



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

March 18, 2019

TO: The Honorable Senator Laura H. Thielen, Chair
Senate Committee on Government Operations

The Honorable Senator Brian T. Taniguchi, Chair
Senate Committee on Labor, Culture and the Arts

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 999 HD 1 – RELATING TO EXEMPTIONS FROM CIVIL SERVICE**

Hearing: March 19, 2019, 3:30 p.m.
Conference Room 225, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this administration measure and requests amendments. This bill will continue to exempt from civil service, critical leadership positions in the Office of the Director and the Med-QUEST division. The complexity and magnitude of benefits and services that DHS is responsible to deliver to residents of the State requires the ability to attract and retain qualified, experienced, and innovative individuals with the requisite subject matter expertise to transform DHS into an efficient and performance based entity.

The bill further codifies the position of the Governor's Coordinator on Homelessness in statute and clarifies the appointment by the Governor recognizing the necessity of State wide coordinator to address the complex issues of homelessness.

These positions currently exist as temporarily exempt positions or as special projects.

DHS withdraws its request to establish the position of Executive Director of the State Commission on Fatherhood at this time.

DHS reiterates the importance of passing this measure as terms of vital leadership positions will end at the end of the fiscal year (June 30, 2019), and requests that Section 7 be amended as follows: "This Act, upon its approval, shall take effect on June 29, 2019."

PURPOSE: The purpose of this bill is to exempt certain positions from civil service.
(HB999 HD1)

The position of the Governor's Coordinator on Homelessness is responsible for coordinating the state's response to homelessness that requires tremendous effort and diplomacy to facilitate communication and bridge all branches of government, federal and county agencies, service providers, advocates, and community members to cooperate on a focused and strategic plan to address the complexities of homelessness in Hawaii. This position also requires expertise, experience, flexibility, and integrity able to balance and articulate the complex needs of individuals and families experiencing homelessness with the knowledge of available resources and ability of the system to respond. The position is currently a special project administratively within the Office of the Director of DHS, and is physically housed in the Office of the Governor.

The department seeks permanent exemption from civil service for five administrative positions in MQD: the division administrator, finance officer, health care services branch administrator, medical director, and clinical standards administrator. Act 79, SLH 2016, established these positions as temporarily exempt for three years. Prior to that, these positions existed in the 1990 QUEST special project that has become the State's Medicaid program.

The Med-QUEST division's Medicaid program is the most effective and cost efficient way to provide health care coverage to low-income adults, children, elders, and people with disabilities. The program is complex as it requires compliance with a myriad of federal regulations and the integration of current health care trends in service delivery, while meeting the variety of needs of Hawaii's population. These positions require unique knowledge and experience typically gained through employment in health care-related organizations (e.g., hospitals, clinics, insurance companies, etc.) or the federal government, or require clinical credentials or licenses. The conversion to permanent exempt status is necessary to allow

flexibility to attract, hire, and retain highly qualified staff to manage critical on-going functions of the more than \$2.6 billion medical assistance programs.

The department also requests the temporary exemption from civil service for three years be continued for the position of research/health analytics manager in MQD while the department works to convert that position to a civil service position. This research/health analytics manager position was also created through Act 79, SLH 2016. However, per Act 55 (2018), establishing the health analytics program within DHS, the legislature also created two permanent exempt positions for the health analytics program and consequently, MQD is in the process of converting the research/health analytics manager to civil service. Through the Health Analytics Program, MQD has begun the work to analyze all state funded medical claims to assist policy makers and program administrators on issues impacting community health and health care delivery.

In the office of the Director of DHS, the department requests to permanently exempt from civil service the following positions: the DHS enterprise officer, information security and privacy compliance officer, security and privacy compliance engineer, and security and privacy compliance analyst.

