



EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

Testimony of **Ford Fuchigami**  
Administrative Director, Office of the Governor

Before the  
**Senate Committee on Ways and Means**  
February 23, 2018  
10:30 a.m., Conference Room 211

In consideration of  
**Senate Bill No. 2515, SD1**  
**RELATING TO STATE EMPLOYMENT**

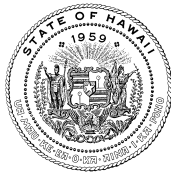
Chair Dela Cruz, Vice Chair Keith-Agaran, and committee members:

Thank you for the opportunity to provide comments in **Opposition to Senate Bill 2515, SD1, Relating to State Employment**, which repeals the authority of department heads to establish positions for special, research, and demonstration projects approved by the Governor.

We defer specific comments to testimony submitted separately by the Department of Budget and Finance and other departments negatively impacted by this measure.

Thank you for the opportunity to submit testimony.

DAVID Y. IGE  
GOVERNOR



LAUREL A. JOHNSTON  
DIRECTOR

KEN N. KITAMURA  
DEPUTY DIRECTOR

**STATE OF HAWAII  
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**

TESTIMONY BY LAUREL A. JOHNSTON  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
SENATE BILL NO. 2515, S.D. 1

**February 23, 2018  
10:30 a.m.  
Room 211**

RELATING TO STATE EMPLOYMENT

Senate Bill No. 2515, S.D. 1, repeals the statutory authority to establish and abolish any subordinate position engaged in a special, research, or demonstration project that is approved by the Governor, subject to the limitations of available appropriations.

The Department of Budget and Finance (DB&F) strongly opposes this bill. Section 76-11.6, HRS, was adopted, upon advice of the Attorney General's office, primarily to authorize the establishment of temporary positions using federal awards and grants and to offer program services in response to urgent needs that may not be otherwise fulfilled with permanent positions. The elimination of this provision will severely hamper the Executive's ability to operationalize programs that are federally funded or respond quickly to emergency situations.

Currently, there are approximately 450 full-time equivalent (FTE) positions using this exemption. (NOTE: All position counts mentioned in this testimony are FTE.)

Attachment 1 provides a breakdown of the positions by department and by whether the positions are budgeted or unbudgeted. (NOTE: This information comes from the Department of Human Resources Development's Human Resources Management System (HRMS) and reflects what has been entered by the departments.) As can be seen, 148.49 positions, or 33 percent, are budgeted and 298.51 positions, or 67 percent, are unbudgeted.

Attachment 2 provides a breakdown of the positions by department and by means of financing. As can be seen, 204.83 positions, or 46 percent are general funded; 198.47 positions, or 44 percent are federally funded (includes both N and P funded positions) and the balance is funded by various other sources.

Attachment 3 provides a breakdown of the positions by department, by whether the positions are budgeted and by project. As can be seen, the largest project is the Department of Health's (DOH) Behavioral Health Initiative with 142.00 positions, followed by the Hawaii Air National Guard's Chief Financial Officer's Act and Real Property Inventory Requirement with 31.00 positions, DOH's Public Health Emergency Preparedness Cooperative Agreement with 22.00, DOH's Epidemiology and Laboratory Capacity for Infectious Diseases with 20.00, Department of Defense's (DOD) Disaster Preparedness Act with 18.00, Department of Human Services' (DHS) Medicaid Healthcare Transformation with 16.00, DOD's U.S. Army Environmental Program Requirements with 13.00, Department of Transportation's Harbors Modernization Plan Special Projects Office with 12.00, DOH's Strategies to Prevent Obesity, Diabetes, and Heart Diseases and Stroke Among Adults in Hawaii with 10.00, and DHS' Information Technology Modernization Project with 10.00.

DB&F strongly urges the Legislature to consider the assessments of the respective departments on how the proposed prohibition on creating temporary and exempt positions would adversely impact their operations, and possible program curtailments that could result.

Thank you for your consideration of our comments.

