another measure of effectiveness is the number of program participants who secure employment or enter job training. This measure supports the efforts of welfare reform and the "back-to-work" emphasis which is a key to economic self sufficiency. This measure has been integrated into the State Homeless Management Information System and will be producing future data on increases in employment level at exit from the shelters in contrast to employment levels at entry.

- d. Discuss actions taken by each program to improve its performance results.

The provider agencies have been under funded in the past due to budget constraints. Lack of resources restricts the amount of services that they can make available to homeless clients who have so many needs that have been exacerbated by their homeless situation. The Governor and the Legislature have done much to alleviate the lack of the resources enabling the State Homeless Programs to increase the stipend rates to providers, thereby increasing the services available to more quickly enable families to attain job training, GED proficiency, intensive counseling, and increased employability.

The Homeless Programs Branch (HPB) is constantly refining its programs with input from provider agencies solicited regularly. Forms and data accumulation have been revised to simplify reporting procedures and lessen the incidence of errors. The Homeless Programs Branch (HPB) also holds training sessions to help provider agencies increase efficiency in operations and effectiveness in providing needed services to homeless clients. Also, the HPB staff do site visits to help provider agencies improve their record-keeping, service delivery, and reporting.

- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

No modifications have been recommended at this time.

3. **Problems and Issues:**

- a. Discussion of problems and issues encountered, if any.

Lack of affordable housing continues to be a problem. Homeless families are generally on the beginning levels of the employment ladder. They are not able to find affordable housing that can ensure their long term economic stability in Hawaii's current housing market. Additionally, the elderly and disabled have little prospects beyond their current limited income, which means that they will be living on the edge of homelessness, unless they can get into units affordable to the very low income person.

- b. Program change recommendations to remedy problems.

The State needs to accelerate the production of multiple tiers of affordable housing – affordability pegged at 30%, 50%, 80% etc. of median income. Forward momentum must be part of the psychology. Families that are able to progress beyond the income ceiling for a particular unit should move on to the next level to provide opportunity for other families in need to get into housing affordable to their income level.

- c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

Twenty three homeless providers have been operating at a static capacity over the past 10 years. With the increase in homeless shelters over the last two years, doubling the bed capacity, the non-profit Boards had a difficult time rising to the task of quickly increasing their program capacity. Two new providers stepped up to fill part of the void, and the current providers have since taken dramatic steps to increase their personnel and operations to become more flexible in taking on new shelter opportunities. The reluctance to change organizations that were high performing at a certain capacity was a mindset that required changing. We are indebted to the flexibility of agencies that have so much heart for the homeless.

4. Expenditures for Fiscal Year 2007-2008

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restrictions	Available Resources	Estimated Expenditures
(Pos. Count)	5.00				5.00	5.00
Personnel Services	470,501	16,041			486,542	486,542
Other Current Expenses	12,175,215				12, 175,215	12,175,215
Equipment	0				0	0
Motor Vehicles	0				0	0
Total Requirements	12,645,716	16,041	0	0	12,661,757	12,661,757
(Pos. Count)	5.00				5.00	5.00
General Fund	11,276,608	16,041			11,292,649	11,292,649
(Pos. Count)	0.00				0.00	0.00
Special Fund	0				0	0
(Pos. Count)	0.00				0.00	0.00
Federal Fund	1,369,108	0			1,369,108	1,369,108
(Pos. Count)	0.00				0.00	0.00
Other Funds	0				0	0

- a. Explain all transfers within the Program I.D. and the impact on the program.

N/A

- b. Explain all transfers between Program I.D.s and the impact on the program.

N/A

- c. Explain any restrictions and the impact on the program.

N/A

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH 2007 FY 09 Appropriation	Budget Request FY 09	Executive Supplemental Budget FY 09
(Pos. Count)	5.00	0.00	5.00
Personal Services	470,591	0	470,591
Other Current Expenses	11,910,215	4,300,000	16,210,215
Equipment	0	0	0
Motor Vehicles	0	0	0
Total Requirements	12,380,806	4,300,000	16,680,806
(Pos. Count)	5.00	0.00	5.00
General Funds	11,011,698	4,300,000	15,311,698
(Pos. Count)	0.00	0.00	0.00
Special Funds	0	0	0
(Pos. Count)	0.00	0.00	0.00
Federal Funds	1,369,108	0	1,369,108
(Pos. Count)	0.00	0.00	0.00
Other Funds	0	0	0

a. Workload or program request:

- i. A description of the request, the reasons for the request, and the desired outcomes or the objectives to be accomplished by the proposed program.

An increase of \$4.3 million is being requested under “other current expenses” to fund a shortfall in the Homeless Programs current budget (shortfall currently being accommodated in FY 2008 by a separate appropriation in Act 222, SLH 07) and for operations of the new shelters that are being developed and will come on line in FY 2009. The new shelter facilities will add capacity to serve 792 – 800 additional homeless persons in emergency - transitional units. All will be given a safe place to sleep and case management to enable them to improve their living situations with the goal of transitioning to permanent housing in economic stability.

- ii. A listing/description of the positions requested, and funding requirements by cost category and source of funding.

N/A

FY 09

<u>Cost Element</u>	<u>Amount</u>	<u>MOF</u>
Other Current Expenses	\$4,300,000	A

- b. For all position count reductions, please specify whether the positions were filled or vacant.

N/A

6. Program Restrictions

None

7. Capital Improvement Program (CIP) Requests for Supplemental Year 2008-2009:

- a. Project title and description.

Emergency/transitional shelter replacement for Next Step Shelter which has a limited time in Kakaako. Between 250 to 300 homeless persons reside at Next Step, in spite of the fact that 489 persons have transitioned out to a variety of destinations including: Transitional housing, permanent housing, substance abuse treatment, and unknown. Those who transition out are quickly replaced by new homeless applicants which demonstrates the need for a replacement facility.

- b. Financial requirements by project phase and means of financing.

\$20 million is being requested in CIP funds for the Next Step Replacement project. The costs include the following:

- \$200,000 for planning
- \$15,000,000 for property acquisition
- \$300,000 for design
- \$4,000,000 for construction
- \$500,000 for equipment

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**Hawaii Public Housing Authority
Public Housing Renovations and Capital Improvements**

Program Structure Number: 06 02 02 08

Program I.D. and Title: HMS 225 – Private Housing Development and
Ownership

Page References in the Executive Budget Supplemental:

N/A

1. Introduction:

HMS 225 rehabilitates, reconstructs or revitalizes public housing. **There are no Supplemental Budget requests for this program.**

a. Summary of program objectives.

The program objective is to provide public housing units for low-income and special needs groups.

b. Description of program objectives.

Program activities include spearheading public housing revitalization efforts which involve contract administration of modernization, demolition, replacement, repair and maintenance of public housing projects.

c. Explanation of how program intends to meet its objectives in the upcoming supplemental year.

The Program intends to meet its objectives by continuing to provide services as stated in 2a.

2. Program Performance Results:

a. Discuss the performance results achieved by each program in FY 07.

In FY 07, the Program worked on large capacity cesspool conversion projects at Pahala Elderly, Kealakehe, Noelani, Waimea Teacher's Cottages, Hale Aloha O'Puna, Lokahi, Halaula Teacher's Cottages, Kau Teacher's Cottages, and Kaimalino. The Program is also completing exterior repairs at Noelani I & II, small repair at Makamae, and elevator modernization at Kuhio Park Terrace.

The Program completed modernization work at Kahale Kahaluu and Kalihi Valley Homes Phase 3A. In addition, small repairs were completed at Kalanihuia and Pumehana.

See Schedule A for a list of jobs.

- b. Explain how these results relate to the program's objectives and department's mission.

The performance results met the Program objectives of increasing and preserving affordable housing opportunities for low and moderate-income households and special needs groups primarily by rehabilitating or reconstructing public housing developments.

- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

Program effectiveness is measured by the number of housing units rehabilitated. In the past two years, the Program has completed modernization at Lanakila Homes Phase IIa and IIb, Waimaha Sunflower Phases I, II and III, Kalihi Valley Homes Phase 2 and 3A, and Kahale Kahaluu. The results of these jobs have provided more than 170 housing units back into HPHA's inventory.

- d. Discuss actions taken by each program to improve its performance results.

The HPHA will continue to seek opportunities to work in partnership with other public sector agencies and private entities to expand, as well as preserve, the State's affordable housing inventory.

- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

Not applicable.

3. Problems and Issues:

- a. Discussion of problems and issues encountered, if any.

1. The HPHA owns and operates 5,363 conventional low rent Federally assisted public housing units and 864 State-owned public housing units. Of this inventory, approximately 43% of Federal and 18% State projects are 30 plus years old and need substantial repairs and renovation. However, funds for replacement or modernization of Federal projects are limited. Health and safety issues have been identified at most projects, although major repair, maintenance and modernization will be deferred until more funds become available.

2. The annual capital funding for Federal projects was reduced in Federal fiscal year 2002, by over \$1 million dollars as a result of changes made by the U.S. Department of Housing and Urban Development (HUD) in the calculation of its allocation formula. This will result in extensions to the schedule of the replacement or modernization of Federal housing projects. Listed below are HUD funds available for each Federal Fiscal Year (FFY).

FFY 2001 - \$15,809,477
FFY 2002 - \$14,841,331
FFY 2003 - \$14,083,810
FFY 2004 - \$14,190,759
FFY 2005 - \$13,019,859
FFY 2006 - \$12,120,831
FFY 2007 - \$12,120,831

- b. Program change recommendations to remedy problems.

The HPHA will seek additional capital funds to rehabilitate and revitalize public housing projects.

- c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

In 2002, a physical needs assessment of Federal public housing properties identified a total capital improvement need for the next 20 years in excess of \$635 million. The HPHA's capital needs far exceed the stream of revenue available for the next 20 years and the HPHA's properties are continuing to age.

4. Expenditures for Fiscal Year 2007-2008:

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restrictions	Available Resources	Estimated Expenditures
(Pos. Count)	11.00				11.00	11.00
Personnel Services	1,925,484	61,291			1,986,775	1,986,775
Other Current Expenses	5,145,049				5,145,049	5,145,049
Equipment	0				0	0
Motor Vehicles	0				0	0
Total Requirements	7,070,533	61,291	0	0	7,131,824	7,131,824
(Pos. Count) General Fund	0.00 0				0.00 0	0.00 0
(Pos. Count) Special Fund	0.00 0				0.00 0	0.00 0
(Pos. Count) Federal Fund	9.00 1,421,513	43,912			9.00 1,465,425	9.00 1,465,425
(Pos. Count) Revolving Funds	2.00 5,649,020	17,379			2.00 5,666,399	2.00 5,666,399

a. Explain all transfers within the Program I.D. and the impact on the program.

None

b. Explain all transfers between Program I.D.s and the impact on the program.

None

c. Explain any restrictions and the impact on the program.

None

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH 2007 FY 09 Appropriation	Budget Request FY 09	Executive Supplemental Budget FY 09
(Pos. Count)	11.00	0.00	11.00
Personal Services	1,925,485	0	1,925,485
Other Current Expenses	5,145,049	0	5,145,049
Equipment	0	0	0
Motor Vehicles	0	0	0
Total Requirements	7,070,534	0	7,070,534
(Pos. Count)	0.00	0.00	0.00
General Funds	0	0	0
(Pos. Count)	0.00	0.00	0.00
Special Funds	0	0	0
(Pos. Count)	9.00	0.00	9.00
Federal Funds	1,421,514	0	1,421,514
(Pos. Count)	2.00	0.00	2.00
Revolving Funds	5,649,020	0	5,649,020

a. Workload or program request:

None

6. Program Restrictions

None

7. Capital Improvement Program (CIP) Requests for Supplemental Year 2008-2009:

None

8. Proposed Lapses of CIP Projects:

None

c. Explanation and scope of project.

The \$20 million request is to cover the purchase of property in urban Honolulu and the renovation of the property to accommodate the need for another shelter in the urban core to mitigate the needs of the homeless. About fifty properties in urban Honolulu have been investigated for the potential emergency-transitional shelter, and several prospective sites are on the short list for additional research and discussion.

d. Justification for the project.

The Next Step Shelter was a temporary facility to respond to the emergency need of homeless persons in downtown Honolulu, especially the 200+ displaced by the City's night time closing of Ala Moana Beach Park. The Shelter is on a month-to-month extension, but must eventually relocate to make room for demolition of the warehouse for future water-front development. However, the demand for shelter space has not abated, in spite of the transition of 489 people since the Shelter opened. To date, 739 people have received shelter services at Next Step which first opened on May 1, 2006.

e. For all lump sum requests, please provide a specific breakout detailing specific projects for all planned expenditures.

This request is for one project site only.

f. Senate and House district(s) for the project.

Senate District 12/13

House District 28/29

8. Proposed Lapses of CIP Projects:

None

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**Hawaii Public Housing Authority
HPHA Administration**

Program Structure Number: 06 02 02 06

Program I.D. and Title: HMS 229 – HPHA Administration

Page References in the Executive Supplemental Budget:

N/A

1. Introduction:

HMS 229, the Hawaii Public Housing Authority Administration, provides overall administration of the Hawaii Public Housing Authority (HPHA). **There are no Supplemental Budget requests for HMS 229.**

a. Summary of Program Objectives.

The objective of the HPHA Administration is to create an effective and efficient housing program by formulating policies, directing operations and personnel, and providing administrative and support services.

b. Description of Program Objectives.

HPHA Administration program objectives are accomplished through the development of goals, plans, and priorities with the HPHA Board of Directors, the support and monitoring of operations of programs, reporting to the Legislature, and coordinated service efforts with housing tenants and the community.

HPHA Administration activities consist of functions carried out by various offices and branches which provide direct supportive services to the other program areas within the HPHA. Please see organizational and staffing

charts attached for information on HPHA Administration structure, including position counts by individual offices and branches.

- c. Explain how your program intends to meet its objectives in the upcoming supplemental year.

HPHA intends to meet its program objectives by providing administrative oversight and support services, with an emphasis during the current fiscal year on the following:

- Fixing the accounting system so regular and immediate monitoring of finances can be done;
- Increasing the reliability of data collection and retrieval; and
- Developing performance standards and conducting honest performance evaluations.

2. Program Performance Results:

- a. Discuss the performance results achieved by each program in FY 07.

During FY 07 and FY 08, HPHA administration worked on planning, Legislative, fiscal, and management initiatives and supported all HPHA branches and offices.