As part of the department's overall IT modernization effort, the department enterprise officer will oversee the IT Modernization Project from a departmental perspective and is responsible for the continuing development, implementation, maintenance, and integration of DHS programs on to the enterprise system. Once integrated, the enterprise system will require continuous oversight from a departmental perspective to maintain a unified a system as programs are added or modified, laws or regulations require system modification, and to manage rapidly changing IT environment. The enterprise officer is also tasked with establishing departmental data governance policies and practices that will enable integration of program data, and data analytics that will lead to improved business processes, allow resource re-allocation, and service innovation.

As technology becomes more complex, and bad actors become more sophisticated and aggressive, the department requires a more robust DHS Security Management Program. The chief information security and privacy compliance officer is responsible for the department's information security strategy, oversight, solutions, compliance, policy management, and staff

training. Protecting personal information and ensuring system integrity are amongst the highest DHS responsibilities and priorities.

To assist the information security and privacy compliance officer, DHS requires that the security and privacy compliance analyst and the security and privacy compliance engineer to both be DHS employees and requests that these positions also be exempt from civil service. Due to difficulty in recruiting and filling information security positions, DHS used contractors to develop and implement the privacy and security practices.

However, as DHS is also regulated by the U.S. Internal Revenue Service, IRS code prohibits human services contractors from accessing federal tax information and consequently, the security analyst and security engineer positions need to be department employees to access federal tax information that may be in the DHS enterprise system. Further, the Supplemental Nutrition Assistance Program and the Medicaid program require the department to have a robust information security system with specific components, monitoring, and security controls.

Additional temporarily exempt positions are requested in the office of the director of DHS: Community/project development director; policy director; and the special assistant to the director. These positions currently exist in director's office as temporary exempt or as special projects.

These positions are required to effectively lead and manage DHS programs, improve access to services and the quality of services, improve the working conditions at DHS to improve recruitment and retention of the human services work force, improve and standardize procurement and other administrative processes, respond to legislative changes, establish and maintain clear communication, and establish collaborative relationships with recipients, policy makers, other departments and branches of government, and community partners and members.

In Act 79, SLH 2016, the legislature also established temporary exempt positions of the community/project development director and the policy director in the office of the director of DHS. DHS requests to extend these temporary exemptions for an additional three years.

The community/project development director is tasked with embedding and operationalizing 'Ohana Nui, the department's multi-generational approach to end intergenerational poverty. The community/project development director will continue to lead

required internal organizational change management that is required for DHS to transform to an integrated service delivery model. Additionally, the community/project development director collaborates with external community members and providers to work with DHS to co-create solutions to positively influence community wide changes that support multi-generational success and reduce poverty in general.

The policy director reviews and identifies policy, legislation, and strategies impacting the programs that will lead to improved service delivery and positive outcomes. The policy director assists the director and program administrators in the department's effort to identify key program changes that will remove system barriers and incorporate a multi-generational 'Ohana Nui service delivery approach. Data sharing policies and data governance, both internal and external are major tasks that the department needs to address to truly become an integrated service delivery system.

The special assistant to the director of DHS is tasked with addressing internal policy and improving ongoing operations. As the department experiences retirement of many dedicated DHS workers who take with them centuries of experience and system know how, maintaining and improving continuity of practice and facilitating knowledge transfer are primary tasks of the special assistant. Developing and coordinating departmental administrative rules drafting and procurement processes are key initiatives that will improve departmental efficiencies and transparency. Simplifying business processes and workflows so that they will eventually become part of the DHS enterprise system are the ultimate goals.

Thank you for the opportunity to testify on this bill.



EXECUTIVE CHAMBERS
HONOLULU

LATE

DAVID Y. IGE
GOVERNOR

March 19, 2019

TO: The Honorable Senator Laura H. Thielen, Chair
Senate Committee on Government Operations

The Honorable Brian T. Taniguchi, Chair
Senate Committee on Labor, Culture and the Arts

FROM: Scott Morishige, MSW, Governor's Coordinator on Homelessness

SUBJECT: **HB 999 HD1 – RELATING TO EXEMPTIONS FROM CIVIL SERVICE**

Hearing: Tuesday, March 19, 2019, 2:30 p.m.
Conference Room 225, State Capitol

POSITION: The Governor's Coordinator on Homelessness strongly supports this administration bill.

