
HOUSE CONCURRENT RESOLUTION

DIRECTING THE DEPARTMENT OF HUMAN SERVICES TO STOP ITS PROPOSED REORGANIZATION OF THE BENEFITS, ENMPLOYMENT, SUPPORT SERVICES AND MED QUEST DIVISIONS UNTIL A LEGISLATIVE TASK FORCE EVALUATES THE PROPOSAL.

1 WHEREAS, the Department of Human Services (DHS) oversees a
2 variety of important social service programs, including
3 Temporary Assistance to Needy Families (TANF), Supplemental
4 Nutrition Assistance Program (SNAP), General Assistance and
5 Medicaid, that serve thousands of people in Hawaii; and
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7 WHEREAS, DHS proposes to reorganize its Benefits,
8 Employment Support Services Division (BESSD), Med Quest
9 Division, Social Services Division, including but not limited to
10 the intake and eligibility determination functions for public
11 assistance, SNAP, Medicaid and Foster Care Income Maintenance,
12 and create a new Eligibility Processing Operations Division
13 (EPOD) seeking to save money and streamline operations; and
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15 WHEREAS, the proposed reorganization would close 31
16 eligibility offices which equate to 50 community units
17 statewide, essentially limiting the direct client access to
18 financial, food stamp and medical public assistance programs;
19 and
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21 WHEREAS, the eligibility offices and community units will
22 be replaced by two processing centers in Honolulu and Hilo to
23 handle all applications and the work previously done in local
24 offices and units; and
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26 WHEREAS, under the proposed reorganization BESSD and Med-
27 Quest employees would have no direct contact with clients
28 because all communication would be by phone, fax, and e-mail;
29 and
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1 WHEREAS, at least 232 DHS employees would be laid off as a
2 result of this proposal, and the proposed changes come as more
3 residents are struggling in the recession and people are turning
4 to social welfare for help; and
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6 WHEREAS, there have been increases in the number of people
7 on welfare, food stamps, Medicaid, and child care subsidies
8 during the current recession; and
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10 WHEREAS, this reorganization will likely result in fewer
11 people receiving benefits and hurt those greatest in need
12 because they are the elderly, disabled or mentally ill, or do
13 not have access to computers or fax machines; and
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15 WHEREAS, clients may not be able to reach an eligibility
16 worker by phone because of short staffing caused by the massive
17 reduction-in-force last year; and
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19 WHEREAS, it is doubtful that non-profit social service
20 organizations can assist in the event that there are problems
21 with this policy proposal since they are already struggling to
22 serve their existing clients; and
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24 WHEREAS, the Chief Investigator of the DHS Investigation
25 and Restitution office, as well as a Deputy Prosecutor from the
26 island of Hawaii both testified that the EPOD plan would result
27 in rampant welfare fraud as the "checks and balances" currently
28 in place would be eliminated, primarily due to the fact the
29 front line eligibility workers are required witnesses to
30 prosecute welfare fraud; and
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32 WHEREAS, due to the increase in welfare fraud, millions of
33 dollars in court ordered restitution that the State of Hawaii
34 receives would be lost; and
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36 WHEREAS, it is urged DHS be prohibited from hiring private
37 contractors and vendors for intake and eligibility of welfare
38 services; and
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40 WHEREAS, the DHS Director is rushing to implement the EPOD
41 by July 2010 even though there is strong precedent that similar
42 call center schemes have failed miserably in other states such
43 as Florida, Oregon, Indiana and Texas, resulting in tremendous