During FY 07, HPHA also updated and submitted its Public Housing Agency five-year and annual plan to the U.S. Department of Housing and Urban Development (HUD) as required. Approval of these plans allows the HPHA to receive Federal funding for public housing projects.

During FY 08, HPHA Administration provided a high level of support to the Property Management & Maintenance Services Branch, which oversees the management of Federal and State public housing projects. With increased supporting services, this branch has set specific goals and measures of effectiveness to fix and fill vacant public housing units, as well as numerous other objectives. Please see HMS 220 for specific goals and measures.

- b. Explain how these results relate to the program's objectives and department's mission.

The performance results stated above have direct correlation to the HPHA's responsibility to fairly and efficiently help provide Hawaii residents with affordable housing and shelter. HPHA acknowledges that it needs to make substantial improvements in its delivery of key services to meet HUD performance standards, increase the income of programs, and decrease expenses.

- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

The effectiveness of HPHA administration is measured by the extent to which programs operate effectively and efficiently. Significant work is being taken to make substantial improvements to the management and repair and maintenance of public housing projects. Please see HMS 220 2.a for specific measures of effectiveness used to address public housing management issues and HMS 225 2.a for specific measures for the revitalization of public housing facilities.

- d. Discuss actions taken by each program to improve its performance results.

During FY07 and FY08 HPHA Administration sought to fill key administrative positions to address performance issues. Hiring managerial level accounting staff was a focus during this time period given the need to address critical fiscal management issues, which had been neglected in the absence of requisite staff.

Also, during FY07 the HPHA worked with HUD to develop an Improvement Plan to address public housing performance targets and strategies. The program performance outcomes for 7/1/07-12/31/07 show some improvement over the performance outcomes for the previous year

from 7/1/06-6/30/07. Please see HMS 220 – Rental Housing Services, a. for specific performance results for public housing.

- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

Public housing performance results are based on HUD requirements and standards. HPHA administration uses HUD measures to determine if modifications are needed to the supporting services it provides to applicable HPHA offices and branches.

3. Problems and Issues:

- a. Discussion of problems and issues encountered, if any.

1. Lack of financial reports. Since the bifurcation of HCDCH on 7/1/06, HPHA was unsuccessful in hiring any managerial level accounting staff until June 2007. HPHA has not been able to put together a general ledger for 18 months. This severely impacts the management of operations.
2. Inadvertent lapsing of funds. Because of the lack of coordination between accounting staff and construction staff members, \$1.6 million in State funds were inadvertently lapsed as of 6/30/07. In order to make up budget shortfalls, B&F loaned HPHA \$1.6 million for FY 2007.
3. Lack of accurate budgeting. The budget details submitted to B&F and the Legislature have not been changed for several years. Therefore, they should be considered ceilings at best, and do not accurately portray planned or actual expenditures. HPHA needs to be able to hire a budget analyst, which it has not had for at least 18 months.
4. New HUD management structure: HUD will require management of assets with a decentralized structure as of 7/1/08. HPHA is attempting

to comply with this mandate, and believes it will improve efficiency and effectiveness.

5. Inconsistent level of funding from HUD: For several years now, HUD has funded less than 100 percent of operating subsidies to public housing authorities nationwide. For FFY 2007 the funding percentage was 83 percent of what HUD projected as necessary. For FFY 2008 HUD estimates the funding percentage will be 84 percent of what HUD projects as necessary. This reduced amount equals approximately \$3-4 million dollars per year short for HPHA.
 6. Unfunded mandates by HUD: HUD has increased responsibilities through such mandates as Pet Policy and Community Service Requirement which can be helpful, but also require more work for existing staff.
 7. Aging inventory needs more capital repairs. As the average age of properties in this program is 30+ years old, substantial funds are required for extraordinary repairs or replacement of items such as elevators, electrical, plumbing, roofs, site infrastructure, and abatement of hazardous material, renovation of unit interiors to preserve and maximize their useful life, and for compliance with the Americans with Disabilities Act (ADA). Federal funds of \$12 million per year are insufficient.
- b. Program change recommendations to remedy problems.
1. HPHA needs additional operating resources to keep operating.
 2. HPHA needs to ask more of its residents, staff, and the community to become part of the solution. Taxpayers and government cannot do it alone.

3. HPHA is seeking to sell its non-public housing inventory (222 units) to nonprofits who will continue providing the units as affordable units, with HPHA owning the land in perpetuity. Proceeds will be used to reduce operating deficits or put into capital repairs.
 4. HPHA intends to explore redevelopment of public housing to include affordable and market units, as other housing authorities countrywide have done, while at least maintaining the current number of public housing units.
- c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

See answers to 3.A and 3.B above.

4. Expenditures for Fiscal Year 2007-2008:

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restrictions	Available Resources	Estimated Expenditures
(Pos. Count)	40.00				40.00	40.00
Personnel Services	3,282,476	109,907			3,392,383	3,392,383
Other Current Expenses	9,133,665				9,133,665	9,133,665
Equipment	0				0	0
Motor Vehicles	0				0	0
Total Requirements	12,416,141	109,907	0	0	12,526,048	12,526,048
(Pos. Count) General Fund	0.00 0				0.00 0	0.00 0
(Pos. Count) Special Fund	0.00 0				0.00 0	0.00 0
(Pos. Count) Federal Fund	28.00 10,870,778				28.00 10,952,795	28.00 10,952,795
(Pos. Count) Revolving Funds	12.00 1,545,363				12.00 1,573,253	12.00 1,573,253

a. Explain all transfers within the program I.D. and the impact on the Program.

None

b. Explain all transfers between program I.D.'s and the impact on the program.

None.

c. Explain all restrictions and the impacts on the program.

None.

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH 2007 FY 09 Appropriation	Budget Request FY 09	Executive Supplemental Budget FY 09
(Pos. Count)	40.00	0.00	40.00
Personal Services	3,282,478	0	3,282,478
Other Current Expenses	9,133,665	0	9,133,665
Equipment	0	0	0
Motor Vehicles	0	0	0
Total Requirements	12,416,143	0	12,416,143
(Pos. Count)	0.00	0.00	0.00
General Funds	0	0	0
(Pos. Count)	0.00	0.00	0.00
Special Funds	0	0	0
(Pos. Count)	28.00	0.00	28.00
Federal Funds	10,870,780	0	10,870,780
(Pos. Count)	12.00	0.00	12.00
Revolving Funds	1,545,363	0	1,545,363

a. Workload or Program Request:

N/A

b. For all position count reductions, please specify whether the positions were filled or vacant.

N/A

6. Restrictions/Reductions

None

7. Capital Improvement Program (CIP) Requests for Fiscal Year 2008-2009:

None

8. Proposed Lapses of CIP projects:

None

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**Hawaii Public Housing Authority
Teacher Housing Program**

Program Structure Number: 06 02 02 03

Program I.D. and Title: HMS 807 – Teacher Housing

Page References in the Executive Budget Supplemental:

Volume II; Pages 498-499

1. Introduction:

The Teacher Housing program maintains cottages for teachers to live in rural areas where rental housing is scarce. **The Supplemental Budget requests the transfer of this program to the Department of Education, in compliance with Act 204/SLH 2005.**

a. Summary of program objectives.

To facilitate the operations of lower education programs by providing safe and decent housing accommodations to school-level certified personnel where and if no other adequate private or leasing arrangements for housing are available within reasonable commuting distance from the assigned schools.

b. Description of program objectives.

Present your summary of the objectives and activities as discussed in the Multi-Year program and Financial Plan.

The Program is responsible for (1) processing the Department of Education (DOE) approved applicants; managing the cottages (including rent collection, enforcement of rules, etc.); and maintaining the units in a safe and decent condition.

- c. Explanation of how program intends to meet its objectives in the upcoming supplemental year.

The Hawaii Public Housing Authority (HPHA) intends to meet its objectives by continuing to provide housing units for teachers in rural areas of the Neighbor Islands until the program is transferred to the DOE in 2008.

2. Program Performance Results:

- a. Discuss the performance results achieved by each Program in FY 06 and FY 07.

In FY 2005-2006, 75 teachers were housed by the program.

In FY 2006-2007, 65 teachers on Lanai, Molokai, Maui and Hawaii are being housed to date.

- b. Explain how these results relate to the program's objectives and department's mission.

The performance results met the program objectives of facilitating the operations of lower education programs by providing safe and decent housing accommodations to school-level certified personnel.

- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

The effectiveness of the program is measured by the number of teachers assisted with safe and decent housing in rural areas.

- d. Discuss actions taken by each program to improve its performance results.

The 2005 Legislature approved the transfer of the program to the Department of Education in 2008.

- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

Not applicable.

3. Problems and Issues:

- a. Discussion of problems and issues encountered, if any.
The agency is in the process of planning the retrofitting of units to comply with ADA requirements and has determined which cottages utilize cesspools that must be converted pursuant to Environmental Protection Agency requirements.
- b. Program change recommendations to remedy problems.
The HPHA will continue its efforts to ensure that units fully comply with these Federal requirements.
- c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.
Not applicable.

4. Expenditures for Fiscal Year 2007-2008:

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restrictions	Available Resources	Estimated Expenditures
(Pos. Count)	0.00				0.00	0.00
Personnel Services	21,829	0			21,829	21,829
Other Current Expenses	300,796				300,796	300,796
Equipment	0				0	0
Motor Vehicles	0				0	0
Total Requirements	322,625	0	0	0	322,625	322,625
(Pos. Count) General Fund	0.00 0				0.00 0	0.00 0
(Pos. Count) Special Fund	0.00 0				0.00 0	0.00 0
(Pos. Count) Federal Fund	0.00 0				0.00 0	0.00 0
(Pos. Count) Revolving Funds	0.00 322,625	0			0.00 322,625	0.00 322,625

a. Explain all transfers within the Program I.D. and the impact on the program.

None.

b. Explain all transfers between Program I.D.s and the impact on the program.

None.

c. Explain any restrictions and the impact on the program.

Not applicable.

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH 2007 FY 09 Appropriation	Budget Request FY 09	Executive Supplemental Budget FY 09
(Pos. Count)	0.00	0.00	0.00
Personal Services	21,829	(21,829)	0
Other Current Expenses	300,796	(300,796)	0
Equipment	0	0	0
Motor Vehicles	0	0	0
Total Requirements	322,625	(322,625)	0
(Pos. Count)	0.00	0.00	0.00
General Funds	0	0	0
(Pos. Count)	0.00	0.00	0.00
Special Funds	0	0	0
(Pos. Count)	0.00	0.00	0.00
Federal Funds	0	0	0
(Pos. Count)	0.00	0.00	0.00
Revolving Funds	322,625	(322,625)	0

a. Workload or program request:

Transfer all program resources to the Department of Education in compliance with Act 204/2005.

	<u>FY 09</u>	
<u>Cost Element</u>	<u>Amount</u>	<u>MOF</u>
Personal Services	(21,829)	W
Other Current Expenses	(300,796)	W

- b. For all position count reductions, please specify whether the positions were filled or vacant.

N/A

6. Program Restrictions

None

- 7. Capital Improvement Program (CIP) Requests for Supplemental Year 2007-2008: CIP data for all projects within the agency being heard shall be combined into a single appendix in the department's testimony (if no request is being made, please indicate "none").**

None

8. Proposed Lapses of CIP Projects:

None

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**VOCATIONAL REHABILITATION AND SERVICES FOR THE BLIND DIVISION
DISABILITY DETERMINATION**

Program Structure Number: 06 02 04 02

Program I.D. and Title: HMS 238 – Disability Determination

Page References in the Executive Budget Supplemental:

Volume II; Pages 506 - 507

1. Introduction:

This program determines the eligibility of disabled applicants for Federal Social Security disability benefits. Funding for this program is 100% Federal funds.

The Fiscal Year 2009 Supplemental Budget request is to increase the Federal appropriation to reflect the increase in Federal Fringe benefit rates.

a. Summary of program objectives.

Maximize program effectiveness and efficiency by determining eligibility of applicants for assistance.

b. Description of program objectives.

The major activity of the Disability Determination program is to determine an applicant's eligibility for Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) benefits. Medical consultative exams are required when other recorded documentation is insufficient, contains conflicting evidence or is not timely.

c. Explain of how program intends to meet its objectives in the upcoming supplemental year.

The program will meet its objectives by filling its position vacancies which are totally Federally-funded. Staff efficiency will be improved through training and the use of updated electronic data processing equipment and software that is required by the Social Security Administration (SSA) and is totally funded by the SSA with Federal dollars.

2. Program Performance Results:

- a. Discuss the performance results achieved by each Program in FY 06 and FY 07.

In FY 2006, the program processed 8,465 claims with a 95% accuracy rate. As many as 19,211 individuals plus dependents received SSDI benefits and 16,274 individuals received SSI payments. The SSDI benefits and SSI payments made to residents of Hawaii totaled approximately \$321,284,000.

The program provided 2,860 claimants consultative examinations in FY 2006.

In FY 2007, the program processed 8,686 claims with a 94% accuracy rate. As many as 20,810 individuals received SSDI benefits and 22,251 individuals received SSI payments. The actual SSDI benefits and SSI payments made to residents of Hawaii totaled approximately \$446,284,709.

The program provided 3,380 claimants consultative examinations in FY 2007.

- b. Explain how these results relate to the program's objectives and department's mission.

These results relate to the Department's Program Objectives to help those least able to care for themselves through cash assistance and health insurance.

c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

1. Percent of claims processed during the year - This is the percent of all the claims received and adjudicated during the year.
2. Percent of cases returned for corrective action - This measures quality and accuracy of the casework decisions.

The program processed 100% of the claims it received in FY 2006 and had nearly the same result in FY 2007. The percent of cases returned for corrective action in FY 2006 was 5%, whereas in FY 2007 it was 6%. The program projects that the cases returned for corrective action will be 4% in FY 2008, though the program will strive to do better than its projection as the program did in FY 2006.

d. Discuss the actions taken by each program to improve its performance results.

The program is working on filling essential positions, training new and existing staff to increase performance results and increasing efficiency through the use of its electronic data processing system.

To fill its vacancies and be more effective, the program needs to be able to continue recruitment and hiring. The program's positions are fully Federally-funded. The program has reorganized and re-described some of its positions to increase versatility in order to meet changes in workload.

The ability to retain all program positions, which are fully Federally-funded, is essential to the success of this vital, revenue-generating program for disabled persons. The positions and the funds must be available for us to use as soon as we have recruited suitable and willing candidates to fill our vacancies, regardless of how long the positions have been vacant.

- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

None

3. Problems and Issues:

- a. Discussion of problems and issues encountered, if any.

None

- b. Program change recommendations to remedy problems.

None

- c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

None

4. Expenditures for Fiscal Year 2007-2008:

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restrictions	Available Resources	Estimated Expenditures
(Pos. Count)	45.00				45.00	45.00
Personal Services	2,807,200	89,111			2,896,311	2,896,311
Other Current Expenses	2,593,684				2,593,684	2,593,684
Equipment	0				0	0
Motor Vehicles	0				0	0
Total Requirements	5,400,884	89,111	0	0	5,489,995	5,489,995
(Pos. Count)					0.00	0.00
General Fund					0	0
(Pos. Count)					0.00	0.00
Special Fund					0	0
(Pos. Count)	45.00				45.00	45.00
Federal Fund	5,400,884	89,111			5,489,995	5,489,995
(Pos. Count)	0.00				0.00	0.00
Other Fund	0				0	0

- a. Explain all transfers within the Program I.D. and the impact on the program.

None

- b. Explain all transfers between Program I.D.s and the impact on the program.

None

- c. Explain any restrictions and the impacts on the program.

None

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH 2007 FY 09	Budget Request	Executive Supplemental Budget
	Appropriation	FY 09	FY 09
(Pos. Count)	45.00	0.00	45.00
Personal Services	2,807,202	437,285	3,244,487
Other Current Expenses	2,593,684	0	2,593,684
Equipment	0	0	0
Motor Vehicles	0	0	0
Total Requirements	5,400,886	437,285	5,838,171
(Pos. Count)	0.00	0.00	0.00
General Funds	0	0	0
(Pos. Count)	0.00	0.00	0.00
Special Funds	0	0	0
(Pos. Count)	45.00	0.00	45.00
Federal Funds	5,400,886	437,285	5,838,171
(Pos. Count)	0.00	0.00	0.00
Other Funds	0	0	0

Provide the total position counts and funds requested.

- a. Workload or program request:

Increase Federal fund appropriation to accommodate higher Federal fringe benefit rates.

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**VOCATIONAL REHABILITATION AND SERVICES FOR THE BLIND DIVISION
VOCATIONAL REHABILITATION**

Program Structure Number: 02 04 03

Program I.D. and Title: HMS 802 – Vocational Rehabilitation

Page References in the Executive Budget Supplemental:

Volume II; Pages 483 - 485

1. Introduction:

The Vocational Rehabilitation program is an employment program for disabled persons. **The Fiscal Year 2009 Supplemental Budget request is to increase the Federal appropriation to reflect the increase in Federal Fringe benefit rates.**

a. Summary of program objectives.

Enable those with physical and mental disabilities to achieve gainful employment by providing them with vocational rehabilitation services.

b. Description of program objectives.

1. Applications Processed – The counselors review applications and accept or reject an applicant after an assessment is done. This involves medical, social, psychological and diagnostic work-ups to determine if an individual is eligible for services.

2. Vocational Rehabilitation Plans Developed – Once an applicant is accepted, a thorough vocational assessment is done and an individualized plan to achieve gainful employment is developed by the client and the counselor.

3. Vocational Rehabilitation Services Provided – The client receives one or a combination of the following services: assessment, counseling and guidance, diagnosis and medical treatment, training and job placement to assist the individual with a disability to become gainfully employed.
4. Successful Job Placement Achieved – The program defines this as the situation in which a client with a disability has been on the job for more than 90 days and whose case has been closed as successfully rehabilitated.

- c. Explanation of how program intends to meet its objectives in the upcoming supplemental year.

Program objectives and activities have focused upon processing applications, developing individual employment plans, delivering vocational rehabilitation services and placing eligible individuals with significant to the most significant disabilities into employment.

To enhance the skills and quality of services provided by VR Specialists, the program requires that they earn a Master's degree in Rehabilitation Counseling. The program pays for all expenses associated with this effort.

2. Program Performance Results:

- a. Discuss the performance results achieved by each Program in FY 06 and FY 07.

In FY 2006 the program processed 2,704 applications, developed 1,408 individualized plans, provided 7,712 clients with vocational rehabilitation services and successfully placed 698 clients into jobs. Of these successful placements, 214 or 31% were on State-funded cash assistance prior to successful rehabilitation into employment through the VR program.

In FY 2007 the program processed 2,716 applications, developed 1,513 vocational rehabilitation plans, provided 7,858 clients with vocational rehabilitation services and successfully placed 560 individuals into jobs.

Of these successful placements, 158 or 28% were on State-funded cash assistance prior to their successful rehabilitation into employment through the VR program.

- b. Explain how these results relate to the program's objectives and department's mission.

These results relate to the Department's Program Objectives to provide job training and placement services that help individuals achieve financial self-sufficiency.

- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

Program effectiveness is measured by:

1. The number of those receiving services as a percentage of those needing services – This percentage is determined by dividing the number of clients who receive vocational rehabilitation services during the year by the number of individuals with disabilities of working age in the State.
2. The number of those placed in jobs as a percentage of those receiving services – This percentage is determined by the number of successful job placements divided by the number of clients who receive services during the year.
3. The average time to achieve gainful employment - This is the average number of months from application to successful job placement.
4. The average cost per individual to achieve employment – This is the average cost of services from application to successful job placement.
5. The average weekly earnings of those placed in jobs as a percentage of earnings prior to receiving services – this percentage

is determined by dividing the earnings of applicants by their earnings after successful job placement.

The performance results achieved were:

1. The program served 7,712 or about 16% of the estimated individuals with disabilities in the State in FY 2006. In FY 2007 the program served 7,858 or again about 16%. The program expects it will serve an estimated 8,000 individuals with disabilities in FY 2008.
2. The program successfully placed 698 individuals with disabilities into jobs, or about 9% of those individuals receiving services in FY 2006. In FY 2007 the program successfully placed 560 individuals or about 7%. The decrease in successful job placements was due to the emphasis in the Rehabilitation Act on serving individuals with significant disabilities, particularly those with the most significant disabilities. These individuals require more services at greater expense and time to achieve economic self sufficiency.
3. The average time from application to successful job placement was 27 months in FY 2006. In FY 2007 the average time was 26 months. The program expects that the average time will increase to approximately 30 months in FY 2008 as more individuals with disabilities spend more time in their rehabilitation programs and receive additional services to prepare for more meaningful careers.
4. In FY 2006 the average cost per individual was \$3,900. The average cost per individual to achieve employment in FY 2007 was \$4,482. The variance is due to an increase in the cost for goods and services and the amount of services that individuals with disabilities need to achieve employment.
5. The average weekly earnings of those placed in jobs increased 607% in FY 2006. In FY 2007 the average weekly earnings

increased 492%. The variance is due to a significant number of individuals with disabilities with higher earnings at application than anticipated. The program expects that the increase average weekly earnings will be 650% in FY 2008 as more participants are expected to maximize their employment and increase the wages and benefits they receive.

- d. Discuss the actions taken by each program to improve its performance results.

The VR program has taken steps to increase the number of individuals achieving employment by enhancing rehabilitation goals and services, developing staff, seeking alternative funding sources that help lead to employment outcomes, and building partnerships with employers and private service providers.

- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

None

3. Problems and Issues:

- a. Discussion of problems and issues encountered, if any.

None

- b. Program change recommendations to remedy problems.

None

- c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

None

4. Expenditures for Fiscal Year 2007-2008:

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restrictions	Available Resources	Estimated Expenditures
(Pos. Count)	122.50				122.50	122.50
Personal Services	7,635,067	264,033			7,899,100	7,899,100
Other Current Expenses	10,729,404				10,729,404	10,729,404
Equipment					0	0
Motor Vehicles					0	0
Total	18,364,471	264,033	0	0	18,628,504	18,628,504
Requirements						
(Pos. Count)	27,13				27,13	27,13
General Fund	4,084,904	47,241			4,132,145	4,132,145
(Pos. Count)	0.00				0.00	0.00
Special Fund	0				0	0
(Pos. Count)	95.37				95.37	95.37
Federal Fund	12,949,367	216,792			13,166,159	13,166,159
(Pos. Count)	0.00				0.00	0.00
Other Fund	1,330,200				1,330,200	1,330,200

a. Explain all transfers within the Program I.D. and the impact on the program.

None

b. Explain all transfers between Program I.D.s and the impact on the program.

None

c. Explain any restrictions and the impact on the program.

None

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH 2007 FY 09	Budget Request	Executive Supplemental Budget
	Appropriation	FY 09	FY 09
(Pos. Count)	122.50	0.00	122.50
Personal Services	7,635,350	826,306	8,461,656
Other Current Expenses	10,729,404	0	10,729,404
Equipment	0	0	0
Motor Vehicles	0	0	0
Total Requirements	18,364,754	0	19,191,060
(Pos. Count)	27.13	0.00	27.13
General Funds	4,085,181	0	4,085,181
(Pos. Count)	0.00	0.00	0.00
Special Funds	0	0	0
(Pos. Count)	95.37	0.00	95.37
Federal Funds	12,949,373	826,306	13,775,679
(Pos. Count)	0.00	0.00	0.00
Other Funds	1,330,200	0	1,330,200

Provide the total position counts and funds requested.

a. Workload or program request:

Increase the Federal appropriation to accommodate a higher Federal fringe benefit rate.

	<u>FY 09</u>	
<u>Cost Element</u>	<u>Amount</u>	<u>MOF</u>
Personal Services	826,306	N

b. For all position count reductions, please specify whether the positions were filled or vacant.

N/A

6. Program Restrictions

None

7. **Capital Improvement Program (CIP) Requests for Supplemental Year 2008-2009: CIP data for all projects within the agency being heard shall be combined into a single appendix in the department's testimony.**

None

8. **Proposed Lapses of CIP Projects:**

None

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**GENERAL ADMINISTRATION (DHS)
OFFICE OF THE DIRECTOR AND DHS ADMINISTRATIVE OFFICES**

Program Structure Number: 06 04 06

Program I.D. and Title: HMS 904 – General Administration (DHS)

Page References in the Executive Budget Supplemental:

Volume II; Pages 512 - 513

1. Introduction:

The General Administration (DHS) program provides leadership and administrative support services throughout the Department of Human Services.

There are two FY 09 supplemental budget requests for this program: 1); Authorize and fund two new permanent positions to provide additional resources in the Personnel Office, and 2); Reduce Federal funds to delete Federal funds budgeted for audit fees in this program as a housekeeping measure.

a. Summary of program objectives.

To enhance program efficiency and effectiveness by formulating overall policies, directing operations and personnel and providing other administrative services.

b. Description of program objectives.

The General Administration program, which consists of the Office of the Director, Fiscal Management Office, Personnel Office, Management Services Office, Office of Information Technology, and Administrative Appeals Office, provides administrative and fiscal direction, control and

technical assistance to the numerous programs and services provided throughout the Department of Human Services and its administratively attached agencies: the Office of Youth Services, which includes the Hawaii Youth Correctional Facility; the Hawaii Public Housing Authority; the Commission on the Status of Women (CSW) and the State Commission on Fatherhood (SCF). The activities of the HMS 904 programs are grouped into four major categories:

1. Formulating Overall Policies — Develop short- and long-range plans to achieve the objectives of the major program areas within the Department; evaluate program policies and procedures and initiate changes when applicable; propose State and Federal legislation and conduct research related to program needs.
2. Directing Operations and Personnel — Evaluate quality and quantity of services rendered by programs; conduct studies and develop management improvement programs; enhance employee skills and improve work performance through in-service training and staff development programs; safeguard employee health and welfare; ensure an adequate and appropriate workforce to maintain a satisfactory operational level; and participate in labor relations and collective bargaining contract negotiations.
3. Providing Information Technology Services — Provide administration, planning, direction, management, development, implementation and maintenance of information technology systems and processing; business application development and maintenance, project planning and management, systems software and hardware management, telecommunications and network management and support, data control, technical help desk services, and administrative oversight of the DHS mainframe system complex.

4. Providing Other Administrative Services — Maintain a Departmental accounting system for expenditure reporting and fiscal control of State, Federal and other funds; maintain a system of purchasing, disbursement and inventory management; provide direction, instruction and coordination of the Department's budget development and budget execution processes; oversee administrative processes and procedures relating to administrative rules for conformance with statutory and executive requirements; provide administrative due process, as required by statute, including declaratory rulings and contested case hearings.

c. Explanation of how program intends to meet its objectives in the upcoming supplemental year.

The program intends to successfully formulate overall policies to achieve the objectives of the major program areas, direct operations and personnel, maintain fiscal and purchasing systems, and provide direction and assistance to program managers in budget preparation and execution, maintain an effective information system, and coordinate rules and regulations for programs.

2. Program Performance Results:

a. Discuss the performance results achieved by each program in FY 07.

The General Administration DHS program provided the leadership, coordination and staff support for the Departmental program performance in FY 06 and FY 07. HMS 904 consists of the Office of the Director, five Staff Offices, and the State Commission on Fatherhood.

- **The Office of the Director** continues to tear down barriers that once prevented needy customers from gaining access to our services. Director Lillian B. Koller has reinvigorated the Hawai'i Department of Human Services over the past five years to greatly strengthen programs that benefit the State's most vulnerable populations. This

includes expanding healthcare coverage and services for needy children and adults, including adult dental care, launching innovative welfare-to-work initiatives, increasing early childhood education opportunities, and reducing substance abuse problems among adults and at-risk youth through new prevention and treatment programs.

- **The Personnel Office** has had delegated authority from the Department of Human Resources Development (DHRD) for position classification since 1992. This authority permits the DHS to complete classification action on all position actions with the exception of two areas: those related to the establishment of new civil service classes; and those related to assignment to the Excluded Managerial class. In addition, the Personnel Office has delegated authority from DHRD to conduct recruitment, examination and certification functions for several classes of work within the Department. The "delegated authority" concept permits the Personnel Office to act with speed and flexibility in responding to the Department's needs.
- **The Management Services Office (MSO)** assists staff offices and line divisions in the use of reorganization as a management tool; performs studies and evaluations; performs quality control reviews for financial and medical assistance programs including Food Stamps, Medicaid and TANF, examining financial and POS records for legality and accuracy; provides audits of Departmental and private agency financial control systems; coordinates Departmental budget development and budget execution activities; provides reporting and statistical data utilizing Departmental and external databases; and conducts social research activities.
- **The Fiscal Management Office (FMO)** provides accounting, inventory management and purchasing services; copying and mail services, administers the Department's records management program, coordinates the allocation and reallocation of office space and the

rental of spaces, coordinates with the Office of Information Technology and processes requests for telephone and telecommunications lines.