Attachments

Human Resources Management System (HRMS)  
 Budgeted and Total FTE Position Counts for Special Projects by Department  
 (Special Projects Pursuant to Section 76-16(b)(12), HRS)

	Budgeted Exempt FTE Positions (Per Dept)	Total Exempt FTE Positions	Unbudgeted Exempt FTE Positions (Difference)
Row Labels	Sum of Authrz FTE	Sum of distr totalFTE	FTE
AGR	3.00	4.00	1.00
AGS	-	2.00	2.00
ATG	4.00	4.00	-
BED	11.49	12.00	0.51
BUF	1.00	1.00	-
DEF	83.00	113.00	30.00
HMS	32.00	47.00	15.00
HTH	4.00	234.00	230.00
LBR	3.00	3.00	-
LNR	1.00	2.00	1.00
PSD	1.00	3.00	2.00
TRN	2.00	8.00	6.00
TRN-AIR	2.00	2.00	-
TRN-HRB	1.00	12.00	11.00
Grand Total	148.49	447.00	298.51

NOTE: Position data extracted from HRMS on 2/1/2018. DHRD's Act 300 report to the 2018 Legislature, which reflected 450.00 FTE positions for special projects, was extracted on 11/1/2018. Difference of 3.00 FTE due to adjustments made by DOH.

Because the HRMS data did not include budget information, departments were instructed to check with their budget office to determine if a position was budgeted. Departments were to reflect a position as budgeted if it was included in their budget details (BJ/BT Tables) and enter the authorized FTE.

Human Resources Management System (HRMS)  
 Total FTE Position Counts for Special Projects by Department and Means of Financing  
 (Special Projects Pursuant to Section 76-16(b)(12), HRS)

Dept	Means of Financing							
Row Labels	A (General)	B (Special)	C (GOB)	N (Federal)	P (Other Fed)	T (Trust)	U (Interdept)	Grand Total
AGR	2.00	2.00	-	-	-	-	-	4.00
AGS	-	-	-	-	2.00	-	-	2.00
ATG	2.00	-	-	2.00	-	-	-	4.00
BED	3.00	4.00	-	5.00	-	-	-	12.00
BUF	-	-	-	1.00	-	-	-	1.00
DEF	38.50	-	-	20.50	49.00	2.00	3.00	113.00
HMS	25.78	0.25	-	20.97	-	-	-	47.00
HTH	130.05	9.95	-	37.00	56.00	-	1.00	234.00
LBR	-	-	-	3.00	-	-	-	3.00
LNR	-	-	-	-	2.00	-	-	2.00
PSD	3.00	-	-	-	-	-	-	3.00
TRN	0.50	7.50	-	-	-	-	-	8.00
TRN-AIR	-	2.00	-	-	-	-	-	2.00
TRN-HRB	-	-	12.00	-	-	-	-	12.00
Grand Total	204.83	25.70	12.00	89.47	109.00	2.00	4.00	447.00

NOTE: Position data extracted from HRMS on 2/1/2018. DHRD's Act 300 report to the 2018 Legislature, which reflected 450.00 FTE positions for special projects, was extracted on 11/1/2018. Difference of 3.00 FTE due to adjustments made by DOH.

Because the HRMS data did not include budget information, departments were instructed to check with their budget office to determine if a position was budgeted. Departments were to reflect a position as budgeted if it was included in their budget details (BJ/BT Tables) and enter the authorized FTE.