1 suffering by needy clients not being able to access available
2 Federal assistance programs; and
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4 WHEREAS, the Florida model, which the proposed EPOD
5 proposal is modeled after, took over two years to implement; and
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7 WHEREAS, Florida was the 43rd ranked state for food stamp
8 participation after their system converted to call centers; and
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10 WHEREAS, testimony was received regarding the Oregon model
11 by a former recipient who stated that the Oregon public
12 assistance program was a terribly inadequate and inefficient
13 system; furthermore, this recipient and their child was denied
14 assistance they were lawfully entitled to; and
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16 WHEREAS, although eligibility offices remained open in each
17 respective Oregonian county, the program was fraught with worker
18 errors, dropped calls and major delays; and
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20 WHEREAS, Hawaii has a proven community assistance model
21 that has won Federal cash awards for the State of Hawaii by
22 providing timely and accurate assistance to the needy population
23 for the past 42 years; and
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25 WHEREAS, Hawaii was recognized for outstanding service and
26 accuracy in SNAP between 2003 through 2008; and
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28 WHEREAS, to date over 6,300 DHS employees and clients have
29 submitted signed petitions stating that they have "no
30 confidence" in the DHS Director's ability to properly administer
31 the mission of the department; and
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33 WHEREAS, the State of Hawaii House of Representatives
34 Finance Committee has reduced the Governor's DHS budget by
35 18,521,400 million dollars, and protected DHS positions the
36 Governor wanted to eliminate that provides essential community
37 assistance services to over 300,000 needy Hawaii residents; and
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39 WHEREAS, the DHS Director, as of the current date, has not
40 provided an operational EPOD implementation plan, as well as a
41 contingency plan in the event EPOD meets with catastrophic
42 failure; and
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1 WHEREAS, a policy change of this complexity and magnitude
2 should be carefully evaluated before implementation, especially
3 in the last several months of the administration; now,
4 therefore,
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6 BE IT RESOLVED by the House of Representatives of the
7 Twenty-fifth Legislature of the State of Hawaii, Regular Session
8 of 2010, that the implementation of the proposed reorganization
9 of the Benefits, Employment, Support Services (BESSD) and the
10 Med Quest Divisions be stopped until a Legislative Task Force
11 evaluates the proposal; and
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13 BE IT FURTHER RESOLVED that a Task Force be established
14 consisting of the following; DHS Director or designee; an
15 eligibility worker from each island from the BESSD, Social
16 Services Division, and Med-Quest Division and two from the
17 island of Oahu; a representative from the Fraud Investigation
18 Unit of DHS; a representative from HGEA; the House Chair of the
19 Committee on Human Services; the Senate Chair of the Committee
20 on Human Services; a representative from the United States
21 Department of Agriculture; a representative from PHOCUSED; and
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23 BE IT FURTHER RESOLVED that the Task Force conduct a
24 thorough evaluation of the proposed reorganization that
25 includes, but is not limited to, the following issues:
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- 27 (1) What the effect this proposal will have on
28 current clients considering Hawaii's unique
29 geography and multi-cultural society; and
30 (2) Whether benefit payments will be wrongly denied
31 or delayed under this proposal; and
32 (3) What specific information technology will be used
33 to implement this proposal and how much it will
34 cost; and
35 (4) When will DHS staff be trained in the technology;
36 and
37 (5) Any and all other matters that the United States
38 Department of Agriculture normally undertake as
39 necessary or appropriate to evaluate a major
40 policy proposal; and
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42 BE IT FURTHER RESOLVED that an appropriate agency, as
43 determined by the Legislature, shall staff the Task Force in
44 order to complete its designated work; and



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2 BE IT FURTHER RESOLVED that DHS, its staff, and other
3 relevant persons or agencies are requested to cooperate with and
4 assist the Legislative Task Force, and to provide information
5 requested by the Legislative Task Force; and
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7 BE IT FURTHER RESOLVED that no funds shall be expended
8 towards any reorganization until the Task Force submit the
9 findings and recommendations of the reorganization proposal to
10 the Legislature no later than 20 days prior to the convening of
11 the Regular Session of 2011; and
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13 BE IT FURTHER RESOLVED that the findings and
14 recommendations of the Task Force be submitted to the United
15 States Department of Agriculture to determine possible concerns
16 or potential violations with federal regulations or policy; and
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18 BE IT FURTHER RESOLVED that certified copies of this
19 Concurrent Resolution be transmitted to the Governor, the
20 Director of Human Services, the Speaker of the House of
21 Representatives, the President of the Senate, and members of
22 Hawaii's congressional delegation.
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