- **The Administrative Appeals Office** provides administrative hearings in contested cases for the Department's Benefit, Employment and Support Services Division, the Social Services Division, and the Med-Quest Division.
- **The Office of Information Technology (OIT)** continues to support and maintain the five (5) core business computing systems for the Department on a daily basis. The Hawaii Automated Welfare Information System (HAWI) administers the Federal & State Financial Assistance programs, Food Stamps, and Medical programs. The Hawaii Automated Network for Assistance (HANA) System administers the Child Care Program, Welfare-to-Work and Employment Training Programs. The Child Protective Services System (CPSS) administers the Child Welfare Services and the Adult Service programs, the Vocational Rehabilitation Information and Statistical System (VRISS) provides assessment, counseling, employment services and job placement for the disabled, and the Hawaii Accounts Receivable Information (HARI) System manages entitlement overpayments. These five core business systems must be operational at all times to provide essential program services to the public and continues to be the highest of business priorities for this office.

The Department's telecommunication/network infrastructure and computing assets have grown to expand to over 80 offices statewide to serve our constituents. The DHS Information Technology (IT) inventory consists of the mainframe complex which supports the five core business systems and for the administrative computing systems.

- **The State Commission on Fatherhood (SCF)** was established by Act 156/SLH 2003 within the Office of the Lieutenant Governor; Act 148/SLH 2005 transferred the SCF to DHS. The SCF is composed of

both government and community members that make recommendations and oversee policies to create programs, services, and contracts that promote healthy family relationships between parents and children and that are father-friendly and inclusive. As of July 1, 2007, the SCF became HMS 904AJ, with a budget of \$50,000 in Federal funds.

SCF is currently coordinating a public award recognition of exemplary businesses with parent-friendly policies and is planning to undertake several projects if adequate funding and support can be secured, including a survey regarding the current status of services and programs in relation to the support and promotion of healthy father involvement in parenting; compiling a state-wide resource book on fatherhood for distribution; and educating the public about the value and importance of healthy and involved fathers in the lives of children. Members of the SCF serve without compensation. The SCF budget is used to fund the expenses of the Board, including travel, and operating costs, e.g., design, printing and publishing costs. The SCF would like to establish Executive Director and Administrative Assistant positions in the future to handle the daily business of the commission.

- b. Explain how these results relate to the program's objectives and department's mission.
The performance measures relate to the Department's mission in providing high quality services to clients while maximizing effective and efficient management of programs and operations.
- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.
 - 1. The percentage of HRD1 decisions upheld by DHRD. In FY07, 96% of the DHS Personnel Office's decisions were upheld, and we expect to maintain this rate of effectiveness.

2. The percentage of appeals resolved within the specified timeliness criteria. The rate was 91% in FY07 and the rate for FY08 is expected to be at least 90%, the rate previously projected for FY08.
 3. The percentage of employees working without formal grievances. This was 98% in FY07, and should be 98% in FY08.
 4. The percentage of Federal funds drawn down within the specified timeliness criteria. We expect the 97% rate in FY07 to continue in FY08. Meeting the timeliness criteria avoids Federal interest penalties.
 5. The percentage of contract payments made within the specified timeliness criteria. The rate was 90% in FY07, and we project the same rate in FY08.
 6. The percentage of Information Technology projects completed within the specified timeliness criteria. The Department completed 83% of its IT projects on time in FY07, and expects to complete 84% in FY08.
- d. Discuss actions taken by each program to improve its performance results.
- The program has taken actions to maintain a high level of support services through automation and training.
- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.
- None

3. Problems and Issues:

a. Discussion of problems and issues encountered, if any.

None

b. Program change recommendations to remedy problems.

None

c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

None

4. Expenditures for Fiscal Year 2007-2008:

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restrictions	Available Resources	Estimated Expenditures
(Pos. Count)	190.00				190.00	190.00
Personnel Services	9,010,606	734,943			9,745,549	9,745,549
Other Current Expenses	1,830,267				1,830,267	1,830,267
Equipment	3,760				3,760	3,760
Motor Vehicles	0					
Total Requirements	10,844,633	734,943			11,579,576	11,579,576
(Pos. Count) General Fund	174.34 9,255,728				174.34 9,952,972	174.34 9,952,972
(Pos. Count) Special Fund						
(Pos. Count) Federal Fund	15.66 1,588,905				15.66 1,626,604	15.66 1,626,604
(Pos. Count) Other Fund						

a. Explain all transfers within the Program I.D. and the impact on the program.

None

b. Explain all transfers between Program I.D.s and the impact on the program.

None

c. Explain any restrictions and the impact on the program.

None

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH 2007 FY 09 Appropriation	Budget Request FY 09	Executive Supplemental Budget FY 09
(Pos. Count)	190.00	2.00	192.00
Personnel Services	9,024,244	72,660	9,096,904
Other Current Expenses	1,330,134	(185,212)	1,144,922
Equipment		7,984	7,984
Motor Vehicles			
Total Requirements	10,354,378	(104,568)	10,249,810
(Pos. Count) General Funds	174.34 8,765,472	2.00 80,644	176.34 8,846,116
(Pos. Count) Special Funds			
(Pos. Count) Federal Funds	15.66 1,588,906	(185,212)	15.66 1,403,694
(Pos. Count) Other Funds			

a. Workload or program request:

1. Additional Resources – Position Management Services Staff:

The Position Management Services Staff (PMSS) in the Personnel Office is responsible for the classification review of position actions and job descriptions for approximately 2700+ active positions, including the conduct of classification studies, position surveys, and advising management on position utilization, classification and related matters in relation to reorganizations.

Current staffing has addressed classification work priorities for the Department's most urgent situations and most day-to-day classification processing. However, due to work process changes implemented by the Department of Human Resources Development (DHRD) in classification action processing such as changes in data documentation in the Human Resources Management Systems (HRMS) PeopleSoft version 8 and the review of exemptions from civil service, PMSS workload has increased.

In addition, Departmental priorities such as reorganization efforts by management to address Federal reviews and improvements in the delivery of services to the public by many of the Departmental divisions and administratively attached agencies have impacted PMSS workload. The Department of Justice review of the Office of Youth Services and the Housing and Urban Development (HUD) review of the Hawaii Public Housing Authority (HPHA) have impacted the PMSS by creating the need for the establishment of new classes of work, etc. These types of review are not limited to the administratively attached agencies.

The following operational and management changes have also impacted the PMSS workload:

- DHRD follow-up with the DHS on the number of exempt positions converted to Civil Service positions as a result of Act 330, SLH 2006. An example, the Child and Family Service Review (CFSR) – Program Improvement Plan Project in the SSD has undergone a change in the delivery of services that resulted in an increase in the establishment of new exempt positions which in turn need to be converted to civil service positions.
- Social Worker Study and the implementation of Act 238 that sought to change social worker classifications created an increase of classification workload and an increase in the provision of management advisory services to supervisors and managers in the understanding of changes to the classification of positions. The effects of the study such as

classification of positions and employee data collection continue into the year 2010.

Additional resources of one Personnel Management Specialist IV and one Personnel Clerk IV will greatly enhance PMSS' ability to provide classification services to the Department.

Additional staffing will augment PMSS ability to decrease the turn around time in the classification processing of position actions and to also anticipate and address management needs by conducting position surveys, desk audits and review of selective certification requirements for appropriateness and the on-going provision of management advisory services on classification issues.

In addition, needs/concerns such as gender specific issues for the Hawaii Youth Correctional Facility (HYCF); recommendations for classification specification updates to the DHRD due to changes in operational needs and job changes that have affected the classification of positions; as well as the alignment of exempt positions into the civil service classifications for anticipated replacement of exempt positions to civil service classes, will be handled in a more timely manner. The lack of staffing have also affected the PMSS keeping up with Departmental operational procedures and the PMSS unit needs such as updating operational procedures for both the professional and clerical staff.

The PMSS lost one PMS position when the then Hawaii Housing Authority (HHA) was transferred to the Department of Business, Economic Development and Tourism; however, upon the return of this entity back to the DHS there were no additional PMS positions that were transferred. The increases of 400 positions from the HPHA have also affected the PMSS ability to provide timely classification services. The fact that many of HPHA position descriptions were not updated since the late 1980's in turn reflects management's inability to address operational, programmatic and recruitment concerns in a timely manner.

Indicators for the need for additional staffing are as follows:

- The number of overtime hours that both the professional and clerical staffs have put in to work on classification actions. The two clerical positions have put in approximately 20 hours each per month in overtime and the professional staffs (4 positions) have also put in an average of 15 hours of overtime each every month. Staffs have also diligently put in time and effort without overtime/comp time compensation for the hours spent to address their current workload situation.
- In the first quarter for fiscal year 2008, the number of position actions doubled compared to fiscal year 2007. Records indicate that in FY 2007, 120 position actions were received as

compared to 320 in FY 2008. Due to recent reorganizations of the OYS and the anticipated BESSD reorganizations, the number of anticipated position actions may also increase over the next fiscal year.

- Continued backlog of pending classification actions of approximately 400 position actions also need to be addressed.

In view of the above, additional resources would positively impact on the division/staff office/attached agency administrator's ability to provide increased services to the public it serves and the additional resources to PMSS will enable PMSS to address the increases in Departmental staffing, anticipated reorganizations, and other management priorities within the DHS.

			<u>FY 09</u>		
<u>Cost Element</u>			<u>Amount</u>	<u>MOF</u>	
Personal Services			72,660	A	
Equipment			7,984	A	

<u>Position Title</u>	<u>Number</u>	<u>ORG</u>	<u>FTE</u>	<u>Amount</u>	<u>MOF</u>
Position Mgt Spclt IV		AC	1.00	43,824	A
Personnel Clerk IV		AC	1.00	28,836	A

2. Delete Federal funds budgeted for audit fees.

Housekeeping measure to remove the Federal funds budgeted for audit fees. DHS Accountants are now charging the Federal share of the audit fees to the appropriate division.

			<u>FY 09</u>		
<u>Cost Element</u>			<u>Amount</u>	<u>MOF</u>	
Other Current Expenses			(185,212)	N	

- b. For all position count reductions, please specify whether the positions were filled or vacant.

NA

6. Program Restrictions

None

7. Capital Improvement Program (CIP) Requests for Supplemental Year 2008-2009:

None

8. Proposed Lapses of CIP Projects:

None

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**BENEFIT, EMPLOYMENT AND SUPPORT SERVICES DIVISION
FINANCIAL ASSISTANCE FOR FAMILIES WITH DEPENDENT CHILDREN**

Program Structure Number: 06 02 01 06

Program I.D. and Title: HMS 211 – Cash Support for Families Pursuing Self-Sufficiency

Page References in the Executive Budget Supplemental:

N/A

1. Introduction:

HMS 211 is a budget which combined former HMS 201 and former HMS 203. The households being served are needy families with minor children. Having a single program allows us to better service the needs of this population in developing work programs and to meet new Federal participation requirements as identified in the Deficit Reduction Act. **There is no Supplemental Budget request for this program.**

a. Summary of program objectives.

To provide time limited financial support, within Federal and State time limits and appropriations, for maintenance and employment. This support is provided through direct monetary payments for food, clothing, shelter, and other essentials, families formerly eligible under the former HMS 201 Temporary Assistance to Needy Families (TANF) program and the former HMS 203 Temporary Assistance to Other Needy Families (TAONF) program.

To develop, support and maximize available resources including resources from employment and child support.

b. Description of program objectives.

To provide time limited financial support, within Federal and State appropriations, for maintenance and employment through direct monetary payments for food, clothing, shelter and other essentials to families which meet the eligibility requirements.

To develop encourage and support employment opportunities through monetary disregards and grant reductions, while protecting households which do not contain an employable adult.

To maintain an acceptable State Plan, in compliance with Federal regulations, for receipt of Federal funding.

To assess each applicant's or recipient's potential for employment and need for supportive services.

To appropriately refer individuals for employment, training, rehabilitative services and child care to the Department's work programs, or to other State and/or private agencies.

To support employment through increased and supportive benefits for those who are working.

To maximize funding and available resources and avoid financial penalties through coordination with the Child Support Enforcement Agency of the Department of the Attorney General.

To maximize resources and available supports to those losing eligibility as a result of the Federal sixty (60) month time limited benefits.

To support the pursuit of social security benefits for individuals who may qualify for social security benefits through the Department's advocacy contract with the Legal Aid Society of Hawaii (LASH).

- c. Explanation of how program intends to meet its objectives in the upcoming supplemental year.

The Department is committed to providing assistance to the most needy of our citizens while maximizing employment opportunities and our assistance to our employable households. Through a combination of penalties and benefits, we are attempting to rapidly and sustainably move individuals towards employment and independence. It is the Department's intent to help individuals achieve sustainable self-sufficiency as quickly as possible.

The Department is providing time limited assistance to meet basic needs to families with minor children. Each participant has been notified of the "time limited" status of these benefits and referred to an appropriate work program. As an incentive to employment, recipients with no barriers to employment receive a reduced grant after two months of assistance with instructions that the decrease may be "made-up" through employment.

We have increased our work requirements and the penalties for failure to comply with these requirements as Federally recommended. Compliance with the work requirements and child support regulations is a condition of eligibility to receive assistance. In addition, we have developed system interfaces with the Child Support Enforcement Agency, Department of Labor and Industrial Relations, and the First to Work Programs to maximize tracking, information exchange and compliance to avoid TANF financial penalties.

We increased the payment standard to allow families to more easily meet their needs while working towards self-sufficiency.

It is the Department's intent to encourage individuals to move towards self-sufficiency. As an incentive to work, we have adopted increased income disregards through our Reward Work Program. These disregards provide more income/benefits monthly when TANF recipients go to work and meet Federal work requirements. The asset exemption limits have

also been increased, as well as extending eligibility for medical, child care and transportation assistance to those who become employed. As a result, the percentage of individuals being assisted through the employment – HMS 236 and HMS 237- has continued to increase.

Specifically, for Federal Fiscal Year 2007, from October 1, 2006 to September 30, 2007, the ten statewide First-To-Work units achieved these measurable performance outcomes:

- 100% improved average number of welfare clients employed 40 or more hours per week;
- 29% improved increase in welfare clients employed any numbers of hours per week; and
- 34% reduced number of welfare clients employed zero hours.