Human Resources Management System (HRMS) Special Projects by Department		
Special Projects Pursuant to Section 76-16(b)(12), HRS, by Department	Budgeted Exempt FTE Positions (Per Dept)	Total Exempt FTE Positions
Row Labels	Sum of Authrz FTE	Sum of distr totalFTE
<b>AGR</b>	<b>3.00</b>	<b>4.00</b>
Agricultural Food Safety Certification Project	1.00	1.00
Agricultural Water Resources Assessment Project	1.00	1.00
Farm to School Project	-	1.00
Industrial Hemp Pilot Program	1.00	1.00
<b>AGS</b>	<b>-</b>	<b>2.00</b>
Hawaii Health Data Center	-	2.00
<b>ATG</b>	<b>4.00</b>	<b>4.00</b>
Major Litigation Unit Special Project	2.00	2.00
National Criminal History Improvement Program (NCHIP)	1.00	1.00
National Instant Background Check System (NICS) Act Records Improvement (NARIP) Plan	1.00	1.00
<b>BED</b>	<b>11.49</b>	<b>12.00</b>
Coastal Zone Management Section 309 Strategy (2016-2020)	5.49	6.00
Coordinating Hawaii's Sustainability Goals	1.00	1.00
Hawaii Broadband Initiative	1.00	1.00
Hawaii State Energy Office - Energy Systems & Transportation	2.00	2.00
Hawaii State Energy Office - Renewable Energy	1.00	1.00
Special Action Team on Affordable Rental Housing	1.00	1.00
<b>BUF</b>	<b>1.00</b>	<b>1.00</b>
Community Outreach Court	1.00	1.00
<b>DEF</b>	<b>83.00</b>	<b>113.00</b>
Anti-Terrorism/Homeland Security	5.00	8.00
blank	1.00	1.00
Complex Coordinated Terrorist Attack	-	2.00
Disaster Emergency Preparedness Act (DEPA)	17.00	18.00
Hawaii National Guard Youth Education and Health Project	-	5.00
HIARNG Chief Financial Officer's Act (CFOA) and Real Property Inventory Requirement (RPIR)	29.00	31.00
Kiholo Bay Earthquake (October 2006, FEMA-1664 DR-HI)	6.00	9.00
KOA Program	2.00	2.00
March 2006 Flood, FEMA-1640 DR-HI	1.00	6.00
November 2000 Flood Recovery	-	2.00
October 2004 Flood, FEMA-1575 DR-HI	1.00	4.00
Outdoor Warning Siren Modernization - Statewide	-	1.00
Pacific Disaster Center Project Coordination	1.00	1.00
Pu'u O'o Lava Flow, FEMA-4201-DR-HI	6.00	7.00
Real Property Development Plan	-	1.00
Tropical Storm (TS) Iselle, FEMA-4194-DR-HI	2.00	2.00
U.S. Army Environmental Program Requirements	12.00	13.00
<b>HMS</b>	<b>32.00</b>	<b>47.00</b>
Administrative Appeals Project	-	5.00
Child Care and Development Fund State Plan Implementation Project	1.00	1.00
Departmental Program and Policy Integration Project	1.00	2.00
Governor's Coordinator on Homelessness Project	5.00	5.00
Hawaii QUEST Demonstration Project	6.00	6.00
Information Technology Modernization Project	9.00	10.00
Limited English Proficiency Project	-	1.00
Medicaid Healthcare Transformation	10.00	16.00
Title IV-E Waiver Demonstration	-	1.00
<b>HTH</b>	<b>4.00</b>	<b>234.00</b>
BEHAVIORAL HEALTH INITIATIVE	1.00	142.00
Breastfeeding Peer Counselor Project (BFPCP) Project	-	3.00