In particular, the Coordinator supports section 2, which exempts the Coordinator from chapter 76, Hawaii Revised Statutes, and clarifies that the Coordinator is appointed by the Governor.

PURPOSE: The purpose of the bill is to permanently exempt from civil services a number of positions in the Department of Human Services (DHS), including the Governor's Coordinator on Homelessness. The bill will also temporarily exempt from civil services certain positions in the DHS Med-QUEST Division and in the office of the director.

The Coordinator acknowledges the need for a permanent position to coordinate statewide efforts to address homelessness, including partnerships with the counties and the private sector. For two consecutive years, homelessness in Hawaii has decreased – including the fourth largest numeric decrease in homelessness nationally in 2018 – and the leadership, coordination, and strategies that support this progress should be sustained.

The position of Governor's Coordinator on Homelessness is temporary and was first established in 2011 in the DHS Director's Office (HMS 904). Currently, the Coordinator continues to be placed in the DHS Director's Office through a special project and is physically located in the Office of the Governor. The Coordinator serves as Chair of the Hawaii Interagency Council on Homelessness (HICH) and has worked with the Governor, his cabinet, and the HICH to adopt a comprehensive framework and strategic plan to address homelessness by focusing on three primary leverage points – affordable housing, health and human services, and public safety.

The recent progress in addressing homelessness under the Coordinator's tenure is not simply tied to a reduction in homeless individuals. As the number of individuals experiencing homelessness in Hawaii has decreased, the number of beds to address homelessness has also increased. This information is captured in the annual Housing Inventory Count (HIC), which is a report provided to the U.S. Department of Housing and Urban Development (HUD) each year. Between 2015 and 2018, the total number of temporary and permanent beds in the HIC increased significantly from 5,700 to 8,008. This increase – particularly the increase in permanent beds – correlates with increases in State and local funding for permanent supportive housing and housing-focused programs, such as the State's Housing First and Rapid Re-Housing program, during this same period.

The Coordinator's efforts also include a specific focus on public safety and working closely with State land management and law enforcement agencies. This work has resulted in the development of internal guidelines and standard notification procedures to address unauthorized camping and trespass on state lands, as well as the integration of homeless outreach and enforcement efforts. In addition, the Coordinator worked with DOH to support new programs, such as the Law Enforcement Assisted Diversion (LEAD) program, which partners with law enforcement to divert homeless individuals from the criminal justice system and connect them to services. In 2018, coordinated enforcement efforts linked with outreach connected over 400 homeless individuals from encampments to shelter, housing, medical respite and residential treatment.

Thank you for the opportunity to testify on this bill.

TESTIMONY IN SUPPORT OF HB 999, HD 1

TO: Chair Thielen, Vice-Chair Inouye & Members of the Senate Governmental Operations Committee
Chair Taniguchi, Vice-Chair Ihara & Members of the Senate Committee on Labor, Culture & the Arts

FROM: Nikos Leverenz
Grants, Development & Policy Manager

DATE: March 19, 2019 (3:30 PM)

Hawai'i Health & Harm Reduction Center (HHHRC) **supports** HB 999, HD 1, which would permanently exempt the Governor's Coordinator on Homelessness from civil service.

We are a proud member of Partners in Care (PIC)—a coalition of more than 50 organizations working to address homelessness. Homelessness is a complex problem. No one entity can address the problem on its own and there is no one-size-fits-all solution. PIC (which serves Oahu) and its counterpart Bridging the Gap (which serves the rest of the state) are themselves examples of the type of collaboration and coordination that is needed.

The Governor's Coordinator on Homelessness, first established in 2011, has helped to serve as a hub for collaboration to ensure that state resources to address homelessness are used effectively and efficiently. A key component of this collaboration: the Coordinator serves as Chair of the Hawai'i Interagency Council on Homelessness (HICH), composed of state department directors, federal agency representatives, and leaders of the business and nonprofit community. This position has proved to be a critical component of a well-organized response to homelessness and should be made permanent to ensure continued progress.

Thank you for the opportunity to testify on this measure.

To: Committee Chair Senator Laura H. Thielen
Committee Vice Chair Senator Lorraine R. Inouye
Committee on Government Operations

Committee Chair Senator Brian T. Taniguchi
Committee Vice Chair Senator Les Ihara, Jr.
Committee on Labor, Culture, and the Arts

Date: March 18, 2019

RE: **Support for HB 999 HD 1; Relating to exemptions from civil services**

The Early Childhood Action Strategy (ECAS) is a statewide public-private collaborative designed to improve the system of care for Hawai'i's youngest children and their families. ECAS brings together government and non-governmental organizations to align priorities for children prenatal to age eight, streamline services, maximize resources, and improve programs to support our youngest keiki. The Early Childhood Action Strategy (ECAS) is a statewide public-private collaborative designed to improve the system of care for Hawai'i's youngest children and their families. ECAS partners are working to align priorities for children prenatal to age eight, streamline services, maximize resources, and improve programs to support our youngest keiki. ECAS supports HB 999 HD 1, which would exempt positions within the Department of Human Services from civil service, including the Executive Director of the State Commission on Fatherhood.

This measure would enhance the capacity of the Commission to support and expand the role of men in the lives of children across the state of Hawai'i. Research shows that when fathers play an active and supportive role in their children's lives, children are more likely to do well in school, avoid risky teen behaviors, and reach adulthood successfully.

SB 999 would strengthen the capacity of the State Commission on Fatherhood to advance this vital mission and for this reason, we urge the Committee to support its passage. Thank you for the opportunity to provide this testimony.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirtieth Legislature, State of Hawaii
The Senate
Committee on Government Operations, and
Committee on Labor, Culture and the Arts

Testimony by
Hawaii Government Employees Association

March 18, 2019

H.B. 999 – RELATING TO THE DEPARTMENT OF HUMAN SERVICES

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO has strong concerns with the purpose, intent, and scope of H.B. 999 which permanently exempts certain positions from civil service and temporarily exempts additional positions from Chapter 76 of the Hawaii Revised Statutes.

As drafted, H.B. 999 would permanently exempt from provisions of the civil services: the governor's coordinator on homelessness, the executive director of the Hawaii commission on fatherhood, five positions at the Med-QUEST division and four positions in the office of the director of the department of human services. Further, the proposed legislation department seeks to temporarily exempt from civil service in the med-QUEST division the research/health analytics manager, and in the director's office of the department of human services: the community/project development director, policy director, and the special assistant to the director.

These positions should not be exempt from civil service as they do not meet the criteria of Chapter 76-16, Civil Service and Exemptions statute. No specifications have been offered that support the permanent and/or temporary exemption being sought. These classifications are typical positions that are covered under the Civil Service Law as included positions and represented by HGEA.

Thank you for the opportunity to provide testimony in opposition of H.B. 999.

Respectfully submitted,

Randy Perreira
Executive Director



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF HB 999 HD1: Relating to Exemptions from Civil Service

TO: Senator Laura Thielen, Chair, Senator Brian Taniguchi, Chair, and Members,
Committees on Government Operations, and Labor, Culture, and the Arts
FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawaii
Hearing: **Tuesday, 3/19/19; 3:30 PM; Conference Room 225**

Chair Thielen, Chair Taniguchi, and Members, Committees on Government Operations, and Labor, Culture and the Arts:

Thank you for the opportunity to provide testimony **in support of HB 999 HD1**, to permanently exempt from civil service the Governor's Coordinator on Homelessness position. I am Betty Lou Larson, with Catholic Charities Hawaii. We are also a member of Partners in Care.

Catholic Charities Hawaii (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawaii for over 70 years. Our mission is to provide services and advocacy for the most vulnerable in Hawaii. Ending homelessness is a top priority for 2019.

