



STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
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Honolulu, Hawaii 96809-0339

March 30, 2018

TO: The Honorable Senator Donovan M. Dela Cruz, Chair  
Senate Committee on Ways and Means

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 2362 HD1 – RELATING TO ADMINISTRATIVE HEARING OFFICERS**

Hearing: Wednesday, April 4, 2018 at 10:30 a.m.  
Conference Room 211, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports this administration bill. DHS requests this committee amend the effective date to "take effect on July 1, 2018."

**PURPOSE:** The purpose of this bill is to exempt from civil service positions known as administrative appeals hearing officer in the Department of Human Services. DHS notes that GM11 adds 5.00 permanent positions and \$403,939 (3.75 FTE and \$318,780 in general funds, and 1.25 FTE and \$85,159 in federal funds) in personal services, and trades off \$318,780 in general funds in other current expenses to budget 5.00 special projects Hearing Officer positions in the General Administration (HMS) program budget.

DHS has the largest operating budget of any state department, approximately \$3.3 billion, including seventy-nine percent of all federal funds in the executive branch. DHS provides benefits and services to one in four Hawaii residents, or approximately 360,000 individuals, and administers public benefits programs and services governed by federal and state laws, regulations, and administrative rules. Annually, the department's Administrative Appeals Office (AAO) receives nearly 1,900 requests from applicants or recipients for administrative relief from an adverse program decision. Additionally, DHS receives

approximately thirty requests per year for administrative relief from providers of medical goods or services.

The highly specialized demands of the administrative appeals hearing officer position necessitates the positions to be exempt from the civil service provisions of chapter 76, HRS, as the positions require requisite legal education, legal experience, demeanor to conduct hearings and receive testimony, analytic and writing abilities to properly interpret state and federal law, administrative regulations and rules, and to timely issue written decisions. Administrative appeals hearings officers are expected to conduct administrative hearings in a timely, fair, and impartial way that ensures due process. To perform their duties, officers are expected to interpret and apply all pertinent federal and state statutes, rules, regulations, policies, and procedures regarding the department's public assistance and support services programs, make and prepare case determinations that include findings of fact, conclusions of law, and orders, and issue written final decisions within specified periods.

Further, administrative hearing officers are expected to perform other administrative responsibilities including responding to inquiries from claimants, attorneys, other government agencies, and the general public; review administrative rules adoption, participate in meetings and conferences, and perform other activities to ensure the continued and uninterrupted operation of the AAO.

Amongst other things, administrative hearing officers are required to be an attorney in good standing, admitted to the practice of law in the State of Hawaii, with a valid driver's license, class 3, and at least five years of litigation or legal experience as a judge, hearings officer, or attorney.

DHS is aware that hearings officers of other departments are similarly exempt from requirements of Chapter 76. DHS respectfully requests this bill be passed to exempt from civil service administrative appeals hearing officer positions of DHS.

DHS requests this committee amend the effective date to "take effect on July 1, 2018."

Thank you for this opportunity to provide testimony in support of this bill.