Human Resources Management System (HRMS) Special Projects by Department		
Special Projects Pursuant to Section 76-16(b)(12), HRS, by Department	Budgeted Exempt FTE Positions (Per Dept)	Total Exempt FTE Positions
Row Labels	Sum of Authrz FTE	Sum of distr totalFTE
Cutting HIV Transmission in Hawaii	-	4.00
EOA SPECIAL PROJECT FOR LONG TERM CARE SYSTEMS CHANGE	-	1.00
Epidemiology & Laboratory Capacity for Infectious Diseases (ELC)	-	20.00
FDA-11-TOBACCO	-	2.00
Hawaii Screening Brief Intervention and Referral to Treatment (HI-SBIRT)	-	2.00
Hawaii State Oral Disease Prevention Program	-	2.00
Maternal Infant Early Childhood Home Visitation (MIECHV) (Continuation & Competitive grants)	-	5.00
No Wrong Door System for All Populations and All Payers	-	3.00
ONLINE PERMITTING AND REPORTING PROJECT	-	2.00
Personal Responsibility Education Program (PREP)	-	1.00
PUBLIC HEALTH EMERGENCY PREPAREDNESS (PHEP) COOPERATIVE AGREEMENT	-	22.00
Strategic Prevention Framework - Partnerships for Success (SPF-PFS)	-	2.00
Strategies to Prevent Obesity, Diabetes, and Heart Disease and Stroke Among Adults in Hawaii	2.00	10.00
TOBACCO SETTLEMENT PROJECT HEALTHY HAWAII INITIATIVE (TSP/HII)	-	2.00
Vector Control-Dengue Fever Outbreak	-	3.00
Wraparound Program for Youth in or At-Risk of Mainland Placement	1.00	8.00
<b>LBR</b>	<b>3.00</b>	<b>3.00</b>
blank	3.00	3.00
<b>LNR</b>	<b>1.00</b>	<b>2.00</b>
Co-Mgmt Papaha Marine Nat Monument	-	1.00
Hawaiian islands Humpback Whale National Marine Sanctuary	1.00	1.00
<b>PSD</b>	<b>1.00</b>	<b>3.00</b>
Audit & Compliance Correctional Practices Statewide Project	-	1.00
CALEA Accreditation Project	-	1.00
Sex Offender Treatment Program	1.00	1.00
<b>TRN</b>	<b>2.00</b>	<b>8.00</b>
DOT Homeless Coordinator Project	-	1.00
DOT Security and Law Enforcement Project	-	3.00
DOT Streamlining/Consolidation Project	-	1.00
New Day Work Projects	1.00	2.00
TRAFFIC CONGESTION ALLEVIATION PROJECTS	1.00	1.00
<b>TRN-AIR</b>	<b>2.00</b>	<b>2.00</b>
Airport Improvement Project	1.00	1.00
AIRPORT REVITALIZATION PROJECT	1.00	1.00
<b>TRN-HRB</b>	<b>1.00</b>	<b>12.00</b>
Special Projects Office, Harbors Modernization Plan	1.00	12.00
<b>Grand Total</b>	<b>148.49</b>	<b>447.00</b>
NOTE: Position data extracted from HRMS on 2/1/2018. DHRD's Act 300 report to the 2018 Legislature, which reflected 450.00 FTE special project positions, was extracted on 11/1/2018. Difference of 3.00 FTE due to adjustments made by DOH.		
Because the HRMS data did not include budget information, departments were instructed to check with their budget office to determine if a position was budgeted. Departments were to reflect a position as budgeted if it was included in their budget details (BJ/BT Tables) and enter the authorized FTE.		



STATE OF HAWAII  
DEPARTMENT OF DEFENSE

TESTIMONY ON SENATE BILL 2515 SD1  
RELATING TO THE CHARGEABLE TRANSIENT QUARTERS REVOLVING FUND

PRESENTATION TO  
THE  
COMMITTEE ON WAYS AND MEANS

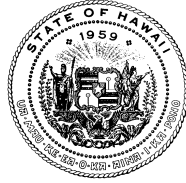
BY  
MAJOR GENERAL ARTHUR J. LOGAN  
ADJUTANT GENERAL  
21 February 2018

Chair Dela Cruz, Vice-Chair Keith-Agaran and Members of the Committee.

I am Major General Arthur J. Logan, State Adjutant General and the Director of the Hawaii Emergency Management Agency. I am testifying in **OPPOSITION** of SB2515 SD1, which repeals the authority for department heads to establish positions for special, research, and demonstration projects approved by the Governor.

The Department of Defense is authorized 467 full time equivalent positions. Of which, 205 positions are temporary. Of that 25% or 113 positions are affected by SB2515. Repealing the authority would have a severe impact on the department's ability to establish positions and execute federal funding. As projects end and new projects begin, repealing this authority affects 25% of the Department of Defense current work force.

Thank you for allowing me to testify in **OPPOSITION** of SB2515 SD1.



STATE OF HAWAII  
DEPARTMENT OF HEALTH  
P. O. Box 3378  
Honolulu, HI 96801-3378  
doh.testimony@doh.hawaii.gov

**WRITTEN  
TESTIMONY ONLY**

**Testimony in OPPOSITION to SB2515 SD1  
RELATING TO STATE EMPLOYMENT.**

SENATOR DONOVAN DELA CRUZ, CHAIR  
SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date: February 21, 2018

Room Number: 211

1 **Fiscal Implications:** N/A.

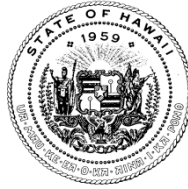
2 **Department Testimony:** The Department of Health respectfully opposes SB2515 SD1, which  
3 repeals the authority of department heads to establish positions in special projects approved by  
4 the Governor. The department acknowledges the personnel management discipline that the civil  
5 service system emphasizes, but believes that existing policies offer sufficient checks and  
6 balances. For example, Act 160 SLH 2015 requires that special projects be time-limited and  
7 may not be extended.

