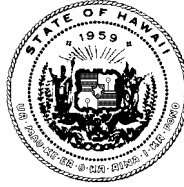


# SB 2846

<b>Measure Title:</b>	RELATING TO ESTABLISHING A SECOND DEPUTY DIRECTOR POSITION FOR THE DEPARTMENT OF HUMAN SERVICES.
<b>Report Title:</b>	Department of Human Services; Second Deputy position; Establishment
<b>Description:</b>	Restore the second deputy position for the department of human services.
<b>Companion:</b>	<a href="#"><u>HB2296</u></a>
<b>Package:</b>	Governor
<b>Current Referral:</b>	HMS, WAM
<b>Introducer(s):</b>	KIM (Introduced by request of another party)



STATE OF HAWAII  
**DEPARTMENT OF HUMAN SERVICES**

P. O. Box 339  
Honolulu, Hawaii 96809-0339

January 30, 2014

TO: The Honorable Suzanne Chun Oakland, Chair  
Senate Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2846 – RELATING TO ESTABLISHING A SECOND DEPUTY  
DIRECTOR POSITION FOR THE DEPARTMENT OF HUMAN SERVICES**

Hearing: Thursday, January 30, 2014 1:15 p.m.  
Conference Room 016, State Capitol

**PURPOSE:** The purpose of this bill is to restore the second deputy director position for the Department of Human Services.

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) strongly supports this Administration bill which would restore the second deputy director position for the Department of Human Services. The second deputy position was deleted by Act 223, Session Laws of Hawaii 1994 and was prompted by the State's poor economy at that time.

An additional Deputy Director position will assist the Director in managing the resources of this very large and complex department. The DHS has the largest operating budget of any state department, over \$2.5 billion, including 67% of all the state's federal operating funds. The Department also has the fifth largest staff of any department, with

over 2,000 employees staffing its four divisions and three administratively attached agencies.

The Department of Human Services serves vulnerable and needy adults and children across the Islands. Our programs are diverse and complex with each driven by its own set of laws, rules and regulations, both State and federal. Each requires specialized leadership and expertise. It is difficult to develop the breadth of knowledge over all the Department's programs that is necessary for effective management of all the programs.

In addition to helping Hawaii's vulnerable individuals, the Department manages significant federal and state funds and processes vast amounts of information - its mainframe computer is the largest in state government. The department's accounting and budget functions have grown more complex as requirements to track the receipt and expenditure of federal funds has increased the number of departmental appropriation accounts from 51 to 118. The Department also takes on new federal and state programs or mandates on a regular and on-going basis. In this past year alone, the Affordable Care Act (ACA) required the Department to expend significant resources conforming its administrative rules to ACA's new requirements and the development of Kolea – Med-Quest's new integrated eligibility system - which also determines eligibility for advance premium tax credits and cost share reductions for the Hawaii Health Connector's clients. This effort severely taxed the resources of the Director's Office.

Effective management of the Department and its programs requires collaboration within the Department, with other state, federal and local agencies, with the community and the clients served. Maintaining these necessary collaborations further erodes the ability of the Director's Office to fully oversee personnel matters, fiscal and budget issues, IT

development, and operational matters related to quality control, program oversight and reporting.

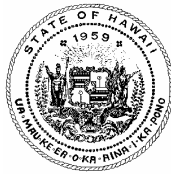
The Department's \$2.5 billion budget also makes it especially critical that programs are run well with broad collaboration to ensure that tax payer dollars are well spent and that program objectives are being met and the community is being served as intended.

Successful programs help Hawaii residents to achieve self-sufficiency, self-determination, independence, healthy lifestyles and personal dignity as well as contributing to the State's economic base.

Restoring the second deputy position is necessary for the effective and efficient administration of the Department.

Thank you for the opportunity to provide testimony on this measure.

NEIL ABERCROMBIE  
GOVERNOR



BARBARA A. KRIEG  
DIRECTOR

LEILA A. KAGAWA  
DEPUTY DIRECTOR

**STATE OF HAWAII**  
**DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT**  
235 S. BERETANIA STREET  
HONOLULU, HAWAII 96813-2437

January 24, 2014

**TESTIMONY TO THE  
SENATE COMMITTEE ON HUMAN SERVICES**

For Hearing on Thursday, January 30, 2014  
1:15 p.m., Conference Room 016

BY  
BARBARA A. KRIEG  
DIRECTOR

**Senate Bill No. 2846**

**RELATING TO ESTABLISHING A SECOND DEPUTY DIRECTOR POSITION FOR  
THE DEPARTMENT OF HUMAN SERVICES**

**WRITTEN TESTIMONY ONLY**

TO CHAIRPERSON CHUN OAKLAND AND MEMBERS OF THE COMMITTEE:

The purpose of S.B. 2846 is to restore the second deputy position for the Department of Human Services.

The Department of Human Resources Development (DHRD) **strongly supports** this bill which would restore the second deputy director position for the Department of Human Services that was deleted by Act 223, Session Laws of Hawaii 1994.

Currently, the Department has only one deputy director. Restoring the second deputy position is necessary for the effective and efficient administration of the State's second largest department which administers an annual budget of \$2,000,000,000 and employs over 2,000 employees.

Thank you for the opportunity to provide testimony on this measure.

**SB2846**

Submitted on: 1/23/2014

Testimony for HMS on Jan 30, 2014 13:15PM in Conference Room 016

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Arvid Tadao Youngquist	Individual	Oppose	Yes

Comments: Chair, Senate HMS COmmittee Right Honorable Members of the Committee Thank you for giving this measure a hearing. I oppose approval of SB 2826 Relating to a Second Deputy Director (GOV package and intent is to restore a previous existent position). I would like to point out that another major and large Department has managed to operate without a Deputy and has been handily been administered by the Administrator for the Division. After the Health Connector fiasco and disappointment, it will send the wrong message to the rank and file to restore yet another Deputy Director position for a Department this size. There is no reason why another Administrator can not be in place instead of a political appointee who can be replaced and reassigned next Session. For the rank and file, the senior Unit 13 members, excluded/exempt civil servants, having a continuity and a career ladder restored will be far more rewarding and challenging to expect high performance. Please have the Administration justify a restoration of a Second Deputy Director position rather than a new Division Administrator. It has been done elsewhere, and for three years. Another option would be to elevate the acting Administrator who is already performing the functions of the new duties of a Second Deputy Director, provided that the civil servant is agreeable to take a two-year leave of absence/sabbatical to accept a Governor appointment and chance a Senate HMS Committee Hearing hurdle. Please hold this measure until adequate information and assurances are forthcoming. Mahalo. Arvid T. Youngquist Registered Voter CD1 District Resident