The Department has also implemented policies to disregard all educational loans, grants and scholarships and decreased the participation requirement for those individuals who are attending school in an effort to encourage education and the development of skills.

We have increased the penalty for non-compliance with the child support agency and with Federal work requirements. Failure to comply results in a full family sanction as federally recommended. Families who do not cooperate in pursuing support or meeting the work requirements are not eligible for benefits. We have simplified and expedited the child care process which helps more TANF families to access child care to help them obtain and sustain gainful employment. We have also extended eligibility for child care to the newly employed.

We have contracted for services and increased participation requirements for our households who have challenges to employment due to disabilities, substance abuse or domestic violence. This is in an effort to allow all individuals to reach their fullest potential. In addition, we have completed

a contract for a medical review panel to standardize the determination of disability and to plan for supportive services.

We have developed and contracted new on-the-job training programs, short-term skill development curricula and job development programs to improve the employability of our clients. We have also contracted new case management and employment services for individuals who are victims of domestic violence and those who are disabled, including those who are disabled as a result of substance abuse.

We have expanded the Grant + program to include for profit companies as well as the non-profit companies. Grant + allows us to pay client benefits directly to agencies that in turn hire these clients and issue the benefits as a salary, thus allowing agencies to hire our clients at a reduced cost to the agency. This is done in exchange for the agency providing job training and skill development for our clients. This program has increased employment opportunities and maximized community resources.

Building on our Grant + success, by adding business friendly features modeled on Oregon's renown Job Plus program, we established a supported work program, Supporting Employment Empowerment (SEE Hawaii Work). Under the SEE program, we pay a more generous portion of the salary and support benefits to employers as an incentive for them to hire our clients and provide on-the-job training.

We have expanded our new Grant Diversion (GD) program. This program allows the Department to place individuals in work programs immediately. It does not affect their 60 months of eligibility for TANF and allows them four months to seek employment and gain work experience immediately and possibly find employment in lieu of entering the welfare system. We previously referred only the fully employable. We now refer even those with work challenges. We will also be starting GD cash assistance after two weeks of compliance with Federal work requirements and requiring

four months of successful GD completion before transitioning GD clients into our regular TANF/TAONF financial assistance programs.

We also continue a lump sum program called Self-Sufficiency. This program allows individuals to avoid entering the welfare system through receipt of a one-time lump sum payment in exchange for a period of ineligibility.

We have also extended the employment subsidy program from 24 months to 60 months. This allows individuals who have used their 60 months of eligibility and are working to receive additional income if their income is insufficient to meet their needs according to our standards.

We have established case management and participation requirements as a condition of eligibility for our exempt population, including victims of domestic violence, substance abusers and the physically and mentally disabled. This is in an effort to allow all individuals to reach their fullest potential. We have also implemented a medical review process to standardize eligibility and participation requirements and to maximize employability.

As part of the Reward Work Program, we have developed an exit bonus and retention bonuses program for individuals who exit the welfare system before receiving 25 months of TANF/TAONF eligibility and retain employment. Households who remain off assistance will be able to apply for bonuses in the month of exit, the third month, the sixth month, the twelfth month and the twenty-fourth month following exit as long as they remain employed and off welfare assistance.

We have also increased our income disregards for those who remain eligible, are working and meeting the Federal work participation requirements. We disregard 100% of income for the first 24 months, 50% for the second 24 months and 36% for the last 12 months of assistance. These income disregards allow clients to keep more of their welfare cash

assistance while they meet Federal work participation requirements as an incentive to work.

We have implemented Simplified Reporting which requires families to report every six months rather than monthly with a few exceptions. This allows families to better plan and anticipate income which will be available while minimizing the need to meet with the Department and potentially interfere with employment.

2. Program Performance Results:

- a. Discuss the performance results achieved by each program in FY 07.

The number of households receiving assistance in FY 07 was below what was projected. We projected 11,125. The actual caseload was 8,976. We have noticed a slight increase in the first few months of FY 08. We will monitor this closely for FY 09. The average monthly benefit was projected at \$517. The actual was \$511 for FY 07. We expect it to increase in FY 08 and FY 09 as we implemented an increase in the payment amount and we have increased the income disregards. After adding our generous income disregards as well as child care, food stamps, medical assistance, car insurance and other supports provided by the Department, the average monthly benefit package is worth far more than the \$511, typically over \$1,200 per month. Please note that these "income disregards" provide encouragement / incentive and support employment opportunities by allowing families to keep more of their monthly government-funded cash assistance even after they get employed and start receiving income that would otherwise disqualify them from receiving TANF cash assistance.

- b. Explain how these results relate to the program's objectives and department's mission.

The Department is providing assistance and rehabilitative services to those who need support entering employment while encouraging and supporting employment and self-employment and pursuit of other benefits

such as Social Security and child support for individuals who are moving towards self-sufficiency within the identified time limit.

- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

The effectiveness of the program is measured by outcomes. The number of individuals participating in employment activities should continue to increase. The average monthly benefit per household should increase as standards increase and payments to support employment increase. The primary goal of the Department is to assist people to achieve sustainable self-sufficiency as quickly as possible within five years.

- d. Discuss actions taken by each program to improve its performance results.

Welfare reform legislation removed the entitlement status from the cash assistance program and appropriated a "block" grant. This Federal grant limits the time a family may receive assistance to a five year lifetime maximum and imposes an employment requirement. Federal regulations allow child-only cases and cases where there is a complaint of domestic violence to receive assistance past the time limit. In addition, there is a hardship exemption for up to 20% of the total caseload.

The Deficit Reduction Act further changed the law by eliminating all waivers, increasing participation and monitoring requirements and imposing participation requirements on households which used to claim Maintenance of Effort (MOE).

We have made a concerted effort to go into the community to explain our programs and to solicit input and assistance from the private and non-profit community. We are very interested in not duplicating services and meeting the needs of the community.

We have expanded our Social Security advocacy program, through our contract with the Legal Aid Society of Hawaii (LASH), to include the family population. It is important to access all available Federal funds in the effort to support self-sufficiency.

We have developed an interface with the child support system and the Department of Labor and Industrial Relations (DLIR) to expedite the receipt of information regarding employment and new income. This modification also eliminates the staff's need to access two systems. We have also improved the automation of communication between our work program system and our benefit issuance program. This allows for better communication between staff and more expedited implementation of changes.

We are continuing our contract to monitor medical disabilities. This allows us to standardize our requirements and plan more carefully and accurately for maximizing employment.

Our greatest effort continues to be meeting the employment requirements. Fifty percent (50%) of our population must meet Federal work participation requirements annually. Part of the problem is that as families become self-sufficient and leave the program, those who are left behind are often less employable. As a Department, we are focusing on these individuals and have increased our contracts to meet these needs.

So far, our extra efforts have paid off. Currently, for November 2007, seven of the ten statewide First-To-Work units are meeting and exceeding the Federal work participation requirements.

We have also amended our Administrative Rules to address new Federal TANF regulations. These changes make our policy more flexible which in turn will allow us to respond more quickly to the new regulations and avoid imposition of Federal financial penalties on the State.

We have implemented numerous system and policy changes to improve communication between staff, monitor performance of clients, improve Federal reporting, and access work programs and resources more expeditiously.

We have expanded our Grant Diversion (GD) program to include all families including those with adults who have some work restrictions. Our hope is to get as many families successfully employed as possible without using up their life time eligibility of 60 months.

- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

This programs focuses on helping families become self sufficient within a time limit. Because of this, we have modified our program performance measures to measure these objectives. We will measure: the percentage of households exiting the system; percentage of households exiting in less than sixty months; the assistance caseload size; the non-assistance caseload size; the number of applications received and approved monthly; the average monthly benefits amount; the number of households required to participate in work activities and the number of households needing additional support.

3. Problems and Issues:

- a. Discussion of problems and issues encountered, if any.

The Deficit Reduction Act (DRA) of 2005 changed the regulations on claiming Maintenance of Effort (MOE) expenditures. These are State monies that must be expended to claim our Federal funds. Under the DRA, if any State money is spent on these cases, the cases must be claimed in our Federal work participation rate in order to be claimed for MOE. This created a problem as we were previously spending State funds on our-two parent households. We do not want to claim these cases in our work participation rate as the Federal work participation

requirement is that two-parent households must meet a 90% work participation rate, compared to the substantially easier 50% requirement for one-parent households.

We had to find a way to increase our State funds expenditure without claiming the two parent families and without requesting additional State funds. Working with our expert consultant, we found the best way to leverage non-profit agencies to meet our State funds MOE requirement.

- b. Program change recommendations to remedy problems. Non-profit agencies have allowed us to claim their State and other non-Federal funds as MOE. Their non-Federal funds not used for any other match and spend on TANF-like cases is being used to meet our State spending requirement. This will allow us to meet the Federal spending requirement without requesting or using additional State funds.
- c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

None

4. Expenditures for Fiscal Year 2007-2008:

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restrictions	Available Resources	Estimated Expenditures
(Pos. Count)	0.00				0.00	0.00
Personnel Services	0				0	0
Other Current Expenses	79,182,284	0	0		79,182,284	79,182,284
Equipment						
Motor Vehicles						
Total Requirements	79,182,284	0	0	0	79,182,284	79,182,284
(Pos. Count) General Fund	0.00 38,182,284				0.00 38,182,284	0.00 38,182,284
(Pos. Count) Special Fund						
(Pos. Count) Federal Fund	0.00 41,000,000				0.00 41,000,000	0.00 41,000,000
(Pos. Count) Other Fund						

a. Explain all transfers within the Program I.D. and the impact on the program.

None

b. Explain all transfers between Program I.D.s and the impact on the program.

None

c. Explain any restrictions and the impact on the program.

None

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH 2007 FY 09 Appropriation	Budget Request FY 09	Executive Supplemental Budget FY 09
(Pos. Count)	0.00		0.00
Personnel Services	0		0
Other Current Expenses	79,182,284.		79,182,284
Equipment			
Motor Vehicles			
Total Requirements	79,182,284	0	79,182,284
(Pos. Count) General Funds	0.00 38,182,284		0.00 38,182,284
(Pos. Count) Special Funds			
(Pos. Count) Federal Funds	0.00 41,000,000		0.00 41,000,000
(Pos. Count) Other Funds			

- a. Workload or program request:
None

6. Program Restrictions:

None

7. Capital Improvement Program (CIP) Requests for Supplemental Year 2008-2009:

None

8. Proposed Lapses of CIP Projects:

None

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**BENEFIT, EMPLOYMENT AND SUPPORT SERVICES DIVISION
FINANCIAL ASSISTANCE TO DISABLED INDIVIDUALS**

Program Structure Number: 06 02 01 07

Program I.D. and Title: HMS 212 – Cash Support for Aged, Blind and Disabled Individuals.

Page References in the Executive Budget Supplemental:

N/A

1. Introduction:

HMS 212 is a new budget program which combines the former HMS 202 and HMS 204. The households being served are the same as those served in the two former HMSs. We asked that the programs be combined because they service similar populations, adults without minor dependents who are aged or disabled. Having a single program allows us to better service the needs of the two populations in developing supportive services and maximizing possible Federal reimbursement from the Social Security Administration. **There is no Supplemental Budget request for this program.**

a. Summary of program objectives.

To provide financial support, within state appropriations, through direct monetary payments for food, clothing, shelter and other essentials to eligible individuals.

To maximize Federal reimbursement of these expenses and, through a medical review process, ensure that the moneys are being spent appropriately.

b. Description of program objectives.

Development and implementation of a statewide program for making cash payments to eligible applicants and recipients of General Assistance (GA) in conformity with State statutes, administrative rules and block grant funding.

Maintain the integrity of the program through corrective action initiatives to minimize ineligible payments and overpayments. Maximize Federal funding by ensuring that applicants are considered for Federally funded programs first, and that appropriate referrals are made to the Social Security Administration (SSA) through our partnership with the Legal Aid Society of Hawaii (LASH).

Minimize overpayments by ensuring that only eligible individuals receive assistance; maximize recovery activity.

Maintain a review process to standardize the disability determination and Supplemental Security Income (SSI) referral.

Development of requirements and penalties for compliance with treatment to expedite recovery and self-sufficiency.

c. Explanation of how program intends to meet its objectives in the upcoming supplemental year.

This is a 100% State funded program.

Effective FY 1996, in an effort to control escalating costs, the Legislature removed the entitlement status of General Assistance (GA) and appropriated a block grant.

The Department has implemented several changes. Assistance is provided to disabled adults without minor dependents. A medical board reviews all applicants and recipients who are not permanently disabled or receiving assistance based on their age. The board evaluates disability potential eligibility for SSI and compliance with treatment.

The Department has established administrative rules defining how and when payment amounts will be determined. This has allowed us to reasonably predict and plan for changes and schedule this occurrence.

The Department is providing monetary benefits to meet the basic needs of individuals who meet the categorical requirements of this program. In order to receive these benefits, a board of physicians or psychologists examines individuals. This board determines the extent and length of disability, type of treatment required and possible eligibility for SSI. The board guarantees that the same standard is being used for all applicants and recipients. In addition, the board verifies compliance with treatment. Compliance with recommended treatment is a condition of eligibility and these individuals must comply with prescribed treatment or their eligibility will be terminated.

The Department has extended the LASH contract for Supplemental Security Income (SSI) Advocacy. LASH advocates for potentially eligible clients from the point of application. This maximizes and expedites Federal reimbursement to the program.

The Department has modified its rules to be sure that individuals with physical and mental disabilities and those with a dual diagnosis are reviewed accurately. This is in an effort to protect the truly needy.

The Department constantly reviews those receiving Social Security benefits and those denied benefits to be certain their status cannot be improved.

2. Program Performance Results:

- a. Discuss the performance results achieved by each program in FY 07.

The caseload and the average monthly payment were very close to the projected amount. We are, however, concerned with a recent trend for the caseload to increase. After 10 years of decreases, FY 07 showed a modest increase. We are monitoring this closely as it could affect funding.

One hundred percent of the non-SSI applicants and on-going cases have been reviewed by the board of licensed physicians, psychologists and psychiatrists. This board has also reviewed treatment compliance on all of the cases.

LASH facilitated the reimbursement of \$2.1 million over the last fiscal year through their SSI advocacy efforts.

We are continuously monitoring and amending the advocacy process to expedite and increase the Federal reimbursement rate.

We have amended our procedures to protect the dual diagnosed disabled individuals to be sure their disabilities and abilities are accurately diagnosed and evaluated.