8 The Department of Health relies on special projects to quickly implement programs to meet  
9 emerging community needs that the existing bureaucracy is unable to absorb. A recent case in  
10 point is the special project to rapidly respond to rat lungworm disease. More routinely, other  
11 special projects are authorized to implement a new federal grant, which have lifespans of three to  
12 five years, and for which taking one or two budget cycles to establish an administrative  
13 infrastructure is not feasible and jeopardizes Hawaii's competitiveness.

14 **Offered Amendments:** N/A.

15

DAVID Y. IGE  
GOVERNOR



**Testimony by:**  
JADE T. BUTAY  
INTERIM DIRECTOR

Deputy Directors  
ROY CATALANI  
ROSS M. HIGASHI  
EDWIN H. SNIFFEN  
DARRELL T. YOUNG

IN REPLY REFER TO:

**STATE OF HAWAII**  
**DEPARTMENT OF TRANSPORTATION**  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

February 23, 2018  
10:30 a.m.  
State Capitol, Room 211



**S.B. 2515, S.D. 1**  
**RELATING TO STATE EMPLOYMENT**

Senate Committee on Ways and Means

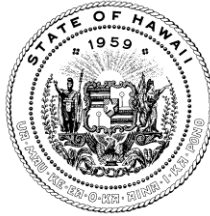
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The Department of Transportation (DOT) **opposes** this bill. The DOT appreciates ACT 160 which allowed the department to proceed with the staffing of projects approved by the Governor, without risking the loss of potential funding sources due to delays in establishing needed positions.

Examples include projects relating to the homeless population under or along our freeways and highways, harbor modernization, and airport improvements. Without the provision, we would not have been able to immediately create the manpower needed to implement these critical projects.

Thank you for the opportunity to provide testimony.

DAVID Y. IGE  
GOVERNOR OF  
HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

**SUZANNE D. CASE**  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

**ROBERT K. MASUDA**  
FIRST DEPUTY

**JEFFREY T. PEARSON, P.E.**  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

**Testimony of  
SUZANNE D. CASE  
Chairperson**

**Before the Senate Committee on  
WAYS AND MEANS**

**Friday, February 23, 2018  
10:30 a.m.  
State Capitol, Conference Room 211**

**In consideration of  
SENATE BILL NO. 2515, SENATE DRAFT 1  
RELATING TO STATE EMPLOYMENT**

Senate Bill No. 2515, Senate Draft 1 proposes to repeal the statutory authority to establish and abolish any subordinate position engaged in a special, research, or demonstration project that is approved by the Governor, subject to the limitations of available appropriations. **The Department of Land and Natural Resources (Department) strongly opposes this measure.**

The current law provides departments with the operational flexibility necessary to address emerging situations and unique hiring needs and its elimination will severely hamper the Executive's ability to respond to these situations effectively and efficiently.

While the Department currently is not utilizing the authority granted within Section 76-11.6, Hawaii Revised Statutes, the Department has done so in the past for special projects receiving federal funding such as the Papahānaumokuākea Marine National Monument and the Hawaiian Islands Humpback Whale National Marine Sanctuary. Of the nine (9) positions originally federally funded for these two (2) special projects, six (6) positions have been converted to civil service, two (2) are pending conversion to civil services, one (1) position was abolished.

The Department strongly urges the Legislature to consider the assessments of the respective departments on how the proposed prohibition on creating temporary and exempt positions would adversely impact their operations, and possible program curtailments that could result.

Thank you for the opportunity to comment on this measure.

DAVID Y. IGE  
GOVERNOR

DOUBLAS S. CHIN  
LIEUTENANT GOVERNOR



LEONARD HOSHIJO  
DIRECTOR

**STATE OF HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

830 PUNCHBOWL STREET, ROOM 321  
HONOLULU, HAWAII 96813

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Phone: (808) 586-8844 / Fax: (808) 586-9099  
Email: [dlir.director@hawaii.gov](mailto:dlir.director@hawaii.gov)

February 22, 2018

To: The Honorable Donovan M. Dela Cruz, Chair,  
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair, and  
Members of the Senate Committee on Ways and Means

Date: Thursday, February 22, 2018  
Time: 10:10 a.m.  
Place: Conference Room 211, State Capitol

From: Leonard Hoshijo, Director  
Department of Labor and Industrial Relations (DLIR)

**Re: S.B. No. 2515 SD1 RELATING TO STATE EMPLOYMENT**

SB2515SD1 repeals the statutory authority to establish and abolish any subordinate position engaged in a special, research, or demonstration project that is approved by the Governor, subject to the limitations of available appropriations.

