

JAN 21 2010

A BILL FOR AN ACT

RELATING TO THE DEPARTMENTS OF HEALTH AND HUMAN SERVICES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. In August and September 2009, senate
2 informational briefings were held to gather information on the
3 potential statewide impacts of the anticipated reduction in
4 services for the department of health and human services
5 resulting from the governor's plan to impose layoffs and
6 furloughs on state employees in response to the state revenue
7 shortfall.

8 The State of Hawaii, like most other states, is facing a
9 dire economic situation requiring government entities to make
10 deep cuts to program budgets across the board. The departments
11 of health and human services are faced with numerous cuts to
12 virtually all divisions and programs within the departments. At
13 the informational briefings in September of 2009, testimony was
14 heard regarding the proposed cuts and the impact that they will
15 have on individual agencies. Testimony in opposition to the
16 reduction in force of the Hawaii housing authority's homeless
17 program's branch indicated that the cuts would eliminate five of



1 the nine staff positions and would put Hawaii's receipt of
2 \$16,650,000 in federal Department of Housing and Urban
3 Development moneys in jeopardy. The testimony also indicated
4 that the number of homeless people in the years 1997 to 2009 had
5 at least doubled, and the needs and numbers of the homeless will
6 grow when economic times are hard.

7 Testimony was abundant regarding the cuts to the deaf
8 services section of the department of human services as those
9 who are hearing impaired fear not being able to get help when
10 they need it and losing their vocational training which is
11 highly specific and specialized. The entire deaf community will
12 be affected by the loss of staff members that work with them.

13 The Hawaii Government Employees Association suggested that
14 instead of laying off twelve hundred employees, the
15 administration should rely upon attrition and retirement
16 incentives that other states have successfully used. It would
17 be bad public policy to layoff so many workers and the important
18 services performed through the departments of health and human
19 services would suffer, and therefore the consumers that use
20 those services would suffer.

21 Hawaii's receipt of a federal grant from the Environmental
22 Protection Agency through the Clean Water Act would be in



1 jeopardy due to the budget cuts. This grant provides Hawaii
2 \$323,000 to monitor water quality and bacteria levels in water
3 and no state matching funds are required. Since 2003, Hawaii
4 has received from the Environmental Protection Agency \$2,259,327
5 in federal grant money, and other Environmental Protection
6 Agency projects that would be in jeopardy by budget cuts would
7 cause Hawaii to lose another \$180,000.

8 Youth services would also be cut in several areas, and
9 there was testimony that this would increase gang violence,
10 increase youth in detention facilities, and take away services
11 for abused and homeless children.

12 In addition to senate informational hearings, local media
13 has been reporting on the impact of budget cuts and layoffs for
14 months. In January 2009, Hawaii News Now reported on a group
15 geared towards protecting the underserved in Hawaii, stating
16 that the budget cuts affect people with mental illness and
17 disabilities, those who need help the most. In July 2009,
18 Honolulu Star Bulletin reported about cuts to services for
19 children in Hawaii, noting that the Healthy Start child abuse
20 prevention program was allotted \$10 million dollars in the 2008-
21 2009 budget and was dropped completely from the 2009-2010
22 budget. Advocates say that this not only affects the children



1 "here and now; it's a whole generation." News Leader.com, an
2 affiliate of the Associated Press, reported in December 2009
3 that Hawaii stands out in how its government shrinkage has
4 ripped into what are generally considered to be core functions:
5 education, public health, elections, and services for the
6 disadvantaged. Widespread media reports indicate there is a
7 genuine concern regarding the ramifications of the deep cuts to
8 programs that are part of the departments of health and human
9 services.

10 The purpose of this Act is to direct the legislative
11 reference bureau to analyze and report on the economic impacts
12 on agencies, individuals, and communities as a result of the
13 reduction in services for the departments of health and human
14 services.

15 SECTION 2. (a) The legislative reference bureau shall
16 analyze the economic impacts on affected groups and communities,
17 as a result of the reduction in services for the departments of
18 health and human services throughout the State, including:

19 (1) The number and types of elderly, disabled, youth, and
20 disadvantaged persons and services directly affected
21 by the layoffs and cuts in services;



- 1 (2) The estimated annual dollar value of the loss to the
- 2 State and other entities;
- 3 (3) The estimated dollar value of the impact on other
- 4 agencies and entities that provide services;
- 5 (4) Other economic impacts, such as higher unemployment
- 6 and reduced levels of services;
- 7 (5) The adequacy of the workforce prior to the current
- 8 reductions;
- 9 (6) The monetary impact caused by the loss of federal
- 10 funding through grants and other sources;
- 11 (7) Layoffs of staff servicing socially disadvantaged
- 12 groups and how their families and communities are
- 13 affected; and
- 14 (8) Other financial impacts, particularly on communities
- 15 and consumers that previously relied on these
- 16 services.

17 (b) The legislative reference bureau shall consult with,

18 at minimum, the department of health, the department of human

19 services, the counties, and other government and private sector

20 agencies as deemed appropriate by the legislative reference

21 bureau, and legislators. The departments of health and human

22 services and the University of Hawaii economic research



1 organization shall be available to collaborate with the
2 legislative reference bureau with regards to this directive and
3 shall respond in a timely and appropriate manner to the bureau's
4 requests for information.

5 (c) The legislative reference bureau shall submit a report
6 of its findings, recommendations, and any proposed legislation
7 to the legislature no later than twenty days prior to the
8 convening of the regular session of 2011.

9 SECTION 3. This Act shall take effect upon its approval.

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Report Title:

Legislative Reference Bureau; Department of Health and Human Services; Layoffs

Description:

Directs the legislative reference bureau to analyze and report on the economic impacts on agencies, individuals and communities, as a result of the reduction in services for the department of health and human services statewide.

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