Our medical review process impacts this whole population. Part of the medical review process is to identify individuals potentially eligible for SSI benefits.

The average monthly payment was slightly higher than projected. We increased the assistance standard for the first time since 1994.

- b. Explain how these results relate to the program's objectives and department's mission.

The moneys in this program are being spent appropriately. The individuals receiving benefits are eligible for these benefits based on disability determined by an appropriately qualified board of professionals, and the recipients are complying with required treatment. We are also maximizing the reimbursement of Federal dollars to the State.

- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

The program effectiveness is measured through outcomes. Primarily, we attempt to verify that we are assisting those most in need, that our

outreach efforts have been successful, and that we are maximizing the receipt of Federal dollars.

We measure the number of individuals approved for SSI, the amount of Federal dollars returned to the State and the medical review process. These measurements have resulted in decreased expenditures of State dollars.

The greatest impact to our eligible population is the immigration laws and the welfare reform law. This category has the largest non-citizen population. Whomever the Social Security Administration (SSA) is not allowed to service affects who requests State funded assistance.

- d. Discuss actions taken by each program to improve its performance results.

The Department is continuously reviewing the SSI advocacy project to determine if adjustments will increase reimbursements and expedite the process.

The Department has amended the medical review process to improve its effectiveness and credibility. We developed and issued procedures to clarify the medical review process, especially for those individuals who have both physical and psychiatric problems and to extend the period to request that additional information be considered in the determination.

The Department has promulgated administrative rules to more clearly explain the process being used to determine the grant amount. This process enables the Department to remain within the budget appropriation.

We will continue to monitor the LASH advocacy project and our medical review process to accurately diagnose and treat individuals and to maximize Federal reimbursements.

- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

We modified our performance measures to more specifically measure our goals. We measure the percent of cases referred to SSA that are approved; applications that are received monthly; applications approved monthly; and average monthly payment per recipient.

Our purpose is to truly service the elderly and disabled, and to maximize their benefits. These measures will more accurately reflect these goals and allow us to monitor our progress

3. Problems and Issues:

- a. Discussion of problems and issues encountered, if any.

None

- b. Program change recommendations to remedy problems.

None

- c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

None

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH 2007 FY 09 Appropriation	Budget Request FY 09	Executive Supplemental Budget FY 09
(Pos. Count)			0
Personnel Services			0.00
Other Current Expenses	31,055,304		31,055,304
Equipment			0
<u>Motor Vehicles</u>			<u>0</u>
Total Requirements	31,055,304	0	31,055,304
(Pos. Count) General Funds	0.00 31,055,304		0.00 31,055,304
(Pos. Count) Special Funds			
(Pos. Count) Federal Funds			
(Pos. Count) Other Funds			

a. Workload or program request:

None

6. Program Restrictions

None

7. Capital Improvement Program (CIP) Requests for Supplemental Year 2008-2009:

None

8. Proposed Lapses of CIP Projects:

None

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**BENEFIT, EMPLOYMENT AND SUPPORT SERVICES DIVISION
BUDGET FOR LINE UNITS PROCESSING CLIENT ELIGIBILITY AND
EMPLOYMENT SERVICES**

Program Structure Number: 06 02 04 01

Program I.D. and Title: HMS 236 – Case Management for Self-Sufficiency

Page References in the Executive Budget Supplemental:

Volume II; Pages 504-505

1. Introduction:

The Case Management for Self-Sufficiency Program provides eligibility determination for welfare and employment services which includes support services for qualified clients. **The Supplemental Budget includes requests for the conversion of seven (7) temporary positions to permanent and an increase in the program's Federal appropriation to accommodate higher Federal fringe benefit rates. These positions provide direct employment services to families in the work program.**

a. Summary of program objectives.

To enhance program effectiveness and efficiency by determining the eligibility of applicants and recipients for public assistance, orienting them to the services available, directing them to appropriate places for assistance, and aiding recipients to obtain and retain employment.

b. Description of program objectives.

The following are the major activities related to Eligibility Determination:

1. Processing of applications for financial assistance, food stamps, health care and child care benefits;

2. Conducting eligibility predetermination on a scheduled as well as unscheduled basis;
3. Making payment and/or benefit adjustments when the circumstances of the recipient changes;
4. Conducting collateral contacts to verify household eligibility;
5. Conducting informational activities to assist eligible persons to participate in the program; and,
6. Making referrals to other resources as appropriate.

The following are the major activities of the First-to-Work (FTW) Program:

1. Intake and orientation services;
2. Barrier assessment services;
3. Supportive services;
4. Employability assessment/plan development; and,
5. Component services.

- c. Explanation of how program intends to meet its objectives in the upcoming supplemental year.

The program will continue to help clients become self-supporting and limit the time that financial assistance is available. Major emphasis will be placed on the reduction of errors through filling vacant positions, improving staff training, tightening regulations, implementing management controls and improving branch administration.

In addition, the Division will implement different approaches and strategies to facilitate the staff's ability to manage the workload and help families obtain and retain employment. The computerization and enhancement of eligibility determination and benefit payment processes will also contribute to attaining the program objectives.

2. Program Performance Results:

- a. Discuss the performance results achieved by each program in FY 07.

In Fiscal Year 2007, the number of cash support recipients mandated to work programs was 5,411 which was more than planned because more clients were being identified as being mandated to seek work by our contractors who had implemented a comprehensive client review process. Also in FY 2007, the program identified 65,528 households as being eligible for the Food Stamp Program.

The potential number of households eligible for cash support was less than expected because of the sixty month time limit which closes cases and the increase in Social Security benefits which make fewer individuals eligible for State financial assistance programs.

- b. Explain how these results relate to the program's objectives and department's mission.

The performance measures reflect the desired outcomes for the First-to-Work Program and the Eligibility Determination Program. The Division provides temporary assistance to those individuals and families who need it, until they can become employed in a self-sufficient job or exhaust their sixty month time-limit eligibility.

- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

Program effectiveness is measured by the percent of cash support recipients who exit due to employment. In FY 2007 the percent was 45 percent which was within the planned level of 55 percent. However, the percent of cash support recipients who have unsubsidized employment was 21 percent which was below the planned level of 35 percent. This lower percent is attributed to the lower skill levels of the clients and the inability of the State to adequately train the clients for employment. The ten statewide First-To-Work units produced significant measurable improvements in Federal Fiscal Year 2007. From October 1, 2006 to

September 30, 2007, the number of welfare clients employed 40 hours per week or more increased by 100%, the number of welfare clients employed any number of hours increased by 29% and the number of welfare clients with zero hours of employment decreased by 34%.

- d. Discuss actions taken by each program to improve its performance results.

The Division is implementing its reorganization and streamlining its units to process and assist clients more effectively. Administrative teams have been implemented to address implementation of new programs and obtaining additional contractors to assist the line units in processing clients more efficiently and effectively.

- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

None.

3. Problems and Issues:

- a. Discussion of problems and issues encountered, if any.

The Division is requesting conversion of seven (7) temporary positions to permanent. The seven positions were inadvertently left out of the Fiscal Biennium budget request.

- b. Program change recommendations to remedy problems.

By converting the seven (7) temporary positions to permanent, the Division will be addressing operational problems it faces when staff leaves a temporary position for a permanent position. The permanent positions will also give stability to the program and allow the line units to recruit and retain staff at the operational level.

- c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

None.

4. Expenditures for Fiscal Year 2007-2008:

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restrictions	Available Resources	Estimated Expenditures
(Pos. Count)	622.00				622.00	622.00
Personnel Services	27,439,392	881,898			28,321,290	28,321,290
Other Current Expenses	3,722,811				3,722,811	3,722,811
Equipment					0	0
Motor Vehicles					0	0

Total Requirements	31,162,203	881,898	0	0	32,044,101	32,044,101
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(Pos. Count)	(343.21)				(343.21)	(343.21)
General Fund	14,339,879	366,543			14,706,422	14,706,422

(Pos. Count)
Special Fund

(Pos. Count)	(278.79)				(278.79)	(278.79)
Federal Fund	16,822,324	515,355			17,337,679	17,337,679

(Pos. Count)
Other Fund

a. Explain all transfers within the Program I.D. and the impact on the program.

None.

b. Explain all transfers between Program I.D.s and the impact on the program.

None.

c. Explain any restrictions and the impact on the program.

None.

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH 2007 FY 09 Appropriation	Budget Request FY 09	Executive Supplemental Budget FY 09
(Pos. Count)	622.00	7.00	629.00
Personnel Services	27,442,460	1,779,272	29,221,732
Other Current Expenses	3,722,811		3,722,811
Equipment			
Motor Vehicles			
Total Requirements	31,165,271	1,779,272	32,944,543
(Pos. Count) General Funds	343.21 14,342,932	4.14 0	347.35 14,342,932
(Pos. Count) Special Funds			
(Pos. Count) Federal Funds	278.79 16,822,339	2.86 1,779,272	281.65 18,601,611
(Pos. Count) Other Funds			

a. Workload or program request:

1. The Division is requesting that seven (7) Temporary positions be converted to Permanent positions. This will address the operational problems the Division faces when staff leave a temporary position for a permanent position. It will provide stability to the program and allow the units to retain staff and maintain operations at the unit level.

The following positions are being requested to be converted to permanent positions:

<u>Position Title</u>	<u>Number</u>	<u>ORG</u>	<u>FTE</u>	<u>Amount</u>	<u>MOF</u>
S W III	43505	236LK	.57		A
S W III	43505	236LK	.43		N
C T II	45052	236LH	.57		A
CT II	45052	236LH	.43		N
SSSS Spclt III	46900	236LH	.50		A
SSSS Spclt III	46900	236LH	.50		N
SSSS Spclt III	46902	236LH	.50		A
SSSS Spclt III	46902	236LH	.50		N
PT/SSSS Spclt II	41087	236LW	.50		A
PT/SSSS Spclt II	41087	236LW	.50		N
C T II	43557	236LW	1.00		A
C T II	48705	236LW	.50		A
C T II	48705	236LW	.50		N

2. Increase federal appropriation to accommodate increase in federal fringe benefits rate.

FY 09

<u>Cost Element</u>	<u>Amount</u>	<u>MOF</u>
Personal Services	1,779,272	N

6. Program Restrictions

None.

7. Capital Improvement Program (CIP) Requests for Supplemental Year 2008-2009:

None.

8. Proposed Lapses of CIP Projects:

None.

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**BENEFIT, EMPLOYMENT AND SUPPORT SERVICES DIVISION (BESSD)
FOOD STAMP WORK PROGRAM**

Program Structure Number: 06 02 05

Program I.D. and Title: HMS 237 – Employment and Training

Page References in the Executive Budget Supplemental:

None

1. Introduction:

The Employment and Training Program is a work program for recipients of Food Stamps. This Program is mandatory to all Food Stamp recipients who are able-bodied and not otherwise required to meet work program requirements under the Federal Temporary Assistance for Needy Families program. **There is no Supplemental Budget request for FY 09 for this program.** The FY 08 budget for HMS 237 is funded with 70.9% (\$1,197,541) Federal funds and 29.1% (\$491,214) State general funds.

a. Summary of program objectives.

To maximize the number of Employment and Training (E&T) participants who are able to obtain and maintain employment.

b. Description of program objectives.

This is an ongoing program mandated by the Food Security Act of 1985, and was implemented in the State of Hawaii in April 1988. The E&T Program strives to improve the employability and earning power of food stamp recipients by offering the following services: (1) intake and assessment; (2) plan development; (3) component placement; (4) job

placement; (5) case management services; and (6) linkage to child care services.

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 established Food Stamp Program work requirements and participation time limits for non-exempt, able-bodied adults without dependents (ABAWDs). To retain eligibility to receive Food Stamps beyond three (3) months, these individuals must either work 20 hours or more per week (averaged monthly) or participate in and comply with the requirements of the E&T Program. The participant cannot enroll in job search only. They must be participating in an additional activity or a combination of activities, such as work experience and/or education.

The Federal Food Stamp Employment and Training guidelines strictly limit the service and assistance that can be provided by the State. Program participation is generally focused on paid employment activities and the latitude to provide clients with training to improve their employability is limited. This has made it difficult to serve the E&T population, especially the ABAWDs, who lose their eligibility for Food Stamps, and also their access to E&T services, if they do not meet the work program requirements within the first 90 days of assistance.

The Department is now serving the ABAWD population within its allocation to the fullest extent possible. Barring the amendment of current Federal work program guidelines, it will be difficult to expand program services.

The major activities of the E&T Program will continue to focus on improving the employability and earning power of the participants. The activities will include employment preparation services such as assessment and/or testing of skill level, employability development planning, job search skills training, independent job search, and linkage with community based employment and training programs. Other

activities may include GED or equivalency preparation and English as a second language. Other basic core services will include work experience, vocational skills training, and case management.

The aforementioned activities will be accomplished through contractual agreements with other departments and agencies.

- c. Explain how your program intends to meet its objectives in the upcoming supplemental year.

The major activities of the E&T Program will remain directed toward improving the employability and earning power of the participants. This will be accomplished through contractual agreements with other departments and agencies to provide employment preparation activities such as assessment and/or testing of skill level, employability development planning, job search skills training, independent job search, linkage with community based employment, and training programs. Other linkages may include GED or equivalency preparation and English as a second language. Other basic core services will include work experience, vocational skills training, and case management.

The program will continue to implement the exemption system on Oahu, Hilo, Kona, Kauai, Maui, and Molokai (Lanai has a waiver on mandatory E&T participation) and is authorized by the USDA to offer exemptions to 15% of the ABAWD population, approximately 2,107 exemptions based on the number allowed for Federal fiscal year 2008. These are the maximum exemptions allowed at any given time, and can be reassigned to a new participant after the current recipient either leaves the program or loses eligibility for the exemption.

In order to be exempt from ABAWD work requirements, clients must be active in the E&T program. The program will be authorized to grant exemptions to the following individuals:

1. The participant has completed a prescribed amount of job search, and has proven good faith by complying with an active work requirement. The participant will be allowed to continue eligibility through continued work search.
2. The participant is working less than the required 20 hours per week, but for at least 10 hours per week, if the number of work hours is limited by the nature of the job.
3. The participant is enrolled in GED or ESL classes, even though less than 20 hours per week.
4. The participant for whom English is not his/her primary language, and who may be having difficulty finding work regardless of his/her level of education.
5. Other extenuating circumstance, as determined by the E&T worker.