DLIR opposes the measure. DLIR has used this provision to help transition the Hawaii Health Connector to the State when it took on the function of the Small Business Health Options Program before obtaining a State Innovation Waiver under the Affordable Care Act.

DLIR is also largely federally funded and often obtains supplemental grant moneys to undertake projects. DLIR would prefer to have the flexibility to use this provision if necessary for relatively short-term projects.

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

**DAVID Y. IGE**  
Governor

**DOUGLAS S. CHIN**  
Lt. Governor



State of Hawaii  
**DEPARTMENT OF AGRICULTURE**  
1428 South King Street  
Honolulu, Hawaii 96814-2512  
Phone: (808) 973-9600 FAX: (808) 973-9613

**SCOTT E. ENRIGHT**  
Chairperson, Board of Agriculture

**PHYLLIS SHIMABUKURO-GEISER**  
Deputy to the Chairperson

**TESTIMONY OF SCOTT E. ENRIGHT**  
**CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE SENATE COMMITTEE ON WAYS & MEANS**

**FEBRUARY 23, 2018**  
**10:30 A.M.**  
**CONFERENCE ROOM 211**

**SENATE BILL NO. 2515 SD1**  
**RELATING TO STATE EMPLOYMENT**

Chairperson Dela Cruz and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 2515 SD1. This bill repeals the authority for department heads to establish positions for special, research, and demonstration projects approved by the Governor. The Department opposes this bill.

The DOA relies on the authority in Section 76-11.6 to establish positions, with Governor's approval, to facilitate the implementation of short-term and/or time sensitive special projects. Repeal of this authority to establish positions for this purpose will hinder the DOA's ability to timely create positions which will subsequently delay the hiring of human resources needed to carry out these required legislative and administrative special project initiatives and mandates.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE  
GOVERNOR



RYKER WADA  
INTERIM DIRECTOR

JASON MINAMI  
DEPUTY DIRECTOR

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

February 21, 2018

**TESTIMONY TO THE  
SENATE COMMITTEE ON WAYS AND MEANS**

For Hearing on Friday, February 23, 2018  
10:30 a.m., Conference Room 211

BY

RYKER WADA  
INTERIM DIRECTOR

**Senate Bill No. 2515, S.D.1**  
**Relating to State Employment**

TO CHAIRPERSON DELA CRUZ, VICE CHAIR KEITH-AGARAN AND MEMBERS OF  
THE SENATE COMMITTEE:

S.B. No. 2515, S.D.1 proposes to repeal the authority for department heads to establish positions for special, research, and demonstration projects approved by the governor.

The Department of Human Resources Development (“DHRD”) **strongly opposes** S.B. No. 2515, S.D.1, as this proposal will compromise the State’s ability to respond and address the pressing and emergent needs by restricting the authority of department heads to establish exempt and temporary positions. While we defer to the individual departments regarding the impact of this proposal on their projects and positions, DHRD takes the position that the State needs to have the continued authority and discretion to staff projects that address critical issues.

Thank you for the opportunity to testify on S.B. No. 2515, S.D.1.



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

DAVID Y. IGE  
GOVERNOR

LUIS P. SALAVERIA  
DIRECTOR

MARY ALICE EVANS  
DEPUTY DIRECTOR

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Statement of  
**LUIS P. SALAVERIA**  
Director

Department of Business, Economic Development, and Tourism  
before the

**SENATE COMMITTEE ON WAYS AND MEANS**

Friday, February 23, 2018

10:30 AM

State Capitol, Conference Room 211

in consideration of  
**SB2515, SD1**  
**RELATING TO STATE EMPLOYMENT.**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) **opposes** SB2515, SD1, which repeals the authority for department heads to establish positions for special, research, and demonstration projects approved by the Governor.