After years of ever increasing homelessness, Hawaii finally saw almost an 18% decrease in the Point in Time Count for homeless from 2016 to 2018. The recent 2019 PIT count saw another 4% reduction in overall homelessness. Catholic Charities Hawaii has seen extensive planning, collaboration and the development of a new system to address the many facets of homelessness, in coordination with the Governor's Coordinator on Homelessness. This position has proven to be key to addressing homelessness. It is very important that the position be made permanent. This will enable the stability and long term planning that is needed to effectively address homelessness throughout our state.

Catholic Charities Hawaii and Partners in Care work closely with this position. The coordinator serves as an important bridge between the work of the state, multiple state departments and agencies, the counties, and the many non-profits who provide services to end homelessness. **Placing this position in the Department of Human Services and making it permanent facilitates long term planning with the department, as well as the Administration.** The Coordinator enhances the collaboration to effectively and efficiently plan and move initiatives forward at a faster pace than in the past. The Coordinator position is essential for the state to look at the big picture and match resources to needs, based upon a broad understanding of what is happening in the community and among service providers. This Coordinator's position has been invaluable to help stakeholders become engaged in addressing homelessness. This measure would also ensure ongoing accountability and coordination between the many departments and agencies that work to end homelessness. This position is invaluable to the State to coordinate strategic plans and benchmarks to address this critical issue for Hawaii.

We urge you to pass this measure to continue the strong leadership and collaboration that is needed for our State to strongly address homelessness. Please contact me at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org with any questions.



CLARENCE T. C. CHING CAMPUS • 1822 Ke'eaumoku Street, Honolulu, HI 96822
Phone (808) 373-0356 • bettylou.larson@CatholicCharitiesHawaii.org





PARTNERS IN CARE

Oahu's Continuum of Care

LATE

Our mission is to eliminate homelessness through open and inclusive participation and the coordination of integrated responses.

Testimony in Support of HB 999, HD1: Related to Exemptions from Civil Service

TO: Committees on Government Operations and Labor, Culture and the Arts

FROM: Partners in Care (PIC)

HEARING: Tuesday, March 19, 2019 at 3:30 p.m., Conference Room 225

Dear Chair Thielen, Chair Taniguchi, and members of the Committees on Government Operations and Labor, Culture and the Arts:

Thank you for the opportunity to provide testimony on HB 999 HD1 and in particular, Section 2, which would permanently exempt from civil service the Governor's Coordinator on Homelessness. Partners in Care (PIC)—a coalition of more than 50 organizations working to address homelessness—supports this portion of the bill because it would make permanent a position that is key to coordinating the work of the many stakeholders in Hawai'i working to address homelessness.

Homelessness is a complex problem. No one entity can address the problem on its own and there is no one-size-fits-all solution. PIC (which serves Oahu) and its counterpart Bridging the Gap (which serves the rest of the state) are themselves examples of the type of collaboration and coordination that is needed. Years ago, a family facing homelessness would arrive at service provider's door and receive whatever the provider had to offer whether or not it was the best suited service for the situation. Or the family might be sent away with only a list of other providers and a prayer that one of them could help. Today, regardless of which provider's door they knock on, families are assessed and matched with the services and providers that can best address their particular situation. This type of collaboration is helping to ensure that the resources we commit to addressing homelessness are used effectively and efficiently.

Coordination between service providers is not enough. Hawai'i's housing and homelessness problems are of such great magnitude and complexity that they require an all-hands-on-deck approach. We need to have cooperation between all sectors—government, business, and non-profits—to address these issues. The position of Governor's Coordinator on Homelessness, first established in 2011, has helped to serve as a hub for this type of cooperation. For example, the Coordinator serves as Chair of the Hawai'i Interagency Council on Homelessness (HICH), which is composed of state department directors, federal agency representatives, and leaders of the business and nonprofit community. Over the past eight years, the Governor's Coordinator on Homelessness has proved to be a critical component of a well-organized response to homelessness.

Thank you for your consideration of this important issue. We appreciate the opportunity to express our support of HB 999 HD1, Section 2, to make the Governor's Coordinator on Homelessness position permanent.