2. Program Performance Results:

- a. Discuss the performance results achieved by each Program in FY 07.
 - 1). Performance Results for FY 2007 were as follows:
 - 1,235 intakes into the E&T Program during FY 2007.
 - 1,693 clients were served during FY 2007.
 - During FY 2007 a total of 1,198 clients were employed.
 - During FY 2007 a total of 136 clients were in an Adult Education component.
 - During FY 2007 a total of 146 clients were in a vocational training component.
 - During FY 2007 a total of 355 clients were involved in work experience.
 - During FY 2007 a total of 229 clients were in job readiness components.
 - During FY 2007 there were a total of 242 exits due to employment.
 - During FY 2007 the average wage at exit was \$10.05 per hour and the median wage was \$7.25 per hour.

- b. Explain how these results relate to the program's objectives and department's mission.

The E&T Program's goal is to improve the employability of participants as mandated by the Food Security Act of 1985 and Title VIII of the PRWORA of 1996. The results also relate to the Department's goal of Self and Family Preservation -- "To maximize individual and family stability and self-sufficiency."

- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

The effectiveness of the Program is measured by: 1) monitoring the percentage of E&T participants who are employed and receive benefit reduction as a result of employment; and 2) the percentage of participants who exit due to employment. Please see Section II.A. above for actual performance results achieved in FY 2007.

- d. Discuss actions taken by each program to improve its performance results.

The E&T Program maintains close working relationships with numerous existing services within the community. Such relationships have been established with the Department of Labor and Industrial Relations, the Department of Education, the University of Hawaii-Community Colleges, the Department of Health, the City and County and numerous private service agencies. The Department took steps to utilize a direct referral approach between the programs to process customers in a timely manner. This has resulted in a more expeditious means to provide service. This practice is anticipated to continue.

- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

None

3. Problems and Issues:

a. Discussion of problems and issues encountered, if any.

None

b. Program change recommendations to remedy problems.

None

c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

None

4. Expenditures for Fiscal Year 2007-2008:

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restrictions	Available Resources	Estimated Expenditures
(Pos. Count)	0.00				0.00	0.00
Personal Services					0	0
Other Current Expenses	1,688,755				1,688,755	1,688,755
Equipment					0	0
Motor Vehicles					0	0
Total		0	0	0		
Requirements	1,688,755				1,688,755	1,688,755
(Pos. Count)	0.00				0.00	0.00
General Fund	491,214				491,214	491,214
(Pos. Count)					0.00	0.00
Special Fund					0	0
(Pos. Count)	0.00				0.00	0.00
Federal Fund	1,197,541				1,197,541	1,197,541
(Pos. Count)					0.00	0.00
Other Fund					0	0

a. Explain all transfers within the Program I.D. and the impact on the program.

None

b. Explain all transfers between Program I.D.s and the impact on the program.

None

c. Explain any restrictions and the impact on the program.

None

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH 2007 FY 09 Appropriation	Budget Request FY 09	Executive Supplemental Budget FY 09
(Pos. Count)	0.00		0.00
Personal Services			0
Other Current Expenses	1,688,755		1,688,755
Equipment			0
Motor Vehicles			0
Total Requirements	1,688,755	0	1,688,755
(Pos. Count)	0.00		0.00
General Funds	491,214		491,214
(Pos. Count)			0.00
Special Funds			0
(Pos. Count)	0.00		0.00
Federal Funds	1,197,541		1,197,541
(Pos. Count)			0.00
Other Funds			0

a. Workload or program request:

None

6. Program Restrictions

None

7. Capital Improvement Program (CIP) Requests for Supplemental Year 2008-2009:

None

8. Proposed Lapses of CIP Projects:

None

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**BENEFIT, EMPLOYMENT AND SUPPORT SERVICES DIVISION (BESSD)
CHILD CARE PROGRAM ADMINISTRATIVE BUDGET**

Program Structure Number: 06 01 02

Program I.D. and Title: HMS 302 – General Support for Child Care Services

Page References in the Executive Budget Supplemental:

Volume II; Pages 488-489

1. Introduction:

The Department's Benefit, Employment and Support Services Division (BESSD) administers, through HMS 302, the child care services in the Child Care Connection Hawaii (CCCH) program. The HMS 302 program contains funding for quality improvement contract activities in accordance with Federal funding requirements. This program also contains administrative and line staffing for the CCCH program. **In the FY09 Supplemental Budget, HMS 302 is requesting the conversion of a temporary position to permanent and an increase in the Federal appropriation to accommodate an increased Federal fringe benefit rate.** HMS 302 is funded with 84% Federal dollars (\$6,512,325) and 16% State dollars (\$1,245,650).

a. Summary of program objectives.

To promote the self-sufficiency of low-income families who are employed, in training, or in education by providing access to comprehensive child care resources and services which ensure the basic health and safety of children.

b. Description of program objectives.

To support program objectives, the HMS 302 program: (1) provides program planning and development, administration (operations and

personnel), coordination/collaboration (among programs, with other agencies, and with the child care community); (2) expands the supply of available child care to support families by recruiting and licensing child care providers; (3) conducts investigations relating to the health and well-being of children, as well as sets standards to maximize the safety of children in child care settings; (4) arranges for child care resource/referral and training to give parents broader access to care by qualified providers; (5) plans, procures and implements quality child care initiatives through competitive purchase of services.

To promote the self-sufficiency of low-income families who are employed, in training, or in education by providing access to comprehensive child care resources and services which ensure the basic health and safety of children.

The activities administered through HMS 302 for the CCCH program include child care subsidies and support services to eligible families. We also set standards and regulate child care homes, group child care homes and centers, infant/toddler centers, and before/after school care. The quality child care services statewide are provided through purchase of service (POS) contracts.

- c. Explanation of how program intends to meet its objectives in the upcoming supplemental year.

The program provides support services for child care benefits to recipients of public assistance, low-income employed parents, parents in education or training programs, or children in need of child care for protective reasons.

The licensing efforts target family child care providers and group child care centers and homes to ensure quality care. Regulatory activities ensure minimum health and safety standards. Units conduct the necessary investigations based on public complaints, relating to the health and well-

being of children as well as establishing standards to maximize the safety of children in child care settings.

With the increasing emphasis on school readiness and professional development in the community, DHS is continuing to work in collaboration with public and private agencies to improve the quality of early childhood education experiences in all settings.

The Department has implemented the quality incentive payment program for the child care providers (preschools and home-based providers) who care for children who receive child care subsidies through the Department, to improve the quality and availability of child care. The quality incentive payments are based on adoption of Hawaii Preschool Content Standards and/or Professional Development Standards.

In providing general oversight for the Head Start Program, the Federal government requested that the Department provide a stable home for their Head Start Collaboration Project. As such, the Department was awarded a \$125,000 grant to establish positions and we continue to administer this project.

The Department will also continue to collaborate with the Department of Accounting and General Services, the Department of Education and private child care agencies to establish Pre-Plus sites throughout the State.

2. Program Performance Results:

- a. Discuss the performance results achieved by each Program in FY 07.
 - 1). Performance results for FY 2007 were as follows:
 - Number of family child care homes licensed: 620
 - Number of group care centers (includes group child care homes, before and after school, and infant toddler centers): 626
 - Licensed child care slots available: 35,723.

- b. Explain how these results relate to the program's objectives and department's mission.

The HMS 302 program administers quality child care services to eligible families through competitive purchase of service contracts. It also sets standards and regulates child care homes, group child care homes and centers, infant/toddler centers, and before/after school care. This relates to the Departmental goal of Self and Family Preservation: "To maximize individual and family stability and self-sufficiency."

The HMS 302 program offers services to promote the self-sufficiency of low-income families who are employed, in training or in education by providing access to comprehensive child care resources and services which ensure the basic health and safety of children. These direct services, along with investing in quality-related activities, comprise the offerings under this program area.

- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

The CCCH program is a statewide service that offers child care licensing services to the community. Under the licensing program, the primary intent is to ensure the safety, health and well-being of children cared for within licensed facilities.

In addition to the performance results referenced in Section II.A. above, the program monitors and measures for effectiveness using the following:

1. The percentage of regulated child care facilities that receive licensure. In FY 2007, the percentage of facilities receiving full licensure was 100%.
2. The percentage of regulated child care facilities that remain complaint free. The program goal is to have licensed facilities be complaint free in FY 2008.

- d. Discuss actions taken by each program to improve its performance results.

Close coordination is maintained with the following DHS programs: HMS 301, Child Protective Services; HMS 236, Case Management for Self-Sufficiency; and HMS 903, General Support for Self-Sufficiency Services. In addition, CCCH coordinates with other community child care programs including HeadStart, the Kamehameha Schools Early Education Program, People Attentive to Children (PATCH) Resource and Referral Services, the Department of Education, the Department of Health, the Department of the Attorney General, Alu Like, the University of Hawaii, and the community college system.

Based on the provisions of the Child Care Development Fund (CCDF), efforts to continue to improve the quality of care will be a high priority. Contracts will address improvement in areas such as training, quality of care, parent education, and school readiness.

The Department, in association with the Criminal Justice Data Center at the Attorney General's Office, is continuing to conduct more thorough and timely criminal history background checks to support the efforts of the child care licensing program to ensure safety and health of children in care.

The Department has a new contract that carries out the fingerprinting and background check function to a competitively procured purchase of service provider on a statewide basis to meet needs of all programs within the Department, not just CCCH.

The Department has implemented the Governor's Early Childhood Education Initiative focusing on school readiness and professional development of preschool teachers, increased access to preschools and child care subsidies. The Department is continuing to work in conjunction with the child care community, Legislature, Office of the Governor, and other government agencies to implement Early Learning Guidelines and

professional development standards that will assist in school readiness initiatives in all settings.

The Department has implemented, through the adoption of a new subchapter 4 to the Hawaii Administrative Rules Chapter 17-798.1, Child Care Services, the quality incentive payment program for the child care providers (preschools and home-based providers) who care for children who receive child care subsidies through the Department of Human Services, to improve the quality and availability of child care. The quality incentive payments are based on adoption of Hawaii Preschool Content Standards and/or Professional Development Standards.

The Department is continuing to enroll eligible children in the Preschool Open Doors (POD) Program. The POD Program is designed to provide preschool experience to 4 year olds who would be eligible to enter kindergarten when they turn 5 years of age. As of December 2007, there are 1,291 children enrolled in the POD program compared to an average monthly enrollment of 1,151 per month during the last fiscal year. Further, the Department has added 533 additional preschool slots to date.

The Department has implemented a new teacher waiver policy to allow preschools to continue to operate their preschool programs while working with aides to become teacher qualified in order to increase the pool of qualified individuals in the early childhood field.

Further, the Department has implemented the increased child care rates for the providers and income eligibility for more gap group families to get child care subsidies.

The Department is expecting that the caseload will grow for FY 2009. For FY 2008, the Department expects that the average caseload will exceed 16,000 before the end of the fiscal year.

- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

None

3. Problems and Issues:

a. Discussion of problems and issues encountered, if any.

None

b. Program change recommendations to remedy problems.

None

c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

None

4. Expenditures for Fiscal Year 2007-2008:

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restrictions	Available Resources	Estimated Expenditures
(Pos. Count)	42.00				42.00	42.00
Personnel Services	2,250,498	43,751			2,294,249	2,294,249
Other Current Expenses	5,507,477	35,395			5,542,872	5,542,872
Equipment						
Motor Vehicles						
Total Requirements	7,757,975	79,146	0	0	7,837,121	7,837,121
(Pos. Count)	26.07				26.07	26.07
General Fund	1,245,650	43,751			1,289,401	1,289,401
(Pos. Count) Special Fund						
(Pos. Count)	15.93				15.93	15.93
Federal Fund	6,512,325	35,395			6,547,270	6,547,270
(Pos. Count) Other Funds						

a. Explain all transfers within the Program I.D. and the impact on the program.

None

b. Explain all transfers between Program I.D.s and the impact on the program.

None

c. Explain any restrictions and the impact on the program.

None

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH 2007 FY 09 Appropriation	Budget Request FY 09	Executive Supplemental Budget FY 09
(Pos. Count)	42.00	1.00	43.00
Personnel Services	2,250,757	171,113	2,421,870
Other Current Expenses	5,507,477		5,507,477
Equipment			
Motor Vehicles			
Total Requirements	7,758,234	171,113	7,929,347
(Pos. Count) General Funds	26.07 1,245,908		26.07 1,245,908
(Pos. Count) Special Funds			
(Pos. Count) Federal Funds	15.93 6,512,326	1.00 171,133	16.93 6,683,439
(Pos. Count) Other Funds			0

a. Workload or program request:

1. Convert temporary Eligibility Determination Worker position to permanent.

<u>Position Title</u>	<u>Number</u>	<u>ORG</u>	<u>FTE</u>	<u>Amount</u>	<u>MOF</u>
E. W. I	48706	302DH	1.00		N

2. Increase federal appropriation to accommodate increase in federal fringe benefits rate.

FY 09

<u>Cost Element</u>	<u>Amount</u>	<u>MOF</u>
Personal Services	171,113	N

- b. For all position count reductions, please specify whether the positions were filled or vacant.

None

6. Program Restrictions

None

7. Capital Improvement Program (CIP) Requests for Supplemental Year 2008-2009:

None

8. Proposed Lapses of CIP Projects:

None

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**BENEFIT, EMPLOYMENT AND SUPPORT SERVICES DIVISION (BESSD)
CHILD CARE PAYMENT PROGRAM**

Program Structure Number: 06 01 04

Program I.D. and Title: HMS 305 – Cash Support for Child Care

Page References in the Executive Budget Supplemental:

N/A

1. Introduction:

The Department's Benefit, Employment and Support Services Division (BESSD) administers, through HMS 305, the child care payments in the Child Care Connection Hawaii (CCCH) program. The HMS 305 program provides subsidies to low-income families to pay for child care while parents work or attend school.

These subsidies are critical to families as they attempt to become self-sufficient.

There is no Supplemental Budget request for FY 09 for this program. HMS 305 is funded with approximately 40% State funds and 60% Federal funds.

a. Summary of program objectives.

To provide child care subsidies which promote the self-sufficiency of low-income families who are employed or in approved training or education.

b. Description of program objectives.

To support program objectives, the HMS 305 program provides payment assistance to eligible families to pay for child care services so that the parents can work or attend education or job training.

The objectives of the program are to provide child care subsidies which promote the self-sufficiency of low-income families who are employed or in approved training or education.

