
HOUSE RESOLUTION

ESTABLISHING AN INVESTIGATIVE COMMITTEE TO INVESTIGATE THE
PROPOSED REORGANIZATION PLAN AND PURCHASE OF SERVICE
CONTRACTS OF THE DEPARTMENT OF HUMAN SERVICES

1 WHEREAS, the Department of Human Services (DHS) oversees a
2 variety of important social service programs, including
3 Temporary Assistance for Needy Families, the 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 uses purchase of service contracts to hire
8 private contractors and vendors for intake and eligibility
9 determination functions in addition to those provided directly
10 by DHS employees; and
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12 WHEREAS, there has been some dispute as to the
13 effectiveness and efficiency of using contracted vendors for
14 intake and eligibility determination functions for social
15 services; and
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17 WHEREAS, DHS has proposed a reorganization of its Benefits,
18 Employment and Support Services Division (BESSD); Med-QUEST
19 Division; and Social Services Division, including the intake and
20 eligibility determination functions for public assistance, SNAP,
21 Medicaid, and foster care income maintenance, to create a new
22 Eligibility Processing Operations Division (EPOD) in an effort
23 to save money and streamline operations; and
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25 WHEREAS, the proposed reorganization plan includes the
26 closure of eligibility offices, which equate to 50 community
27 units statewide, essentially limiting direct client access to
28 financial, food stamp, and medical public assistance programs;
29 and
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31 WHEREAS, under the proposed EPOD, the eligibility offices
32 and community units will be replaced by two processing centers
33 in Honolulu and Hilo that will handle all applications and other
34 work previously done in local offices and units; and



1 WHEREAS, under the proposed reorganization plan, BESSD and
2 Med-QUEST employees will have no direct contact with clients as
3 all communication will be accomplished by phone, fax, and email;
4 and
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6 WHEREAS, at least 228 DHS employees will be laid off as a
7 result of this proposal at a time when more residents are
8 struggling in the current economic recession and turning to
9 social welfare for assistance; and
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11 WHEREAS, there have been increases in the number of people
12 requesting or receiving public assistance, food stamps,
13 Medicaid, and child care subsidies during the current recession;
14 and
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16 WHEREAS, the proposed reorganization plan will likely
17 result in fewer people receiving benefits and hurt those in
18 greatest need because many are the elderly, disabled, or
19 mentally ill who may not have access to computers, fax machines,
20 or phones; and
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22 WHEREAS, applicants and recipients may not be able to reach
23 an eligibility worker by phone as has been claimed due to short-
24 staffing caused by the massive reduction-in-force to DHS in
25 2009; and
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27 WHEREAS, it is doubtful that nonprofit social service
28 organizations can assist in the event that there are problems
29 with this policy proposal as they are already struggling to
30 serve existing clientele; and
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32 WHEREAS, both the Chief Investigator of the DHS
33 Investigation and Restitution Office and a deputy prosecutor
34 from Hawaii Island testified before the House Committee on Human
35 Services that the proposed reorganization plan will result in
36 rampant welfare fraud as the "checks and balances" currently in
37 place would be eliminated, primarily because the front line
38 eligibility workers are required witnesses to prosecute welfare
39 fraud; and
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41 WHEREAS, due to a potential increase in welfare fraud,
42 millions of dollars in court-ordered restitution that the State
43 of Hawaii receives may be lost; and



1 WHEREAS, the Director of Human Services (Director) is
2 rushing to implement the proposed reorganization plan by July
3 2010 even though similar call center plans in other states such
4 as Florida, Oregon, Indiana, and Texas have failed, resulting in
5 tremendous suffering by needy clients who are unable to access
6 available assistance through federal programs; and
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8 WHEREAS, the Florida model, after which the proposed
9 reorganization plan is modeled, was implemented over a two-year
10 period; and
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12 WHEREAS, the House Committee on Human Services received
13 testimony regarding the Oregon model by a former recipient
14 stating that the Oregon public assistance program was inadequate
15 and inefficient, and that this recipient and the recipient's
16 child were denied assistance to which they were lawfully
17 entitled; and
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19 WHEREAS, although eligibility offices remained open in each
20 respective Oregonian county, the program was fraught with worker
21 errors, dropped calls, and major delays; and
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23 WHEREAS, Hawaii has a proven community assistance model
24 that has won federal cash awards for the State by providing
25 timely and accurate assistance to needy populations for the past
26 42 years; and
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28 WHEREAS, Hawaii was also recognized for outstanding service
29 and accuracy in SNAP between 2003 and 2008; and
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31 WHEREAS, to date, over 7,100 DHS employees and clients have
32 submitted signed petitions stating that they have "no
33 confidence" in the Director's ability to properly administer the
34 mission of the department; and
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36 WHEREAS, the House Finance Committee's submitted budget
37 draft had reduced the Governor's DHS budget by \$18,521,400 while
38 still protecting DHS positions eliminated in the Governor's
39 proposal that provide essential community assistance services to
40 over 300,000 needy Hawaii residents; and
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42 WHEREAS, as of April 2010, the Director has not provided an
43 operational EPOD implementation plan, or a contingency plan to



1 address any unexpected difficulties with or unintended
2 consequences of the proposed reorganization plan; and

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4 WHEREAS, a policy change of this complexity and magnitude
5 should be carefully evaluated before implementation; now,
6 therefore,

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8 BE IT RESOLVED by the House of Representatives of the
9 Twenty-fifth Legislature of the State of Hawaii, Regular Session
10 of 2010, that the House of Representatives hereby establishes a
11 special investigative committee (Committee) to investigate the
12 purchase of service contracts and other contracts under DHS; and
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14 BE IT FURTHER RESOLVED that membership of the Committee
15 shall include:

- 16
17 (1) The Chair of the House Human Services Committee who
18 shall serve as Chairperson of the Committee;
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20 (2) The Vice-Chair of the House Human Services Committee
21 who shall serve as the vice-chairperson of the
22 Committee; and
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24 (3) Three members appointed by the Speaker of the House of
25 Representatives exclusively from the membership of the
26 House of Representatives;

27
28 and

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30 BE IT FURTHER RESOLVED that the purpose and duties of the
31 Committee, and the subject matter and scope of its investigatory
32 authority shall be to:

- 33
34 (1) Provide for an audit of the money allocated for
35 contracts by DHS, the services contracted, and the
36 number of residents such contracts were to cover;
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38 (2) Provide for an audit of the money allocated
39 specifically for the proposed reorganization plan;
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41 (3) Determine whether any state or federal law was
42 violated or required relating to the proposed
43 reorganization plan; and
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- 1 (4) Determine whether there was any retaliation or
2 reprimand toward any employee or contracted agency by
3 DHS administrators;
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5 and
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7 BE IT FURTHER RESOLVED that the Committee shall conduct a
8 thorough evaluation of the proposed reorganization that includes
9 the following issues:
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- 11 (1) The effect this proposal will have on current clients
12 with consideration for Hawaii's unique geography and
13 multi-cultural society;
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15 (2) Whether benefit payments will be wrongly denied or
16 delayed under this proposal;
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18 (3) The specific information technology that will be used
19 to implement this proposal and its anticipated cost;
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21 (4) The training timeline for DHS staff who are to be
22 trained in the technology; and
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24 (5) Any and all other matters that the United States
25 Department of Agriculture normally undertakes as
26 necessary or appropriate to evaluate a major policy
27 proposal;
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29 and
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31 BE IT FURTHER RESOLVED that the investigative committee
32 shall have every power and function allowed to an investigating
33 committee by law, including, without limitation, the power to:
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- 35 (1) Adopt rules for the conduct of its proceedings;
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37 (2) Issue subpoenas requiring the attendance and testimony
38 of witnesses and subpoenas duces tecum requiring the
39 production of books, documents, records, papers, or
40 other evidence in any matter pending before the
41 Committee;
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1 (3) Hold hearings appropriate for the performance of its
2 duties at such times and places as the Committee
3 determines;

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5 (4) Administer oaths and affirmations to witnesses at
6 hearings of the Committee; and
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8 (5) Report or certify instances of contempt;
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10 provided that the Committee is requested to voluntarily limit,
11 to the extent possible, the use of its subpoena power to produce
12 witnesses, documents, and other evidence, and voluntarily limit
13 the scope of its investigation, to the extent possible, to a
14 review of appropriate publicly-available information on the
15 subject matters within the Committee's purview; and
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17 BE IT FURTHER RESOLVED that the Committee is authorized to
18 exercise its powers continuously throughout the interim period
19 between the 2010 and 2011 Regular Sessions, and shall thereafter
20 be dissolved unless extended by the House of Representatives;
21 provided that the Committee may continue beyond this period for
22 the purpose of monitoring and, if necessary, proposing the
23 amendment or repeal of any legislation enacted as a result of
24 the Committee's efforts; and
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26 BE IT FURTHER RESOLVED that the Committee request the
27 United States Department of Agriculture, Food and Nutrition
28 Services Branch to review all information relating to the
29 proposed reorganization plan and to provide a report on concerns
30 and possible federal violations; and
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32 BE IT FURTHER RESOLVED that the State Procurement Office
33 (SPO), with its own staff and other support staff, is requested
34 to gather, analyze, and interpret the information submitted to
35 the Committee, and report this information to the Committee; and
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37 BE IT FURTHER RESOLVED that the SPO is further requested to
38 work under the direction of the Committee and provide any
39 technical, staffing, and other assistance to the Committee as
40 may be necessary, including providing assistance in collecting,
41 reviewing, analyzing, and interpreting documents, testimony, and
42 other evidence obtained by the Committee, and in coordinating
43 the daily work of the Committee; and



1 BE IT FURTHER RESOLVED that the Legislative Reference
2 Bureau is requested to assist the Committee in conducting
3 analyses as appropriate, and in drafting appropriate
4 implementing legislation as requested by the Committee; and
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6 BE IT FURTHER RESOLVED that the Department of the Attorney
7 General is requested to provide the Committee with copies of
8 documents as may be available, and in providing legal analyses
9 as needed, to the extent that the Attorney General's
10 participation in the work of the Committee does not
11 impermissibly conflict with any litigation to which the Attorney
12 General is a party; and
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14 BE IT FURTHER RESOLVED that all other departments,
15 agencies, and offices of the State, as appropriate, are
16 requested to cooperate with and provide assistance to the
17 Committee with respect to its investigation; and
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19 BE IT FURTHER RESOLVED that the Committee shall submit a
20 report of its findings and recommendations to the House of
21 Representatives no later than 20 days prior to the convening of
22 the Regular Session of 2011; and
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24 BE IT FURTHER RESOLVED that certified copies of this
25 Resolution be transmitted to the Deputy Administrator for the
26 Supplemental Nutrition Assistance Programs of the United States
27 Department of Agriculture's Food and Nutrition Services Branch,
28 Governor, Director of Human Services, Attorney General,
29 Administrator of the State Procurement Office, State Auditor,
30 Mayor of the County of Honolulu, and President of the Board of
31 Directors of the Hawaii Government Employees Association.

