



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 15 2011

MEMORANDUM

TO: The Honorable Angus L.K. McKelvey, Chair
Committee on Economic Revitalization and Business

FROM: Patricia McManaman, Interim Director

SUBJECT: **H.B. 768, H.D. 2 - RELATING TO HUMAN SERVICES**

Hearing: Tuesday, February 15, 2011; 8:00 a.m.
Conference Room 312, State Capitol

PURPOSE: The purpose of H.B. 768, H.D. 2, is to authorize the establishment of the Supporting Employment Empowerment Hawaii Work Program to transition welfare recipients to the workforce.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) opposes this bill. The Supporting Employment Empowerment Hawaii Work Program (SEE) is a subsidized employment service for our Temporary Assistance for Needy Families (TANF) that began in February 2005 and continues through the present. The Department already has legal authority to establish and offer this service through Hawaii Revised Statutes (HRS) §346-261. Additionally, Hawaii Administrative Rules (HAR) §17-794.1-24 (4)(d) addresses allowable subsidized employment activities as defined by Title 45, Code of Federal Regulations Part 261, Section 261.2.

The prescriptive requirements of this bill for specific dollar amounts in work support, agreement time frames for employee placements, and employer reimbursement percentages would require the DHS, and ultimately the State, to have to abide by statutory regulations, regardless of the availability of funds to sustain such levels with the given available resources. The DHS believes that the current practice of administering the SEE program through Administrative Rules is a more prudent approach and allows the Department much needed flexibility in maintaining a service that is driven by the volatility of the labor market and changing federal requirements for the TANF program.

Lastly, this bill implies the possibility of a Subsidized Employment Program for all welfare recipients and does not limit it to those that the DHS already services through our SEE Hawaii Work program. Funding for a service of that nature would require an appropriation of general funds.

Thank you for the opportunity to provide comments on this bill.