The activities of the CCCH program are to provide child care subsidies and support services to eligible families. CCCH targets employed parents, or parents in education or training programs, or children in need of child care for protective service reasons. In FY 07, the Department issued approximately \$42.6 million for an average of 22,429 active families receiving child care payment assistance for 28,882 children.

- c. Explanation of how program intends to meet its objectives in the upcoming supplemental year.

The HMS 305 program supports recipients of public assistance, employed parents, parents in education or training programs, or children in need of child care for protective reasons by providing child care subsidies.

The Department has implemented the Governor's Early Childhood Education Initiative focusing on school readiness and professional development of preschool teachers, increased access to preschools and child care subsidies. The Department is continuing to work in conjunction with the child care community, Legislature, Office of the Governor, and other government agencies to implement Early Learning Guidelines and professional development standards that will assist in school readiness initiatives in all settings.

The Department has implemented, through the adoption of a new subchapter 4 to the Hawaii Administrative Rules Chapter 17-798.1, Child Care Services, the quality incentive payment program for the child care providers (preschools and home-based providers) who care for children who receive child care subsidies through the Department, to improve the quality and availability of child care. The new quality incentive payments are based on adoption of Hawaii Preschool Content Standards and/or Professional Development Standards.

The Department is continuing to enroll eligible children in the Preschool Open Doors (POD) Program. The POD Program is designed to provide preschool experience to 4 years olds who would be eligible to enter kindergarten when they turn 5 years of age. As of December 2007, there

are 1,291 children enrolled in the POD program compared to an average monthly enrollment of 1,151 per month during the last fiscal year. Further, the Department has added 533 additional preschool slots to date.

The Department has implemented a new teacher waiver policy to allow preschools to continue to operate their preschool programs while working with aides to become teacher qualified in order to increase the pool of qualified individuals in the early childhood field.

Further, the Department has implemented the increased child care rates for the providers and income eligibility for more gap group families to get child care subsidies.

The Department is expecting that the caseload will grow for FY 2009. For FY 2008, the Department expects that the average caseload will exceed the 16,000 projection for average caseload before the end of the fiscal year.

2. Program Performance Results:

a. Discuss the performance results achieved by each Program in FY 07.

1). Performance results for FY 2007 were as follows:

- There were 22,429 active families receiving child care payment assistance for 28,882 children.
- Payments totaling \$42,629,105 were made to families.
- Number of family child care homes licensed: 620
- Number of group care centers (includes group child care homes, before and after school, and infant toddler centers): 626
- Licensed child care slots available: 35,723.

b. Explain how these results relate to the program's objectives and department's mission.

HMS 305 provides child care subsidies and support services to eligible families. This relates to the Departmental goal of Self and Family Preservation: "To maximize individual and family stability and self-sufficiency."

- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

The program's effectiveness is measured by the number of children receiving child care subsidies, within the available funding levels, and the families who are able to participate in employment or employment-related activities due to receipt of child care subsidies. During FY 2007, there were 22,429 active families receiving child care payment assistance for 28,882 children.

Families on both the TANF and TAONF programs are an important target group for child care payments. The program goal is to provide child care stipends to 100% of the families in these programs who need child care assistance to fulfill program requirements that lead to employment and self-sufficiency. This goal was met in FY 2007. In FY 2007, an average of 2,209 children was served per month.

In addition, the program attempts to serve as many working non-TANF families as can be served within funding limits, and is committed to ensuring that eligible working parents receive child care stipends and remain off of financial assistance programs. In FY 2007, an average of 7,500 child care slots per month were provided to working non-TANF families, enabling the parents to remain employed.

- d. Discuss actions taken by each program to improve its performance results.

Close coordination is maintained with the following DHS programs: HMS 301, Child Protective Services; HMS 236, Case Management for Self-Sufficiency; and HMS 302, General Support for Child Care Services. In addition, CCCH coordinates with other community child care programs including HeadStart, the Kamehameha Schools Early Education Program, People Attentive to Children (PATCH) Resource and Referral Services, the Department of Education, the Department of Health, the Department of the Attorney General, Alu Like, the University of Hawaii, and the community college system.

High quality care is important to the proper preparation of the child for success in kindergarten and beyond. In this regard, the Department has been working closely with the community and the Department of Education to enhance school readiness programs and resources that will permit parents to select from high quality options to prepare their children for further schooling and the world of work.

- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

None

3. Problems and Issues:

- a. Discussion of problems and issues encountered, if any.

None

- b. Program change recommendations to remedy problems.

None

- c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

None

4. Expenditures for Fiscal Year 2007-2008:

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restrictions	Available Resources	Estimated Expenditures
(Pos. Count)	0.00				0.00	0.00
Personnel Services						
Other Current Expenses	56,662,565				56,662,565	56,662,565
Equipment						
Motor Vehicles						
Total Requirements	56,662,565	0	0	0	56,662,565	56,662,565
(Pos. Count)	0.00				0.00	0.00
General Fund	22,411,811				22,411,811	22,411,811
(Pos. Count) Special Fund						
(Pos. Count)	0.00				0.00	0.00
Federal Fund	34,250,764				34,250,764	34,250,764
(Pos. Count) Other Fund						

a. Explain all transfers within the Program I.D. and the impact on the program.

None

b. Explain all transfers between Program I.D.s and the impact on the program.

None

c. Explain any restrictions and the impact on the program.

None

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH 2007 FY 09 Appropriation	Budget Request FY 09	Executive Supplemental Budget FY 09
(Pos. Count)	0.00		0.00
Personnel Services			
Other Current Expenses	56,662,565		56,662,565
Equipment			
Motor Vehicles			
Total Requirements	56,662,565	0	56,662,565
(Pos. Count) General Funds	0.00 22,411,811		0.00 22,411,811
(Pos. Count) Special Funds			
(Pos. Count) Federal Funds	0.00 34,250,754		0.00 34,250,754
(Pos. Count) Other Funds			

a. Workload or program request:

None

6. Program Restrictions

None

7. Capital Improvement Program (CIP) Requests for Supplemental Year 2008-2009:

None

8. Proposed Lapses of CIP Projects:

None

**COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2009
February 19, 2008**

**LILLIAN B. KOLLER, DIRECTOR
DEPARTMENT OF HUMAN SERVICES**

**BENEFIT, EMPLOYMENT AND SUPPORT SERVICES DIVISION
BUDGET FOR ADMINISTRATIVE SUPPORT, COORDINATION, TRAINING AND
INVESTIGATION SERVICES TO LINE STAFF**

Program Structure Number: 06 04 05

Program I.D. and Title: HMS 903 – General Support for Benefit, Employment and Support Services

Page References in the Executive Budget Supplemental:

Volume II; Pages 510-511

1. Introduction:

The Benefit, Employment and Support Services Division administration provides: administrative oversight of welfare, employment and child care programs; staff development; investigation; and program support to the line operations which determine eligibility and provide employment and support services that assist individuals and families in achieving self-sufficiency. **The Supplemental Budget requests include converting five (5.00) temporary positions to permanent to allow for stable recruitment and retention of staff to monitor services that are provided through various contracts and to implement the low income energy program, and an increase in the Federal appropriation to accommodate higher Federal fringe benefit rates.**

a. Summary of Program Objectives

To enhance the effectiveness and efficiency of the programs by formulating policies, administering operations and personnel and providing other administrative services that assist individuals and families to expand

their capacity for self-sufficiency, make healthy choices and improve their quality of life.

b. Description of program objectives.

There are four major functions under which program activities are conducted:

1. The core function of planning, program development, administration of operations and personnel, coordination/collaboration among programs with other agencies and with the community, and overall performance monitoring/assessment/feedback for:
 - a) Financial assistance
 - b) Food Stamp assistance
 - c) Employment and child care assistance
2. The user support function for automated systems;
3. The training/staff development function; and
4. The investigations and overpayment recovery function.

c. Explanation of how program intends to meet its objectives in the upcoming supplemental year.

The program will provide responsive and effective service delivery and program administration by providing adequate funding to:

1. Maintain the Electronic Benefit Transfer (EBT) system;
2. Provide additional support services to the "hard to serve" client groups needed to meet Federal work participation requirements and to qualify for additional Federal bonuses;

3. Expand new programs to provide opportunities for clients to obtain and retain jobs;
4. Maintain and enhance the technology of the Division;
5. Provide adequate training to staff to implement new programs;
6. Conduct fraud investigations; and
7. Provide adequate support services for clients to encourage employment.

2. Program Performance Results:

- a. Discuss the performance results achieved by each Program in FY 07.

During fiscal year 2007, the program has maintained a high percent of employees working without formal grievances and has not received complaints from contract providers while processing contracts in a timely manner. The percentage of recipient fair hearings held which were decided in favor of the Department has also remained fairly high. It is anticipated that the same level will remain this fiscal year.

A large portion of the programs expenditures consist of fixed costs and essential services such as:

1. The operation and maintenance of Hawaii Automated Welfare (HAWI) mainframe computer, its software and network equipment;
2. Contracting with public and private providers for employment and support services;
3. Conducting fraud investigations; and,
4. Providing training to eligibility determination and employment service workers.

- b. Explain how these results relate to the program's objectives and department's mission.

The performance measures relate to the Department's mission in providing high quality services to clients while maximizing effective and efficient management of programs and operations.

- c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

The program provides administrative oversight to the Benefit, Employment and Support Services Division (BESSD). Its effectiveness is measured by:

1. The percentage of individuals participating in the work program who meet Federal standards. For FY 2007 fifty percent (50%) of the individuals in the work program met the Federal standards. This was at the planned level and the State met its Federal requirements.
2. The accuracy rate for the Food Stamp program was planned at 95.50 percent and the program achieved an accuracy rate of 97.31 percent. This qualified the State to receive a Food Stamp bonus.
3. There were no complaints received from contracted providers in FY 2007 and 107 contracts were processed in a timely manner in FY 2007. It is anticipated that no complaints will be received from contracted providers in FY 2008 and the same amount of contracts will be processed in a timely manner in FY 2008.

- d. Discuss actions taken by each program to improve its performance results.

Statewide meetings are planned and conducted to review major program initiatives of the Director, and staff has the opportunity to discuss and

understand how the support services are designed to assist clients in obtaining and retaining employment.

Technology support will also be provided to the administrative and line staff to improve their efficiency and effectiveness in administering the various programs within the Division. Additional enhancement to information systems and utilization of technology to provide staff with more efficient and effective tools in doing their jobs will be a major focus.

- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

None

3. Problems and Issues:

- a. Discussion of problems and issues encountered, if any.

We are requesting five (5) positions be converted from temporary to permanent to alleviate problems that the Division has had with recruiting and retaining staff.

- b. Program change recommendations to remedy problems.

Converting the five (5) temporary positions to permanent will provide administrative support of the employment program and will improve the efficiency and overall operations of administration.

- c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

None

4. Expenditures for Fiscal Year 2007-2008:

	Appropriation FY 08	Collective Bargaining	Transfers In/Out	Restrictions	Available Resources	Estimated Expenditures
(Pos. Count)	120.00				120.00	120.00
Personal Services	6,737,885	256,482			6,994,367	6,994,367
Other Current Expenses	62,785,742				62,785,742	62,785,742
Equipment					0	0
Motor Vehicles					0	0
Total Requirements	69,523,627	256,482	0	0	69,780,109	69,780,109
(Pos. Count)	62.96				62.96	62.96
General Fund	10,444,592	120,517			10,565,109	10,565,109
(Pos. Count)					0.00	0.00
Special Fund					0	0
(Pos. Count)	57.04				57.04	57.04
Federal Fund	59,079,035	135,965			59,215,000	59,215,000
(Pos. Count)					0.00	0.00
Other Fund					0	0

a. Explain all transfers within the Program I.D. and the impact on the program.

None

b. Explain all transfers between Program I.D.s and the impact on the program.

None

c. Explain any restrictions and the impact on the program.

None

5. Supplemental Budget Requests for Fiscal Year 2008-2009:

	Act 213/SLH 2007 FY 09 Appropriation	Budget Request FY 09	Executive Supplemental Budget FY 09
(Pos. Count)	120.00	5.00	125.00
Personal Services	6,738,574	516,726	7,255,300
Other Current Expenses	58,224,229		58,224,229
Equipment			0
Motor Vehicles			0
Total Requirements	64,962,803	516,726	65,479,529
(Pos. Count)	62.96	0.00	62.96
General Funds	10,420,477	0	10,420,477
(Pos. Count)			0.00
Special Funds			0
(Pos. Count)	57.04	5.00	62.04
Federal Funds	54,542,326	516,726	55,059,052
(Pos. Count)			0.00
Other Funds			0

a. Workload or program request:

1. In order to address the work required for implementing and monitoring 100+ or more purchase of service contracts, including procurements appropriated through Act 213, Section 200, SLH 2007, which amounts to \$50 million, three Self-Sufficiency and Support Services (SSSS) Specialists were appropriated through Act 213, Section 201, SLH 2007, as temporary positions. The Division is requesting that these temporary positions be converted to permanent positions which should alleviate problems encountered in recruiting and retaining productive and effective

staff. These professional positions are involved with determining the need for contract services, establishing working agreements with governmental agencies, considering the clients' program service needs and determining the scope and cost of each contract. The professional staff develops the specifications for contract proposals, prepares the Request for Proposal (RFP), reviews the proposal with an established panel, awards the contract and prepares the contract for execution. After the contracts are executed, these professional positions closely monitor the contracts, determine the need for corrective action and restrict or extend the contracts, as appropriate.

The three positions are needed to continue to develop and implement new work, support services, teen pregnancy prevention and family strengthening programs on a statewide basis.

Two temporary positions for the LIHEAP program are also being requested to be converted from temporary to permanent. This will alleviate the problems encountered in hiring and retaining staff in the positions.

The following are the positions that are being requested to be converted from temporary to permanent positions:

Position Title	Number	Org	FTE	MOF
SSSS Specialist	118663	903FE	1.00	N
SSSS Specialist	118664	903FE	1.00	N
SSSS Specialist	118665	903FE	1.00	N
EPS IV	92209	903FF	1.00	N
CT II	92160	903FF	1.00	N

2. Increase federal appropriation to accommodate increase in federal fringe benefits rate.

FY 07

<u>Cost Element</u>	<u>Amount</u>	<u>MOF</u>
Personal Services	516,726	N

6. Program Restrictions:

None

7. Capital Improvement Program (CIP) Requests for Supplemental Year 2008-2009:

None

8. Proposed Lapses of CIP Projects:

None