
HOUSE 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; and
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30 WHEREAS, at least 232 DHS employees would be laid off as a
31 result of this proposal, and the proposed changes come as more
32 residents are struggling in the current economic recession and
33 people are turning to social welfare for help; and



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2 WHEREAS, there have been increases in the number of people
3 on welfare, food stamps, Medicaid and child care subsidies
4 during the current recession; and
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6 WHEREAS, this reorganization will likely result in fewer
7 people receiving benefits and hurt those greatest in need
8 because many are the elderly, disabled or mentally ill, who do
9 not have access to computers, fax machines or phones; and
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11 WHEREAS, clients may not be able to reach an eligibility
12 worker by phone because of short staffing caused by the massive
13 reduction-in-force to DHS last year; and
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15 WHEREAS, it is doubtful that non-profit social service
16 organizations can assist in the event that there are problems
17 with this policy proposal since they are already struggling to
18 serve their existing clients; and
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20 WHEREAS, the Chief Investigator of the DHS Investigation
21 and Restitution office, as well as a Deputy Prosecutor from the
22 island of Hawaii both testified that the EPOD plan would result
23 in rampant welfare fraud as the "checks and balances" currently
24 in place would be eliminated, primarily due to the fact the
25 front line eligibility workers are required witnesses to
26 prosecute welfare fraud; and
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28 WHEREAS, due to the increase in welfare fraud, millions of
29 dollars in court ordered restitution that the State of Hawaii
30 receives would be lost; and
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32 WHEREAS, it is urged DHS be prohibited from hiring private
33 contractors and vendors for intake and eligibility of welfare
34 services; and
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36 WHEREAS, the DHS Director is rushing to implement the EPOD
37 by July 2010 even though there is strong precedent that similar
38 call center schemes have failed miserably in other states such
39 as Florida, Oregon, Indiana and Texas, resulting in tremendous
40 suffering by needy clients not being able to access available
41 Federal assistance programs; and
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43 WHEREAS, the Florida model, which the proposed EPOD
44 proposal is modeled after, took over two years to implement; and



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

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37 BE IT FURTHER RESOLVED that an appropriate agency, as
38 determined by the Legislature, shall staff the Task Force in
39 order to complete its designated work; and
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41 BE IT FURTHER RESOLVED that DHS, its staff and other
42 relevant persons or agencies are requested to cooperate with and
43 assist the Task Force, and to provide information requested by
44 the Task Force; and



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2 BE IT FURTHER RESOLVED that no funds shall be expended
3 towards any reorganization until the Task Force submit the
4 findings and recommendations of the reorganization proposal to
5 the Legislature no later than 20 days prior to the convening of
6 the Regular Session of 2011; and
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8 BE IT FURTHER RESOLVED that the findings and
9 recommendations of the Task Force be submitted to the United
10 States Department of Agriculture to determine possible concerns
11 and/or potential violations with federal regulations and/or
12 policy; and
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14 BE IT FURTHER RESOLVED that certified copies of this
15 Resolution be transmitted to the Governor, the Director of Human
16 Services, the Speaker of the House of Representatives, the
17 President of the Senate and members of Hawaii's congressional
18 delegation.
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