SB2515, SD1 affects all State executive departments. While DBEDT does not use this provision very often, we have found section 76-11.6 to be helpful when there has been a need to establish Special Project exempt positions for either short-term projects or needs that arose between Sessions.

DBEDT appreciates the Legislature's wisdom in passing SB 1361(2015), enacted as Act 160(15), which recognized that the increasingly rapid pace of change in today's world sometimes requires faster solutions to unanticipated needs than the State's budgeting process allows.

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



DAVID Y. IGE  
GOVERNOR



TODD NACAPUY  
CHIEF INFORMATION  
OFFICER

**STATE OF HAWAII**  
**OFFICE OF ENTERPRISE TECHNOLOGY SERVICES**

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Testimony of  
**TODD NACAPUY**  
Chief Information Officer, State of Hawai'i

Before the

**SENATE COMMITTEE ON WAYS AND MEANS**  
Thursday, February 22, 2018  
10:10 a.m.  
State Capitol, Conference Room 211

**SENATE BILL NO. 2515 HD1**  
**RELATING TO STATE EMPLOYMENT**

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

I am Todd Nacapuy, State Chief Information Officer (CIO) and head of the Office of Enterprise Technology Services (ETS), offering testimony in **opposition** of on Senate Bill 2515 HD1, Relating to State Employment that proposes to repeal provisions which authorizes department heads to establish positions for special, research, and demonstration projects approved by the Governor:

"[§76-11.6] Special, research, or demonstration project positions. Notwithstanding any law to the contrary, with the approval of the governor, the head of a department may establish and abolish any subordinate position for an employee engaged in a special, research, or demonstration project that is approved by the governor, subject to the limitations of available appropriations."

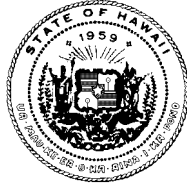
While we do not use this provision often, there are times when ETS must undertake pilots or start-up programs to demonstrate the merit of certain technologies or larger planned projects that arise with either short implementation lead times or have limited duration. In several instances, the success of the pilot programs in which we created special projects and filled positions have resulted in the support of the legislature that has established and funded positions and activities as permanent on-going programs in subsequent years.

Further, our experience has shown that creating special projects to hire short- and limited-term staff to execute technology pilots have been much more cost-effective than hiring consultants.

We ask the committee to hold this bill.

Thank you for the opportunity to offer testimony.

DAVID Y. IGE  
GOVERNOR



PANKAJ BHANOT  
DIRECTOR

CATHY BETTS  
DEPUTY DIRECTOR

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

February 21, 2018

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

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 2515 SD1 – RELATING TO STATE EMPLOYMENT**

Hearing: Friday, February 23, 2018, 10:30 a.m.  
Conference Room 211, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) opposes this measure.

**PURPOSE:** The purpose of the bill is to repeal the authority for department heads to establish positions for special, research, and demonstration projects approved by the governor.

Per Act 160, the 2015 legislature added section 76-11.6, Hawaii Revised Statutes, with the intent "to allow the Governor the flexibility to react quickly to pressing needs of the State by establishing civil service exempt positions in certain circumstances." See CONFERENCE COMMITTEE REP. NO. 76, S.B. No. 1361 S.D. 2 H.D. 1 C.D. 1 (2015).

The Executive branch and the Governor, now more than ever, continue to require flexibility to respond quickly to rapidly developing policy and program changes from the federal government, judicial opinion, or reinterpretation of a previous practice or program. The need for change often arises rapidly, and a response cannot necessarily wait until the legislature is in session.

In recent years, particularly in health and human services with many technical advancements, particularly in areas of information technology and investment in our aging

legacy infrastructure, and national movements toward integration, data sharing, and analytics, we are finding current civil service position descriptions require significant modification or re-description.

Additionally, there are many fast-changing factors affecting health and human services, such as the aging population, tax reform, and other major policy changes impacting public benefits programs that DHS administers and those we serve. DHS, like our counterparts across the country, has to be able to be in a position to move quickly and deliver desired outcomes. We require special projects, and or are reliant on contracting consultants to implement necessary change.

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

**SB-2515-SD-1**

Submitted on: 2/21/2018 1:59:36 PM

Testimony for WAM on 2/23/2018 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Javier Mendez-Alvarez	Individual	Support	No

Comments: