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January 26, 2019

TO: The Honorable Senator Russell E. Ruderman, Chair
Senate Committee on Human Services

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 231 - RELATING TO THE YOUTH COMMISSION**
SB 279 - RELATING TO THE DEPARTMENT OF HUMAN SERVICES
SB 474 - RELATING TO THE DEPARTMENT OF HUMAN SERVICES
SB 475 - RELATING TO DEPARTMENT OF HUMAN SERVICES

Hearing: Monday, January 28, 2019, 2:45 p.m.
Conference Room 016, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the intent of SB 231, SB 474, and SB475, and offers comments and proposed amendments. DHS appreciates the intent of SB 279, and offers comments. DHS further appreciates the efforts of Senator Ruderman and his staff for proposing these measures.

In the last six years with the support of the legislature, DHS has invested in improving its business processes and IT systems to become a more performance based entity; and DHS understands the legislature's desire to move the state toward performance based budgeting. However, it is the department's experience that transformation to performance based services is long term and continuous; DHS prefers that its base budget and requested biennium budget increases be contained in one budget measure that will be known as the General Appropriations Act of 2019. This year the Governor's executive budget proposal is SB 126 or HB 964. We are concerned

that splitting the base budget from the biennium budget increases into multiple vehicles increases the risk of funding errors or shortfalls, and will negatively impact long term planning and program improvement. Especially in human services that impact individuals and families, non-recurring appropriations tend to lead to cautious implementation. Creating operational systems, rules and processes, and implementing benefits or services for recipients takes time as well as time to evaluate effectiveness. Short term funding cycles impacts program development as well as program's ability to fill vacancies that are based upon temporary programs and budgets.

PURPOSE: The purpose of **SB 231** is to establish the youth commission administrator that shall administer the youth commission. Makes an appropriation to fund one full-time equivalent (1.0 FTE) permanent youth commission administrator position.

DHS supports this proposal. Act 106, Session Laws of Hawaii (SLH) 2018, established a youth commission to advise the governor and legislature on the effects of legislative policies, needs, assessments, priorities programs, and budgets concerning the youth of the state. Act 106, SLH 2018, appropriated funds to hire one staff position to administer the youth commission and other administrative costs; however, funds were only authorized for one state fiscal year and funding for the position will end on June 30, 2019.

PURPOSE: The purpose of **SB 279** is to appropriate funds for the Department of Human Services. Appropriates funds. Effective 7/1/2050.

DHS appreciates the intent of SB 279 as a vehicle to capture all the necessary appropriations of the department and provides comments. The current draft appropriates state general funds only. DHS has one of the largest operating budgets of any state entity and currently receives a large amount of state general funds and also the majority of the state's federal funds; the legislature generally appropriates federal funds based upon program matching rules. Although the federal fund amounts appear in the budget, it does not generally mean that the federal funds are present in the state; in most cases, it gives the program the ability to draw the funds from the federal

programs based upon expenditures and the amount of the approved federal ceiling.

To maintain the level of efficiency to maximize the ability to draw down available federal matching funds, DHS prefers that its base budget and relevant biennium budget add-ons remain within the executive budget measure. However, as this year's budget process is dramatically different from past years, other than suggesting that a provision include appropriations of federal funds or necessary ceiling amounts and increases, at this point in the session, we are not prepared to suggest significant amendments.

PURPOSE: The purpose of **SB 474** is to appropriate funds for operating expenses of the department of human resources. We note that the description in the hearing notice be corrected to identify the department of human services and not human resources.

This measure appears to capture the department's biennium budget request or add-ons requested in the executive budget bill to be added-on to the DHS base budget. While most of our budget add-ons are included, there are a significant number that may have been inadvertently left out. DHS supports this measure and requests the following amendments. Please see the attached budget narrative (previously submitted to finance committees) that provides a description for all requested budget additions.

Items described in the table below as fringe benefit increases, are requests to increase the appropriate federal fund ceiling to allow the indicated programs IDs to draw the federal funds for fringe benefits. Other requests for federal fund increases allow those programs to access additional federal funds.

Re q u e s t	Prog ID/Org	D e p t	Descripti on	M O F	FY20			FY21		
					FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
TRADE-OFF/TRANSFER & CONVERSION OF UNBUDGETED POSITIONS REQUESTS:										
ALLOWABLE NON-DISCRETIONARY EXPENSE										

Re q u e s t	Prog ID/Org	D e p t	Descripti on	M O D	FY20			FY21		
					FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
FE	HMS401/P E		Medicaid Capitation Adjustment	A			(16,511,000)			38,369,000
FEDERAL FUND ADJUSTMENT REQUESTS:										
FA	220RH-FB	1	Federal Fringe Benefit increase	N			745,126			841,944
FA	222RA-FB	1	Federal Fringe Benefit increase	N			257,731			264,510
FA	236LC-FB	1	Federal Fringe Benefit increase	N			715,098			746,280
FA	238GB-FB	1	Federal Fringe Benefit increase	N			110,535			125,102
FA	301SA-FB	1	Federal Fringe Benefit increase	N			491,179			525,795
FA	501YA-FB	1	Federal Fringe Benefit increase	N			6,175			6,175
FA	601TA-FB	1	Federal Fringe Benefit increase	N			7,388			9,488
FA	802GA-FB	1	Federal Fringe Benefit increase	N			292,506			308,236
FA	902IA-FB	1	Federal Fringe Benefit increase	N			43,542			59,668
FA	903FA-FB	1	Federal Fringe Benefit increase	N			51,003			61,537
FA	501YA-04	2	Abolishment of 2.00 Temporary Positions	N		(2.00)	(121,978)		(2.00)	(121,978)
O R	903FA-05	3 7	Federal Ceiling Increase for UPLINK Program (Moved from Other	N			200,000			200,000
O R	903FA-04	3 8	Federal Ceiling Increase for Modification to HANA Case Management System (Moved from	N			2,000,000			1,000,000
O R	903FA-03	1 2	Additional General Funds and Federal Ceiling Increase for Exit and retention Bonus Program	N			977,000			1,318,000
O R	904AA-03	1 3	Funds for three (3.00) Exempt Positions for Information Security and Compliance Office and Transfer Funds from Other Current Expenses to Personal Services	A	1.20			1.20		

Re q u e s t	Prog ID/Org	D e p t	Descripti on	M O d	FY20			FY21		
					FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
O R	904AA-03	1 3	Funds for three (3.00) Exempt Positions for Information Security and Compliance Office and Transfer Funds	N	1.80		20,151	1.80		20,151
O R	302DA-02	1 4	Establish and Funds 20.00 Positions for Child Care Subsidy Program and Transfer Funds From OCE	A	10.00		120,080	10.00		338,710
O R	302DA-02	1 4	Establish and Funds 20.00 Positions for Child Care Subsidy Program and Transfer Funds From OCE to PS	N	10.00			10.00		
O R	302DA-02	1 4	Establish and Funds 20.00 Positions for Child Care Subsidy Program and Transfer Funds From OCE to PS	N	10.00			10.00		
O R	HMS305	1 4	Establish and Funds 20.00 Positions for Child Care Subsidy Program and Transfer Funds From OCE to PS	A			(400,000)			(400,000)
O R	904AA-05	1 5	Establish three (3.00) Exempt Temporary Positions and Transfer Funds from Other Personal Services to Personal	A		3.00	-		3.00	-
O R	503YB-01	2 1	Funding of 5.00 Permanent Social Worker III Positions	A	(3.00)		(41,142)	(3.00)		81,228
O R	903FA-02	2 8	Federal Ceiling Increase for Homeless Shelter After-Care Services	A			570,000			570,000
O R	903FA-02	2 8	Federal Ceiling Increase for Homeless Shelter After-Care Services	N			1,330,000			1,330,000
O R	501YA-05	3 5	Change of Funding and Conversion from Temporary to Permanent	A	0.50	(0.50)	-	0.50	(0.50)	-
O R	501YA-05	3 5	Change of Funding and Conversion from Temporary to Permanent	N	0.50	(0.50)	-	0.50	(0.50)	-

PURPOSE: The purpose of **SB 475** is to appropriate funds for capital improvement projects of the department of human services.

DHS supports this proposal addressing capital improvement projects of the Office of Youth Services, Hawaii Youth Correctional Facility, and requests an amendment for additional capital improvement funds.

The department requests an appropriation of \$810,310 (C) for fiscal year 2020-2021 to address additional necessary flood zone remediation at the Ho'opono Services for the Blind facility of the Division of Vocational Rehabilitation (HMS 802). This addition will be included in a Governor's Message to include these funds in the executive budget bill.

As background for the Ho'opono Flood Zone Remediation, Act 49, SLH 2017, appropriated \$521,000 to the department of human services, division of vocational rehabilitation, for design and construction to replace basement walls with a structure to withstand forces due to potential flooding, elevate wall openings, and protect the equipment around the Ho'opono Services for the Blind building. The capital improvement project is known as the Ho'opono Flood Zone Remediation.

However, the department of accounting and general services has advised the department of human services that additional capital improvement funding in the sum of \$810,310 (C) is required to respond to new flood zone mitigation requirements established by the City and County of Honolulu after the initial 2017 planned improvements were completed.

Additional suggested amendments for the committee is that the drafting agency include the appropriate language to authorize the director of finance to issue the appropriate sums of general obligation bonds (C) as is necessary for the department to complete the projects and to include appropriate lapsing provisions generally included for capital improvement projects.

Please see the attached budget narrative for a comprehensive description of these budget requests.

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

Attachment
Department of Human Services
2019 Legislative Budget Briefing
BUDGET NARRATIVE
January 2019

A. Mission Statement

The Department of Human Services' (DHS) guiding principles, vision statement, mission statement, and core values are as follows:

Guiding Principles

DHS is guided by article IX, section three of the Hawaii State Constitution regarding public assistance, the “Aloha Spirit” statute (section 5-7.5, Hawaii Revised Statutes (HRS)), and ‘Ohana Nui, Hawai‘i's multi-generational approach to the delivery of human services.

Vision Statement

The people of Hawai‘i are thriving.

Mission Statement

To encourage self-sufficiency and support the well-being of individuals, families, and communities in Hawai‘i.

Core Values

- T Team-oriented** – We acknowledge that internal and external partnerships are critical to the success of DHS.
- H Human-centered** – We develop strategies and make improvements as necessary from the client’s perspective.
- R Respectful** – We recognize the inherent value of each person as well as the diverse cultures of Hawai‘i.
- I Intentional** – We are mindful of our decisions and actions in our collective work.
- V Visionary** – We strive to support our clients by co-creating generative, forward-looking strategies.
- E Evidence-based** – We make decisions that are based on data and take actions that we know will have sustainable outcomes.

B. Overview

DHS is comprised of four divisions (Benefit, Employment & Support Services (BESSD), Division of Vocational Rehabilitation (DVR), Med-QUEST (MQD), and Support Services (SSD)), two attached agencies (Office of Youth Services (OYS), Hawaii Public Housing Agency (HPHA)), and two attached commissions (Commission on the Status of Women (CSW), Commission on Fatherhood (COF), six staff offices, and the Director’s Office. DHS provides benefits and

services to one in four Hawai'i residents, or about 350,000 individuals. The state's Medicaid program, QUEST Integration, provides medical insurance coverage for nearly one-half of Hawai'i's children. We have 2,300-plus employees deployed in 84 offices statewide, and we manage an annual budget of nearly \$3.6 billion, of which 64.5% are federal funds.

The work of DHS supports Hawaii's residents as they strive to achieve well-being and self-sufficiency. We understand that well-being encompasses many facets of life, including health, housing, safety, work, education, family, and community. We provide critical benefits, programs, and services in these vital areas.

DHS distributes approximately \$2.9 billion in benefits to the state's low-income, children, disabled, elderly, individuals, and families. The impact of these public benefits to the community is significant. In fiscal year 2018 DHS provided \$477 million in Supplemental Nutrition Assistance Program¹ (SNAP) benefits to 164,788 individuals across the state, and research shows that every \$5 in new SNAP benefits generates as much as \$9 of economic activity.

Biennium Budget Highlights: we prioritize our budget requests in four categories:

- **Preservation and improvements to the safety net:**
- **Strengthening the response to homelessness:** to continue the gains the state has made to reduce the number of homeless individuals, and the time individuals and families experience homelessness, we include requests to maintain and expand current homeless services and we propose additional after-care support services for families with minor children who exit shelters into permanent housing;
- **Continued support toward juvenile justice reform:** the Office of Youth Services continues efforts to transform the juvenile justice system to a therapeutic model, and to expand services for youth at risk and young adults at risk of entering the justice system; the budget includes capital improvements to the Hawaii Youth Correctional Facility to address fresh water concerns, and to rehabilitate the existing gymnasium for continued use by youth, and young adults;
- **Improving and maintaining safety and health through services for families and children engaged with Child Welfare Services:** Hawaii's Title IV-E waiver ends on September 30, 2019, and innovative services and strategies developed during the waiver will require an investment in state funds to maintain levels of services; we request on-going funds be appropriated for 4 positions established by Act 177 (2018) to address high caseloads in East Hawaii; and
- **Adding additional intake staff to Adult Protective Services reporting line:** as the aging population in Hawaii increases, we are receiving an increase in reports of physical abuse, neglect, and financial abuse of vulnerable adults in our community; adding an additional staff member to the adult intake unit, will assist in the timely review and analysis of reports for referral to investigation or other resources.

¹ Previously referred to as food stamps.

- **Enhancing supportive services:**
 - **Funds for Youth Commission:** the 2018 Legislature established the Youth Commission to make policy recommendations to the department and the Legislature; on-going funding is required to meet the statutory mandate to support the commission and needs of Hawaii's youth;
 - **Supporting transition from public benefits to employment:** the 2018 Legislature reestablished the highly successful Exit and Retention Bonus program for families that transition to employment and remain off public benefits; the 2018 Legislature appropriated funding for system modifications to run the program; we request program funds to provide the bonuses and funds for families not eligible for federal benefits; and
 - **Adding additional after-school programs for DOE middle and Intermediate Schools:** An increase in federal funds ceiling will allow an additional number of DOE intermediate and middle schools that may provide the UPLINKS program, a structured after-school programs that benefit the children in their middle school years through tutoring, sports, multi-media, STEM, and other arts and cultural programs.

- **Transforming government through continued IT upgrades, program redesign, program development, and human resources:**
 - **Child Care Program redesign:** we request additional planning staff to review, revise, and monitor the state plans required by the Child Care and Development Fund; and to address continuing audit errors and to avoid future penalties, we propose a program redesign to return the child care eligibility and payment services to the department; with this redesign, we project positive correction to the audit findings, and an eventual savings that will be reinvested in areas of quality improvement and subsidies;
 - **Continued investment in the DHS Enterprise System to integrate the delivery of human services:** we are in the 2nd phase of the significant investments into upgrading the DHS IT infrastructure by adding the public welfare programs to the DHS Enterprise platform initiated through the Affordable Care Act. Once integrated and operational, most public benefits will be accessible through a universal application process, with reduced determination times and errors;
 - **Maintenance and Security of the DHS Enterprise System:** as with any investment, and particularly with IT systems, it is the utmost priority and continuing obligation to maintain and upgrade the system's operations, and to secure the system's integrity and the private information of individuals; additional qualified staff and training resources are required;
 - **Health Care Analytics program development:** building on the result of the 1st phase of investment in the DHS IT system, the 2018 Legislature established the Health Analytics Office in the Med-QUEST division that can now use KOLEA, the robust Medicaid eligibility platform, for data analytics. MQD is authorized to serve as the state's All Payers Claim Data base, and in collaboration with several other executive departments, will analyze all state funded health claims and assist policy makers and decision makers to improve the delivery of health care in Hawaii and address increasing health care costs; and,
 - **Director's Office Administrative staff:** continuing and establishing temporary exempt positions in the Director's Office will assist the Director and Deputy Director, and support the divisions,

commissions, and attached agencies, to move DHS to an integrated and multi-generational human services delivery system; the goal is to reduce time families and children spend in poverty, and to address the root causes of poverty to reduce overall poverty, and abuse and neglect in Hawaii.

- **Leveraging federal funding:**
- **Increasing access to programs and services with TANF funding:** the request to increase the federal ceiling will allow access to additional TANF funds to support or expand several initiatives, such as the new initiative for after-shelter services to homeless families with minor children; increasing the number of DOE schools with UPLINK after-school programs for middle school students; and reviving the Exit and Retention bonus to support transition to employment; and
- **Access to federal funds for continued DHS Enterprise System development:** we are strategically using Medicaid match funding to support the development of the integrated DHS Enterprise System, operations, security, and training.

The biennium budget requests are a result of and in support of three ongoing transformative initiatives:

- **'Ohana Nui**
Initiated in 2016, 'Ohana Nui uses a multigenerational lens to end intergenerational poverty. The five pillars of the 'Ohana Nui framework are:
 1. **Housing** – Housing stability is key to a child's, individuals', or family's success in other areas that support well-being: education, employment, health, wellness, and social and community connections. The DHS strategy is to preserve the current housing of individuals and families through rental subsidies or other supportive services. To reduce homelessness, DHS Homeless Programs Office (HPO) implemented a state-wide Housing First approach that prioritizes the placement of individuals and families into permanent housing as quickly as possible and to provide supportive services to maintain permanent housing through employment and access to public benefits.
 2. **Food and nutrition** – Whether for an individual or for a family, food security must also be addressed. DHS Benefit, Employment, and Support Services Division (BESSD) provides SNAP to eligible families; this program is 100% federally funded.
 3. **Health and wellness** – Through the Med-QUEST Division (MQD) individuals and families may be eligible for Medicaid or other health and wellness supports. The Medicaid program serves 1 in 4 Hawaii residents.
 4. **Education and economic stability** – As education is a known driver of economic opportunity and the only known pathway out of poverty, BESSD provides cash assistance, access to no-

fault insurance, employment training, child care subsidies, after-school subsidies, LIHEAP² subsidies, and the Division for Vocational Rehabilitation (DVR) provides vocational rehabilitation services for youth and adults with one or more disabilities.

5. **Social capital** – Research shows that an individual’s or a family’s ability to stay on the path to well-being and whether the difficulties of life are increased when they have networks of support; and in contrast, isolation or a lack of positive social connections leads to poor health outcomes. Networks that encourage the development of positive social and community relationships, values, skills, and behaviors consistent with the goal of long-term self-sufficiency must continually be strengthened.

By improving our service delivery through system integration, access to support will be streamlined and improved for children, parents, and grandparents (the whole household together) as well as access to benefits to eligible single adults. This multi-generational approach intends to stabilize and improve the housing and economic conditions of a family that will improve children's health and readiness for school, and support parents' ability to work and increase a family's income and resources. By reducing system barriers, we will reduce the time spent in poverty and empower children and families to live to their full human potential. The administration is submitting a legislative measure that will require DHS to address the reduction of multigenerational poverty.

- **Strategic Plan**

DHS developed its first department-wide strategic plan. The Strategic Plan is guided by article IX, section three of the Hawai’i State Constitution, the 'Aloha Spirit' statute (section 5-7.5, HRS), and the ‘Ohana Nui framework.

In fiscal year 2018, we enhanced service integration and delivery to achieve sustainable outcomes for the people we serve to improve the self-sufficiency and well-being of Hawai’i’s individuals and families.

- **DHS Integrated Enterprise Solution**

DHS continues to invest in upgrading its legacy information technology systems. As one of the major benefits of the Affordable Care Act, once completed, the DHS Integrated Enterprise Solution will support our ability to serve residents across programs and divisions through an integrated eligibility process and case management applications. The DHS Integrated Enterprise Solution provides a vision and a means for the future that will connect residents quickly to all available resources.

In fiscal year 2018, we continued to leverage remaining federal funds through the Affordable Care Act (90 fed/10 state match) and started the system integration of BESSD's financial, SNAP, and child care programs on to the DHS Enterprise platform that currently hosts MQD's KOLEA Medicaid eligibility application.

² Low Income Home Energy Assistance Program is a federal program that helps families meet their energy costs.

Other transformative activities that underpin the changes at DHS are:

- **Business Process Transformation**
Throughout DHS we are transforming business processes with a customer-centered approach.

The Benefit, Employment, and Support Services Division (BESSD), the Med-QUEST Division (MQD), and other DHS programs are in the process of reviewing policies and procedures and making recommendations for improving the delivery of programs and services. This initiative also includes functional reorganization of our Social Services Division (SSD).

In fiscal year 2018, we continue to implement customer-centered changes among DHS business units to update and align our processes and train our staff to develop consistency in service delivery.
- **Generative Partnerships**
Generative partnerships are intrinsic to the 'Ohana Nui framework. We continue to leverage partnerships with other state agencies, private agencies, and community-based organizations to address service gaps, such as professional development, basic and financial literacy, and infrastructure development.
- **Organizational Change Management**
Through organizational change management and communication, DHS is reshaping its culture by preparing its workforce for changes that will come with the implementation of 'Ohana Nui, the DHS Integrated Enterprise Solution, and Business Process Transformation. Through organizational change management, DHS staff and its partner providers will embrace these three major initiatives, to provide improved services, programs, and other necessary support to individuals and families to end intergenerational poverty in Hawai'i.

C. Federal Funds

Hawai'i Public Housing Authority (HPHA)

Federal Award Title: Public and Indian Housing, CFDA number 14.850
Section 8 Housing Choice Vouchers, CFDA # 14.871
Section 8 Housing Assistance Payments CFDA # 14.195

See HPHA budget narrative that will be submitted separately.

Division of Vocational Rehabilitation (DVR)

Supported Employment Services for individuals with the Most Significant Disabilities (MSD)
Support Employment (SE) State Grants, CFDA Number 84.187, \$150,000
SE State Grants, Transition Aged Youth (TAY), CFDA Number 84.187, \$150,000

Supported Employment (SE) funds provides extended employment services to youth and adults with Most Significant Disabilities who have been unable to maintain competitive employment. Annually, our expenditures for SE services average \$550,000 (\$300,000 SE funds; \$250,000 VR Basic Support funds) for approximately 64 clients. Without SE funds approximately 29 clients or less than 50% of the clients can be served.

D. Non-General Funds

The reports on non-general funds for DHS pursuant to section 37-47, HRS, are contained in the links below:

DHS: <https://budget.hawaii.gov/wp-content/uploads/2017/12/HMS-NGF-2018-Leg.pdf>

HPHA: <http://www.hpha.hawaii.gov/reportsstudies/reports/2018HPHAAnnualReport.pdf>

E. Budget Process

Divisions and attached entities submit budget requests, with rationale and prioritization, to the Director and to the Budget, Planning and Management Office (BPMP) for review. After discussion with BPMP and each division administrator, the Director prioritizes the department's budget requests and provides recommendation to the Department of Budget and Finance and the governor. The proposed budget aligns with the Governor's priorities and our 'Ohana Nui framework.

Additionally, DHS uses these broad considerations in prioritizing its budget requests:

1. Safety Net: Preserve and improve services that meet basic human needs: shelter and housing; food; child and adult protection; emergency assistance; health care; and income support (including child care). These priorities support and stabilize the lives of DHS clients.
2. Supportive Services: Prioritize and assure that services are robust enough to serve the most vulnerable populations, sustain past program gains, and increase participation in the workforce.
3. Transforming Government: Prioritize programs that support the transformation of government infrastructures to improve efficiency and transparency, to ensure compliance to federal and state mandates, to promote program and system integrity, and to invest in the public workforce.
4. Leverage funding streams: Prioritize programs that leverage multiple funding streams through collaboration or innovation.

F. Budget Requests

MOF = means of financing

A = general funds

N = federal funds

C = general obligation bond funds for capital improvement projects (CIP)

FTE = full time equivalent

Hawai'i Public Housing Authority (HPHA)

The Hawai'i Public Housing Authority will provide testimony separately.

Office of Youth Services (OYS)

Operating Budget Request

HMS 501 – In-Community Youth Programs

Youth Assessment Service Centers (501YA-01)

Request: \$450,000 A for FY20 and for FY21

Youth Assessment Service Centers (YASC) are designed to facilitate efficient prevention, diversion and intervention service delivery at the front end of the juvenile justice system. Statewide, status offenses comprise more than half of all juvenile arrests (52 percent), with running away the overall leading cause of arrest (30 percent of all arrests).

The priority for the proposed request is District 8 (Waianae to Ewa) or District 4 (Laie to Waimanalo) on Oahu. Both districts cover a large service area, with potential partnerships with the community that could maximize resources (e.g. HPD at Kapolei/Waianae; Kawailoa Youth & Family Wellness Center in Olomana). Future plans include expansion to all counties. On Oahu, a YASC utilizing a Civil Citation model program in the District 5 region, urban Honolulu, is lowering re-arrest rates. In the first year of implementation, youth who participated in the YASC had a 7.7 percent lower re-arrest rate compared to youth who did not participate in this YACS. Even lower re-arrest rates were shown for youth who had a warm-handoff from police to YACS (difference of 19.4%) specifically for youth with misdemeanors, and youth who received YASC services compared to youth who did not; there was a difference of 12.2% lower re-arrest rate.

An East Hawaii region pilot YASC site during the period 10/1/15 - 9/30/16 served 188 youths; subsequently, only 6% of the youth served had a new arrest or delinquent crime.

The following breakdown is the number of potential youth to be served by YASC services and these figures reflect a three-year average of the number of youth arrested in the four counties:

1,044 youths on Kauai, 4,773 youths on Oahu, 2,304 youths on Maui, and 1,284 youths on Hawaii.

Juvenile Justice Reform Program (501YA-02)

Request: \$600,000 A for FY20 and FY21

This request will allow for the continuation of efforts to sustain and improve the juvenile justice reform outcomes made over the past 2 years. Funding will be targeted to continue the implementation and validation of a standardized risk and needs assessment and case management tool; evidence-based services, including aggression replacement training; truancy prevention and intervention; wrap around services; training for balance and restorative justice activities; professional staff development; and cultural-based healing services.

Act 201, Session Laws of Hawaii (SLH) 2014, provided funding for juvenile justice reform to improve and enhance Hawaii's juvenile justice system, including strengthening community supervision and probation practices, sustaining effective practices, and reducing the reliance on secure confinement.

In State Fiscal Year (SFY) 15, \$1.26 million was expended or encumbered for programs, services and activities to implement juvenile justice reform, including mental health and gender-specific trauma-informed services; substance abuse; intensive monitoring for youth on probation; truancy prevention and intervention services; ancillary supports and incentives for graduated response system; professional development; and the operation of a statewide implementation working group.

The 26% reduction in admissions to the Hawaii Youth Correctional Facility (HYCF) for the past 4 years is one of the concrete results of Act 201 (2014). Act 119, 2015 SLH transferred \$600,000 from HMS503 (HYCF) to HMS501 (OYS) to invest in up-front services to strengthen the juvenile justice system reform efforts. Act 126, 2015 SLH appropriated another \$1.2M (non-recurring funds) for FB16-17 to match the initial funding of Act 201. However, for FB 18-19, the Legislature did not include an appropriation of \$1.2 million, resulting in decreased funding for community-based services addressing truancy, substance abuse, and probation compliance.

Establish and Funds 1.00 Permanent Position for Youth Commission (501YA-06)

Request: FTE 1.00 A and \$81,416 A for FY20 and for FY21

This request is to make the authorized amount a recurring budget item so that one staff position will be a permanent civil service worker to carry out the duties of the position created by Act 106 (2018). Currently, the position is temporary because funding will end on June 30, 2019.

HMS 501 (In-Community Youth Programs) received an appropriation through Act 106, (2018), to establish a Youth Commission to advise the Governor and Legislature on the effects of

legislative policies, needs, assessments, priorities programs, and budgets concerning the youth of the state. Act 106 (2018) appropriated funds to hire one staff position to administer the youth commission and other administrative costs. However, Act 106, (2018), only authorized funds for one state fiscal year.

The 2018 Legislature found that a youth commission would enable a greater role for young people in the policymaking process, and that the Legislature and Governor would benefit from additional formal input from youth on the effect of legislation on young people on the state.

Deletion of 2.00 Temporary Federal-Funded Positions (501YA-04)

Request: FTE -2.00 N positions and -\$121,978 N for FY20 and for FY21

The Office of the Youth Services cannot establish these positions with federal funds due to a lack of administrative and planning funds in the federal grant, and we request to abolish these positions.

The average federal award each year is roughly \$400,000 and the percent of administrative and planning funds are 10% or \$40,000. The salaries for a program specialist IV and an account clerk III are \$76,236 plus fringe benefits of \$45,742 totaling \$121,978.

Conversion from Temporary to Permanent Civil Service Position

Request: FTE -0.50 A (T) to FTE 0.50 A (P), FTE 0.50 N (T) to FTE 0.50 N (P)

The Office of Youth Services (OYS) requests that the position become a permanent civil service. The Office Assistant III position (122366) is currently budgeted as a temporary position. This position was vacant until very recently. Temporary positions in our office have experienced low interest as evidenced by our vacancy report, and are difficult to fill because of the temporary appointment. We currently have another program position that is vacant since July 3, 2017, because it is a temporary appointment. It is very difficult to hire a person knowing that they may lose their job at any time.

HMS 503 – Hawaii Youth Correctional Facility

Funding of Existing 5.00 Permanent Social Worker Positions in a trade-off by eliminating 3.00 Permanent Youth Corrections Officer and transferring Personal Services Funds (503YB-01)

**Request: FTE -3.00 A and -\$41,142 A for FY20 and
FTE -3.00 A and \$81,228 A for FY21**

In Act 049, SLH 2017, established in HMS 503, 5.00 permanent Social Worker III positions (Position Numbers 98635K, 98636K, 98637K, 98638K, and 98639K) without funding; without funding the Office of Youth Services (OYS) was not able to establish these positions. This funding request will partially fund those positions and support continuing juvenile justice efforts to transform to a therapeutic model.

Since Act 201 (2014), OYS and HYCF have been actively working to improve and reform the juvenile justice system. Act 201 (2014) sought to reduce secure confinement, strengthen community supervision, and focus resources on practices proved to reduce recidivism. For HYCF to accomplish this goal and maintain the gains achieved thus far, there is a need for intensive supervision on parole and a smoother transition back into the family, foster home or independent living program. This will be accomplished by increasing staff to the parole section and managing the caseload to give more time to provide this intensive supervision in the field, this will include a step-down program planned on HYCF campus that will help bridge the gap from incarceration to community placement.

CIP Budget Requests

HMS 503 – Hawai'i Youth Correctional Facility (HYCF)

HYCF Campus Improvements Planning, Oahu (FY19.1)

Request: \$800,000 C for FY20

The health and safety of the wards were major issues addressed in the Department of Justice Memorandum of Agreement with the State of Hawaii (2009). However, this project was given a low priority in lieu of the other more pressing problems at the Hookipa Makai. If this funding is approved in the 2019 Legislature, the HYCF envisions multiple high-risk youth populations upon its property to address several weaknesses in the Juvenile Justice System.

HYCF Sewer Improvements, Oahu (FY20.1)

Request: \$600,000 C for FY20

Recent communication from the United States Environmental Protection Agency, Region IX, sought information related to the subsurface wastewater infrastructure on the HYCF campus. Based on the requirements, the HYCF operational staff discovered 2 cesspools still in operation. These cesspools are in apparent violation of 42 USC §300j-4 of the Safe Drinking Water Act. One cesspool in question currently serves the Kawailoa Youth and Family Wellness Center's Homeless Shelter that houses 20 homeless young adults; the other cesspool serves Building 5 and will be removed under a separate CIP proposed project.

HYCF Water System Improvements, Oahu (FY20.5)

Request: \$900,000 C for FY20

With the recent change in HYCF operations leadership, an assessment and review of the campus water system is warranted. Recent operational problems with the water pump station, the inability to cut off water for pipe repairs, and water tank deterioration have provided an opportunity to evaluate the water system, implement much needed repairs, and develop a future maintenance plan.

HYCF Gym Foundations Repair, Oahu (FY20.6)

Request: \$225,000 C for FY20

HYCF campus gymnasium was built in 1928 as part of the Kawaiiloa Training School for Girls; its foundation is in need of repair as the campus gymnasium continues to be an intricate part of the mission of the Kawaiiloa Youth and Family Wellness Center. Currently, the gym is utilized for recreational and programs by the students of Olomana School, students of a construction and mechanical vocational program called Kina'i Eha, community volleyball clubs, and the HYCF Incarcerated population.

The scope of the HYCF campus gymnasium foundation repair is to correct the loss of bearing soils. The consultant will need to assess the condition of the floor to determine if the building has settled and if the work should involve re-leveling of the building before the foundation is repaired. Anticipated work includes: demolition of the concrete footing, excavation for the new footing, temporary framing to support the building, constructing the concrete footing, backfilling, hazardous materials removal, and related work. Once the foundation is secured, the gym will play an important role in the proposed master plan of the Kawaiiloa Youth and Family Wellness Center's sports complex that will also include its swimming pool and recreational fields. These facilities and fields will be utilized for recreational activities for the youth and young adults on property as well as community DOE athletic programs.

Benefits, Employment & Support Services Division (BESSD)

Operating Budget Requests

HMS 224 – Homeless Services

The state's approach to homeless services is founded on the Housing First model, that is find permanent housing and then attend to the needs of the individual and family to maintain housing stability, through access to public services, employment, civil legal services, and appropriate healthcare.

Housing First Program (224HS-02)

Request: \$3,750,000 A for FY20 and for FY21

This request seeks to maintain Housing First Program services for the existing state Housing First program population (=241) and the target to add services for 60 additional eligible individuals and their families.

The state Housing First program (HF) provides services for the most visible, chronically homeless population, those individuals or families with a combination of mental health, substance abuse, related medical issues - the same population frequently utilizing high-cost

healthcare services and whom frequently cycle in and out of the criminal justice system. The state HF provides housing and supportive case management services to unsheltered homeless persons. The HF services are key to moving these individuals and their families off the streets, providing support services to ensure that they remain successfully housed, and reducing utilization of high-cost emergency room services.

In 2017, DHS expanded the state HF statewide; HF provided supported housing services to 241 chronically homeless, highly vulnerable individuals and family members. The measure of success of housing first programs is the percent of individuals that remain in stable housing for 6 months or more. In the past 5 years the state's HF has had a housing retention rate of approximately 97%, far above the national average of 80% for other housing first programs.

The funding for HF includes both monthly rent and ongoing wraparound case management. Housing First is currently funded on a year-to-year basis, and it is critical that funding be sustained in the base budget as many of these individuals will require a certain level of housing supports for the foreseeable future.

Rapid Re-Housing Program (224HS-04)

Request: \$3,750,000 A for FY20 and for FY21

Rapid Re-Housing (RRH) targets *sheltered* homeless individuals and families. The State RRH program was projected to serve 374 households (807 participants). With the increased level of funding, the number of households projected to be served would increase to 578 households (1403 participants) or enable the number of households served to increase by 54%. It is a part of the Housing First approach that provides short- to medium-term rental subsidy and case management, which may range from a minimum of three months to as long as twenty-four months based on a household's specific needs. Like the state's HF program, the goal of the state Rapid Re-Housing program is to minimize the duration of homelessness and move homeless individuals and families quickly out of homelessness and into permanent housing while also providing supportive services to assist a family in maintaining their housing. If a family encounters difficulties with paying rent shortly after moving to permanent housing, the Rapid Re-Housing program can connect the family with appropriate resources and support to stabilize and maintain their permanent housing.

By targeting homeless individuals and families who are currently in shelters, the Rapid Re-Housing program will allow the state to better maximize its existing shelter inventory. As it is extremely cost-intensive to construct and fund additional homeless shelters; providing Rapid Re-Housing assistance to ready individuals and families, minimizes the time between housing instability and housing stability, thus allowing other aspects of life such as school attendance, employment, and medical care to stabilize as well.

Rapid Re-Housing is endorsed by the U.S. Department of Housing and Urban Development as an effective way to end homelessness among families with minor children. Consistent with

the DHS `Ohana Nui strategy, the Rapid Re-Housing program addresses the social determinants of health as it provides increased housing stability for families with minor children.

Family Assessment Center (224HS-01)

Request: \$1,550,000 A for FY20 and for FY21

The proposed funding request will support the continued operation of the Kaka'ako Family Assessment Center, as well as the operation of a second Family Assessment Center.

The Family Assessment Center is a model of a low barrier shelter utilizing a Housing First approach to quickly move families with minor children off the streets and into permanent housing; again as part of the array of services of the Housing First approach, housing stability will support children's health, school attendance and improved educational outcomes, as well as parents' ability to seek and maintain employment or other activities that increase income, and give parents' opportunity to address their overall health needs.

Based upon the positive outcomes with the initial Kaka'ako Family Assessment Center, through Act 209, SLH 2018, the Legislature appropriated \$800,000 for the operation of a second Family Assessment Center for FY19. DHS is in the process of procuring the services for a second Family Assessment Center, which will be operated by a contracted homeless services provider.

The Kaka'ako Family Assessment Center (FAC) opened in September 2016 and is fully funded through the end of FY19. The FAC accommodates 12-14 families (up to 50 people) at any one time. The total annual budget for the Kaka'ako Family Assessment Center is \$750,000. In its first two years of operation, the center served 107 households and placed 95% into permanent housing in an average of 79 days, 11 days fewer than the 90-day goal established for the center in its state contract. In addition, through work with the Kaka'ako Family Assessment Center staff and other providers, 59% of families served increased their income through access to public benefits and employment.

Homeless Outreach and Civil Legal Services (224HS-03)

Request: \$1,750,000 A for FY20 and for FY21

The requested funds will maintain the current level of homeless outreach funding. Homeless outreach funding was increased in FY18 to accommodate the growing number of unsheltered homeless individuals - on Oahu and the neighbor islands - and to increase the reach and quality of services contracted by DHS.

DHS will continue to contract with nonprofit service providers to deliver homeless outreach services across the state. Homeless outreach services are intended to reach out to the unsheltered homeless population and engage them in services to be housed and end their homelessness. Homeless outreach requires outreach staff to build a strong rapport with

unsheltered homeless persons, and use this rapport to engage homeless persons who may have declined shelter or services in the past. Building rapport takes time and multiple contacts with an individual.

Homeless outreach services include: assistance with obtaining identification documents and other vital records (e.g. birth certificates, and marriage or divorce certificates that document name changes) – documentation required for housing and employment; identifying and locating suitable housing options and providing support through the housing location and move-in process; and assistance with job search and applications for public benefits.

To ensure that homeless persons are not simply displaced from one area to another, homeless outreach providers work with state agencies (Department of Transportation (DOT) or Department of Land & Natural Resources (DLNR)) to transition unsheltered persons into longer-term housing options. Homeless outreach goes hand in hand with enforcement efforts by state agencies to address highly visible homeless encampments on public lands.

Stored Property and Debris Removal Services for State Lands (224HS-05)

Request: \$5,000,000 A for FY20 and for FY21

The state's framework addressing homelessness is also focused on public safety, especially related to unauthorized encampments located on state lands. While the state provides funding for homeless services, funding is also needed to address personal property left behind on state lands after a homeless encampment is vacated or when individuals trespassing on state land leave personal property behind. In addition, state agencies require support to take measures that would prevent unauthorized encampments from becoming established, such as placing appropriate signage and installing fencing on state lands where appropriate.

The Department of Human Services (DHS) currently has a Memorandum of Agreement with the Department of Transportation (DOT) that enables DOT to oversee property storage and debris removal activities statewide for all state lands.

The funds requested will be used to contract a vendor who would maintain a stored property program statewide, purchase necessary supplies and equipment to support property storage and debris removal activities, and would support the installation of signage and fencing to prevent unauthorized encampments from becoming established on state lands.

The issue being addressed is the temporary storage of property left by homeless individuals on public lands. Maintaining temporary property storage is consistent with the evolving best practice to deal with homelessness in a compassionate and respectful manner. Mainland communities without means or processes to temporarily store personal property left on public lands have been vulnerable to litigation.

In addition, service providers have reported that enforcement to vacate unauthorized homeless encampments may result in the loss of identification documents and other vital records for homeless persons that are displaced, which then becomes a barrier to achieving permanent housing.

HMS 302 – General Support for Child Care

Establish and Fund 1.0 Permanent Position for General Support for Child Care (302DA-01)

**Request: FTE (P) 0.50 A/0.50 N and \$17,474 A and \$27,337 N for FY20 and
FTE (P) 0.50 A/0.50 N and \$31,975 A/\$51,138 N for FY21**

This request augments the need for additional staff in the Child Care Program Office (CCPO) to address added intensive requirements for statewide plan development, revision, review, and monitoring of all plans, including corrective action plans, needed to comply with the federal Child Care and Development Fund (CCDF) block grant that provides federal funds for the department's statewide child care licensing program, program staff, and the child care subsidy program.

The CCDF grant provides working low-income families with child care subsidies to access to quality child care options, and additional supportive services to promote and ensure healthy and safe child care for Hawaii's families and children. The federal Child Care and Development Block Grant (CCDBG) Act of 2014 (Public Law 113-186) and 45 Code of Federal Regulations (CFR) Part 98 require that states undergo monitoring every three years by the U.S. Department of Health and Human Services (DHHS) Administration for Children and Families' (ACF) Office of Child Care (OCC). If states are non-compliant with the federal law and regulations, corrective action plans will be necessary.

Hawaii will be subject to the on-site monitoring visit by the ACF OCC during FFY 2020 and every 3 years thereafter. CCDF State Plans are also submitted every three years with updates and plan amendments submitted throughout the 3-year plan cycle.

The CCDBG Act of 2014 and 45 CFR Part 98 made significant changes to the CCDF grant requirements and Hawaii continues to work toward full compliance with the federal provisions. CCPO is working on revisions to administrative rules, procedures, processes, forms, IT data system modifications, updates for staff training, public outreach and feedback forums for the Department's child care licensing, child care subsidy, and child care quality programs.

Hence, in addition to the current and extensive responsibilities of the CCPO, the staffing levels in the Child Care Program Office need to be adjusted to meet the additional oversight and on-going monitoring that will be implemented by the ACF OCC starting FFY 2019 and on for all grantees. This funding request and position is part of the process to fully resource the CCPO.

Establish and Funds 20.00 Positions for Child Care Subsidy Program and Transfer Funds from OCE to PS (302DA-02)

**Request: FTE (P) 10.00 A/10.00 N and \$120,080 A for FY20 and
FTE (P) 10.00 A/10.00 N and \$338,710 A for FY21**

DHS currently contracts services for the state's two child care subsidy programs: Child Care Connection Hawai'i and Preschool Open Doors. This request addresses continuing program audit findings by moving the currently contracted child care eligibility and payment services functions back to DHS. Bringing these functions back to DHS, will improve service delivery to families and children while improving accuracy of payments through a Business Process Redesign (BPR).

DHS is annually audited for improper payments made using the CCDF block grant as part of the DHHS's federal Office of Management and Budget (OMB) Uniform Guidance compliance review for federal funds, and triennially audited by the Administration for Children and Families (ACF). Despite corrective actions taken to reduce the number of errors over the past 4 years, DHS is not in substantial compliance as reported in the audits' findings due to errors in payment accuracy. The DHS triennial audit results for FFY 2015 for the federal child care subsidy program had a 23.73% dollar error rate, which exceeds the ACF's allowable 10% dollar error rate. DHS will remain under a continuous Corrective Action Plan with ACF OCC until the Department's dollar error rate is below the 10% threshold.

The DHS currently funds contracted providers for the federal and state child care subsidy programs for a total of \$3,135,562 (\$3,003,562 N/\$132,000A). Once the proposed DHS unit is fully staffed and functioning in FY 21, the State should see a savings of approximately \$1,966,496 (decreased of \$2,305,206 N funds and increase of \$338,710 A funds) that could be applied towards other child care quality efforts or towards child care subsidies for eligible families.

Other budgeted current contract expenses will be used to supplement the general funded and federal funded salaries of the requested positions. No additional federal ceiling is being requested. However, we are requesting additional general funds of \$120,080 for FY20 and \$338,710 for FY21 onwards.

HMS 305 – Cash Support for Child Care

Reduction in HMS 305 funds in the amount of \$400,000 and re-invest it to HMS 302 to fund Child Care Subsidy Program positions (302DA-01)

Request: -\$400,000 A for FY20 and for FY21

This request is related to the HMS 302 request above and will reinvest \$400,000 from HMS 305 into HMS 302 (OR) request for funding and establishing 20 positions for a statewide child care subsidy eligibility unit and 1 position for statewide plan development, revision, review,

and monitoring of all plans, including corrective action plans, needed to comply with the federal Child Care and Development Fund (CCDF) grant that provides federal funds for the state's overall child care licensing and child care subsidy systems.

HMS 903 – General Support for Self Sufficiency Services

BESSD Cost Allocation for BES and Enterprise Platform (903FA-01)³

**Request: \$722,957 A/\$641,112 N for FY20 and
\$2,584,483 A/\$2,291,900 N for FY21**

DHS through the DHS Enterprise System continues to integrate its healthcare and human services, with a focus on enhancing the technology capabilities for BESSD, MQD, and SSD. The Benefits Eligibility Solution (BES) for BESSD programs is the 2nd major phase of the upgrade of the DHS 30 plus year old legacy IT systems. The vision for this effort is to move DHS to a more person and family-centered, rather than program-centered, model of practice in line with the concept of an “Agency of One” rather than the way services are currently provided by each DHS program somewhat independently of the other. It is expected that this person-family centered approach will improve access, outcomes, cost and quality of DHS programs and services.

With the passage of Patient Protection and the Affordable Care Act (ACA) significant federal financial support became available to upgrade IT infrastructure to states who agreed to expand Medicaid. DHS accepted the opportunity and invested in the Medicaid Eligibility for Enrollment (E&E) Solution now known as the Kauhale On-Line Eligibility Assistance (KOLEA). DHS was required to develop a different IT infrastructure as the DHS legacy IT system could not comply with provisions of ACA. Forward thinking, the architecture of the components and services initially developed for KOLEA were designed to support future initiatives for other DHS divisions and programs and now serves as the foundation of components and shared services for the and the DHS Enterprise Platform.

Now that the extensive approval and procurement process is complete and the BES contract awarded, cross division staff are at work with the vendor to design and develop the enhancements and standardization of processes. The BES project work includes the need to continue to support MQD and continually improve the Medicaid program on the DHS Enterprise Platform while building the BES project for BESSD programs. BESSD staff assigned to BES are fully engaged to improve program effectiveness and performance in the design, development, and implementation of the BES application to the DHS Enterprise platform.

The new BES and Enterprise Platform build is cost allocated between MQD, BESSD, and SSD for the biennium, FY 2020-2021, based on client count per division. BESSD's cost allocation of 32% is based on the client count as of June 30, 2017.

³ See related discussion below of HMS 902.

Additional General Funds and Federal Ceiling Increase for Exit and Retention Bonus Program (903FA-03)

**Request: \$244,000 A/977,000 N for FY20 and
\$330,000 A/1,318,000 N for FY21**

Act 128, SLH 2018, re-established the Exit and Retention Bonuses program in BESSD. The 2018 Legislature appropriated funds to make required system changes to administer the program; this request is to fund the program.

Previously, the Exit and Retention Bonuses program was established under the "Reward Works" initiative in 2009. Employed TANF⁴ recipient families who successfully exit TANF due to earnings, were eligible to apply for the exit bonus. These families were also eligible to apply for additional bonuses if they maintained their employment status for 3 months, 6 months, 12 months, and 24 months. The retention bonuses increased as the retention period increased. Though highly successful, due to lack of funds, the Exit and Retention Bonuses ended in 2012.

The \$400,000 appropriated by Act 128, SLH 2018, only covers the costs to modify the HANA case management system. The additional requested funds will be for the bonus payments beginning SFY 2020. The amount requested for fiscal year 2020 is less than 2021 because no one will be eligible for the 24-month bonus until the second year of implementation.

For fiscal years 2010 and 2011, 83% of families that received at least one bonus did not return to reapply for TANF, and only 17% of the families reapplied for TANF. A total of 1,091 former TANF recipients (unduplicated) received at least one bonus payment in fiscal years 2010 and 2011. Of this total, 29.3% received a 3-month bonus; 25.5% received a 6-month bonus; 24.4% received a 12-month bonus; and 20.8% received a 24-month bonus.

In SFY 2017, there were approximately 1,370 recipient families who exited TANF with employment, working an average of 30 hours/week (full-time status according to TANF rules). Assuming this same total would be eligible for an exit bonus in the 1st year (in SFY 2020), we estimate that about 334 families would go on to receive a 3-month bonus; about 290 families would go on to receive a 6-month bonus; about 277 families would go on to receive a 12-month bonus; and about 237 families would go on to receive a 24-month bonus in the 2nd year (in SFY 2021). Based on the following bonus amounts--1) \$500 at exit; 2) \$600 at 3-months; 3) \$700 at 6-months; 4) \$900 at 12-months; and 5) \$1,800 at 24-months, and the number of families that would be eligible for each of the bonuses, we project the following total payments for the 1st year SFY 2020--1) \$568,500 for exit bonuses; 2) \$200,400 for 3-month bonuses; 3) \$203,000 for 6-month bonuses; 4) \$249,300 for 12-month bonuses, for a projected total of \$1,221,200. The projected payments for the 2nd year SFY 2021 would be \$426,600 for 24-month bonuses. Assuming in the 2nd year the same number of families as the

⁴ Temporary Assistance for Needy Families (TANF) is federally funded, time limited, cash assistance program for families with minor children. TANF requires non-disabled parents to engage in work activities as a program requirement.

1st year 2020, would be eligible for exit, 3, 6 and 12-month bonuses, plus \$426,600 for 24-month bonuses (carry-over from the 1st year), a total \$1,647,800 of bonus payments would be paid in the second year SFY 2021.

We estimate about 80% of the 1,370 would be eligible for federally-funded bonuses; therefore, 20% of the projected bonus payments will need to be funded with General funds. First year SFY 2020, \$977,000 should be funded with Federal TANF funds and \$244,000 with General funds. To calculate the 2nd year SFY 2021, the first year's total of \$1,221,200 is added to \$426,600 for 24-month bonuses to determine the total funds needed. Second year SFY 2021, \$1,318,000 should be funded with federal TANF funds and \$330,000 with general funds.

Federal Ceiling Increase for Homeless Shelter After-Care Services (903FA-02)

Request: \$570,000 A/\$1,330,000 N for FY20 and for FY21

Homeless Shelter After-Care Services: Currently, there are 13 shelters statewide contracted by the DHS Homeless Program Office - Oahu (8 shelters), Kauai (2 shelters), Maui (2 shelters), and Hawaii (1 shelter). The scope of shelter service contracts do not include services for families after they leave the shelter. Currently, shelter services are only provided when families are temporarily residing in the shelter. It is important to have a continuum of service following a family's shelter stay to allow the family to transition and settle into longer-term housing. This after-care period is an opportunity for the family to receive additional resources, referrals, and support (social capital) to ensure they do not return to being homeless. During FFY 2017, there were a total of 701 families that were serviced by the homeless shelters statewide. Approximately 60% of the total individuals who stayed in a homeless shelter were children.

DHS intends to revise the scope of services when the shelter services contracts are re-procured to include continuum of care for a period up to six (6) months following a family's stay at a shelter. Services will include rental assistance while families receive after-care services. Currently, State Temporary Assistance for Needy Families (TANF) Maintenance of Effort (MOE) funds are provided to the BESSD Homeless Program Office to cover the cost of shelter services. The requested funds will cover the after-care extended shelter services. State funded expenditures will be claimed to meet Hawaii's State TANF MOE requirement. We estimate about 70% of the families that may receive shelter services would be eligible for federally-funded services; therefore, 30% of the projected cost will need to be funded with general funds as these families may not be eligible for federal funds.

The requested federal funds are currently available from the Federal TANF Block Grant. Any funds carried over from the previous years can also be used for this request.

Federal Ceiling Increase for UPLINK Program (903FA-05)

Request: \$200,000 N for FY20 and for FY21

Uniting Peer Learning, Integrating New Knowledge (UPLINK) is a structured after-school

program for the Department of Education (DOE) middle and intermediate school students. The UPLINK program provides students a safe environment during after school hours; remediation and tutoring services; activities that promote pregnancy prevention; and extra-curricular activities that encourage team work, develop leadership skills, promote health and well-being, and technological skills such as sports, multi-media, culture and arts, culinary, agriculture, robotics, and STEM (Science, Technology, Engineering, and Mathematics).

The additional funds will allow DHS to add two (2) middle/intermediate schools to the current list of schools that provide UPLINK program (increasing to 63% of all middle and intermediate schools).

Currently, 31 (60%) middle and intermediate schools operate the UPLINK program for their students. In SFY 2017-2018, 35% of the total school enrollment for the 31 schools were registered to participate in the UPLINK Program. Of the total students registered for UPLINK, 78% of the students attended UPLINK for 14 days or more. Furthermore, 71% of the students that participated in UPLINK passed all their courses for the school year.

The requested federal funds are currently available from the Federal TANF Block Grant. This grant represents obligation for the Temporary Assistance for Needy Families (TANF) programs. Any funds carried over from the previous years can also be used for this request.

Federal Ceiling Increase for Modification to HANA Case Management System (903FA-04)

Request: \$2,000,000 N for FY20 and \$1,000,000 N for FY21

This request is to modify the Hawaii Automated Network Assistance (HANA) Case Management System. HANA is a case management system used for the child care licensing, child care subsidies, SNAP E&T, and the First-To-Work (FTW) programs. The FTW Program is the work program for families that apply for or receive Temporary Assistance for Needy Families (TANF) cash benefits. Hawaii's low unemployment rate and lucrative job markets may have attributed to the decline in the number of work eligible individuals (WEI), i.e. able-bodied parents. However, the number of other work eligible individuals (OWEI), i.e. temporarily disabled, recovering from substance abuse or domestic violence crisis, have not declined.

TANF recipient adults who are OWEIs, are not readily employable. The current FTW program supportive services and the approach to delivering the services are not sufficient to meet current families' needs and require changes.

According to ASCEND at the Aspen Institute, the two-generation framework is an effective approach to provide opportunities for and meet the needs of vulnerable children and their parents together, primarily addressing childhood development, health and well-being, career pathways and education, economic support, and social capital (network of support). Working with ASCEND, DHS has modified the two-generational (2gen) approach to fit Hawaii's multi-

generational families or the DHS 'Ohana Nui approach. The 'Ohana Nui approach will require comprehensive assessments to provide intensive and appropriate case management and counseling services to families (e.g. OWEIs) with existing or are at-risk of encountering barriers to their FTW program participation, engaging in work activities, and obtaining employment.

The assessment tools that were built into the HANA system for the FTW Program are insufficient to conduct comprehensive assessments from a multi-generational perspective. The Online Work Readiness Assessment Tool (OWRA) includes the assessment of a family's financial situation, children's development, family's health and well-being, domestic violence, substance/alcohol abuse, education, work experience, etc.

Med-QUEST Division (MQD)

Operating Budget Requests:

HMS 401 – Health Care Payments

Medicaid Capitation Adjustment (401PE-BF)

Request: -\$16,511,000 A for FY20 and \$38,369,000 A for FY21

This amount is an adjustment to the base budget of HMS 401 in SFY 20 and SFY21 due to the projected expenditures being less than (FY20) or more than (FY21) the budgeted appropriation in the base budget.

HMS 902 – General Support for Health Care Payments

KOLEA Maintenance and Operations (902IA-02)

Request: \$5,491,700 A for FY20 and \$4,220,900 A for FY21

This request is to maintain and operate KOLEA, the state's Medicaid application and eligibility program on the DHS Enterprise System. KOLEA needs continued investment to maintain its operation to maintain easy access to Hawaii's Medicaid programs.

Beginning in 2014, the federal 2010 Patient Protection and Affordable Care Act (ACA) expanded the Medicaid program, allowing more people to qualify for assistance. In addition, ACA required a coordinated and simplified application process to allow consumers to apply for coverage. One of the primary goals of the ACA was to create a simple eligibility and enrollment process that uses electronic data to ease the paperwork burden on applicants and state agencies while expediting an eligibility determination. For most states, including Hawaii, this required new or greatly enhanced Medicaid enrollment information technology (IT) systems. The Centers for Medicare and Medicaid Services (CMS), provided increased federal financial support to overhaul IT systems to accommodate changes required by ACA. DHS Medicaid program transitioned from the aging Hawaii Automated Welfare Information (HAWI)

System which does not support the mandatory provisions of the ACA, designed, developed and built the new Kauhale On Line Eligibility Assistance (KOLEA) system.

As discussed in the BES project budget request above,⁵ the KOLEA system affords DHS an enterprise technology platform that extends its technical benefits beyond the Med-QUEST Division (MQD) and is available to all DHS programs. These shared technology services support the integration of business services and personnel workflows. Specific to MQD, this means the agency's ability to make timely determination of an applicant's eligibility and then enrolling (or re-enrolling) them for medical coverage. This request also improves the capability of our eligibility and outreach statewide.

Specifically, this budget request supports the KOLEA systems upkeep and business process alignment through enhancements (Unisys M&O and enhancements). With plans for integrating DHS programs and to offer better community experience, MQD requests funding for System Integration (SI) work relating to the Benefits, Employment and Support Services Division (BESSD) BES modernization. To address the professional services for systems integration (SI), at the customer level (community and staff), the budget request supports the SI through an Enterprise Services Integration (ESI) which handles the operational side of the technology infrastructure. The ESI will need to conduct systems upgrade, administering computing resources and software licenses. The requests also includes hardware and software license maintenance costs. DHS will prepare transition of technology to the cloud and is required to have an independent verification and validation (IV&V) as it executes its projects.

Although BESSD and SSD will be using the DHS Enterprise Platform during the design, development and implementation (DD&I) phase of their respective projects, the cost of the platform will be borne by the MQD. This is because CMS has agreed to federally fund 75% of the platform costs until the BESSD and SSD programs are implemented into production. This funding request will use MQD's state share to maximize the federal share while benefiting the MQD, BESSD, and SSD programs ability to provide more integrated services to clients and recipients.

NOTE: \$15,575,000 in federal funds were appropriated for M&O in Act 49, SLH 2017.

Health Analytics (902IA-01)

Request: FTE (P) 2.00 A/2.00 N and \$882,400 A/\$1,017,400 N for FY20 and for FY21

This request seeks to continue funding for the Health Analytics Office, established in MQD by Act 55, SLH 2018. The state's health analytics program in MQD will now provide analytics of medical claims data to achieve the goals of Act 139, SLH 2016, of increased transparency, better health, better healthcare, and lower costs for beneficiaries of state funded health

⁵ See discussion of HMS 903 above.

insurance plans, including the Medicaid program. Substantial progress has been made since the passage of the Act 55 in drawing down funds, establishing the program within DHS, conducting a needs assessment to identify analytic gaps, and developing a program that will comprehensively address identified needs.

On average, Medicaid spending continues to increase nationally by 5.8% per year.⁶ The National State Budget Officers' November 2017 State Expenditure Report found that Medicaid has grown from about twenty per cent of total state spending to twenty-nine per cent of total state spending for 2017.⁷ Total Medicaid spending in Hawaii in 2016 was 2.2 billion dollars, representing about a fifth of the total healthcare spending in Hawaii.^{8,9} Total health premiums paid by our residents have increased from \$1.3 billion in 1995 to \$6.3 billion in 2015,¹⁰ a rate of increase that has far outpaced workers' earnings and overall inflation. Further, Medicaid makes up 11% of the State's general fund expenditure, and 16% of Hawaii's total state expenditures.

Building analytics capacity within the state to understand healthcare cost drivers and evaluate the impact of interventions to mitigate these costs is critical to the state's long-term success in addressing and curtailing burgeoning healthcare costs. Such capacity will also support the Med-QUEST Division's (MQD) ability to respond to proposals that threaten to undermine the ACA health insurance coverage; enable price transparency and the development of standardized reports of comparative quality indicators, cost trends, and cost drivers; and enhance MQD's ability to meet several federal mandates. Health analytics capabilities to improve the state's Medicaid program also makes possible ability to pursue Medicaid match funding for health analytics activities.

Social Services Division (SSD)

Operating Budget Request

HMS 301 – Child Protective Services

IV-E Waiver Continuity (301SA-01)

Request: \$1,323,750 A/\$1,323,750 N for FY20 and for FY21

⁶ Center for Medicare and Medicaid Services. National Health Expenditure Projections, 2017-2026, Forecast Summary. Available at: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/ForecastSummary.pdf>

⁷ NASBO State Expenditure Report Summary (2017). Available at: https://higherlogicdownload.s3.amazonaws.com/NASBO/9d2d2db1-c943-4f1b-b750-0fca152d64c2/UploadedImages/Issue%20Briefs%20State_Expenditure_Report_Summary_FY15-17.pdf

⁸ Kaiser Family Foundation. Total Medicaid Spending. Available at: <https://www.kff.org/medicaid/state-indicator/total-medicaid-spending>.

⁹ Kaiser Family Foundation. Health Care Expenditures by State of Residence in Millions. <https://www.kff.org/other/state-indicator/health-care-expenditures-by-state-of-residence-in-millions>.

¹⁰ Hawaii State Department of Commerce and Consumer Affairs, Insurance Division. Health Care, Health Insurance on the Threshold Of. Available at: <https://cca.hawaii.gov/ins/files/2018/01/Health-Care-Health-Insurance-2018.pdf>

In 2013 the U.S. Department of Health and Human Services (HHS) Administration for Children and Families (ACF) Administration on Children, Youth and Families (ACYF) Children's Bureau (CB), approved Hawaii's Child Welfare Demonstration Project (title IV-E Waiver); CWS implemented the IV-E Waiver project in 2015. The IV-E Waiver allows Hawaii to allocate a portion of the Title IV-E funding for non-traditional, flexible use such as providing prevention services for children and families to avert foster care entry. As a demonstration project and given the Title IV-E Waiver Project allowed for a negotiated capped allocation, Child Welfare Services Branch (CWS) did not make a general fund budget request for additional operational cost and paid the start-up costs out of the general CWS base budget.

The Title IV-E Waiver authority will end on September 30, 2019; program consultants estimate a 15% reduction in federal reimbursement with the end of the Title IV-E Waiver, returning the state to more restrictive traditional Title IV-E funding. As the interventions demonstrated under the Waiver Project have shown promising results, this funding request will continue the services developed during the Title IV-E Waiver Project. Continuing these services as part of the regular service array will be critical to preserve and strengthen families before children enter foster care; by reducing unnecessary removals and placement into foster care, these prevention services address demands on the workforce by also reducing the foster care caseloads.

On October 1, 2019 provisions of the new Family First Prevention Services Act (FFPSA), enacted as part of the Bipartisan Budget Act of 2018, amends titles IV-E and IV-B at the federal financial participation rate of 50% for certain prevention services as a state option in addition to traditional IV-E foster care maintenance payment federal participation. CWS is actively working to develop a state plan that will maximize federal reimbursement for specified prevention services and related administrative expenses.

East Hawaii Child Welfare Services Pilot Project (301SA-03)

Request: FTE (P) 4.00 A and \$321,598 A for FY20 and for FY21

The 2018 Legislature passed Act 177, SLH 2018, and established a five-year pilot project within the department of human services to ensure the safety and well-being of at-risk children and families in east Hawaii on Hawaii Island. Act 177 (2018) created four (4.00) positions and appropriated one year of funding; funding expires on June 30, 2019. This request will continue funding for the four positions and other administrative costs; with the expectation that all four positions will be filled prior to the start of FY 2020; therefore, a 6-month delay in hiring is excluded from this request.

The funding for the four (4.00) positions in the base budget for FB 19-21 is necessary to have more staff to address the high caseloads, help social workers engage families, deliver quality services, and achieve positive outcomes for children and families. At present, each Child /Adult Protective Services Specialist caseloads is approximately 26 cases per month, which is more than the average of 18 cases. Without the continuation of these positions, service

delivery will continue to be hindered due to high caseload of current positions. High caseloads increase the potential for harm and/or re-harm to children who are already experiencing or are at high risk for abuse or neglect.

CWS is benefiting from the Wiki Wiki hiring process developed in collaboration with DHS Personnel, the Department of Human Resources Development, and the CWS to redesign the hiring process to reduce the time to recruit and fill vacant positions.

Establish 1 Permanent Child/Adult Protective Services Specialist for Statewide APS Adult Intake Unit (601TA-01)

Request: FTE (P) 1.00 A and \$27,546 A for FY20 and FTE (P) 1.00 A and \$55,092 A for FY21

The Adult Protective Services (APS) program is required by Chapter 346, Part X, Adult Protective Services, Hawaii Revised Statutes (HRS), to investigate reported cases of physical abuse, caregiver neglect, psychological abuse, sexual abuse, self-neglect, and financial exploitation of vulnerable adults, age 18 years and over, who have physical, developmental, or mental impairments that prevent these individuals from protecting themselves from abuse. In SFY 2018, 537 APS investigations, equivalent to 79% of total APS investigations, involved an alleged victim age 60 years and over. According to the U.S. Census Bureau, as of July 1, 2017, the State of Hawaii's population age 65 years and over was 253,560, equivalent to 18% of the total population.

This request is for one (1) additional Child / Adult Protective Services (C/APS) Specialist position in the Adult Protective and Community Services Branch (APCSB) Oahu Section, Adult Intake Unit (AIU), to screen incoming calls to the statewide APS Hotline, assuring that reports of vulnerable adult abuse accepted for APS investigation meet statutory criteria: 1) the alleged victim of abuse meets the statutory definition of a vulnerable adult; and 2) abuse has occurred or is likely to occur if no action is taken. The additional position is required to support Hawaii APS Program's centralization of a statewide intake process to screen reports of abuse and determine whether to accept the reports for an APS investigation.

The AIU serves a crucial role as the first point of contact regarding statewide calls of concern from the community. The AIU function in addressing calls that do not meet the criteria for an APS investigation is also valuable. AIU provides support, education, and referrals to community resources, which may prevent presenting concerns from escalating and requiring crisis intervention in the future.

APCSB contracted the University of Hawaii's Center on Aging (COA) to develop recommendations to restructure Hawaii's APS system. Recommendations included improvements in Core APS Functions, prompting establishment of a statewide centralized intake system. In SFY 2016, Act 119 (SLH 2015) authorized the creation of 3 new positions for the APCSB Oahu Section AIU to implement a statewide centralized intake model.

An additional AIU position is needed to address the volume of calls received statewide. Since SFY 2013, there has been a 3% average increase per year of reports of abuse received by the AIU. In SFY 2018, 674 investigations involved 775 types of abuse. The top three types of abuse were caregiver neglect, self-neglect, and financial exploitation. APS anticipates with the increasing number of residents over the age of 60, reports of abuse will continue to increase.

The AIU currently has seven (7) C/APS positions to perform statewide intake functions. Receive and address other miscellaneous calls, such as calls regarding active cases, which require consultation with the assigned investigation unit.

Commission on the Status of Women (CSW)

Operating Budget Request

HMS 888 – Other Current Expenses (888CW-01)

Request: \$15,300 A for FY20 and for FY21

Additional funds are needed to cover public educational campaigns. The Commission is seeking to support an annual public awareness campaign and to cooperate with national groups to host a conference and trainings around sex trafficking due to the absence of a state-level coordinated effort around the issue.

The Commission is currently unable to meet its mandate under section 367-3(2), HRS, to create public awareness campaigns without additional funds due to the basic costs of design work, paid media, including radio, bus, and social media promotion. Also, to fulfill its duty to maintain contacts with "appropriate federal, state, local and international agencies concerned with the status of women" per section 367(3) (5), HRS, the Commission requires basic funding for transportation of the executive director and the commissioners for quarterly meetings and important state conferences.

DHS Administration

Operating Budget Request

Funds for DHS Information Security Training (904AA-01)

Request: \$29,300 A for FY20 and for FY21

The Department administers several federal programs where individual and family information is collected and maintained to support eligibility determination and distribution of benefits. Programs include Medicaid (medical assistance), Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance to Needy Families (TANF), and Low Income Home Energy Assistance Program (LIHEAP). As such, the department is subject to a variety of federal regulations that require the safeguarding and protection of confidential information.

As a condition for receiving Federal tax information (FTI), DHS is required to meet the IRS federal safeguards requirements pursuant to Internal Revenue Code (IRC) § 6103(p)(4) and must establish and maintain safeguards designed to prevent unauthorized access, disclosure, and use of FTI. Furthermore, IRC § 6103(l)(7) restricts FTI access to government employees and the Federal Health and Human Services clearly states that contractors are not allowed access to FTI for any purpose. As a condition for processing confidential data such as FTI, Personally Identifiable Information (PII), and Protected Health Information (PHI) DHS must establish and maintain various security controls to the satisfaction of governing federal authorities, certain safeguards designed to prevent unauthorized use and disclosure and to protect the confidentiality, of that information. In some cases, failure to maintain a successful Information Security workforce could result in noncompliance with these safeguards. Furthermore, the failure to comply with laws such as the Health Insurance Portability and Accountability Act (HIPAA) could result in both civil and criminal penalties.

To maintain a reliable information security workforce development program, emphasis must be placed on developing and institutionalizing core information security capabilities of key personnel. This can be accomplished by ensuring that members of the information security workforce carry current certification, and also, to provide training opportunities to improve and keep up with the latest threats which are essential in the success of an Information Security program.

Funds for three (3.00) Exempt Positions for Information Security and Compliance Office and Transfer Funds from Other Current Expenses to Personal Services (904AA-03)

Request: FTE (P) 1.20 A/1.80 N and \$20,151 N for FY20 and for FY21

The Department administers several federal programs where individual and family information is collected and maintained to support eligibility determination and distribution of benefits. Programs include Medicaid (medical assistance), Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance to Needy Families (TANF), and Low Income Home Energy Assistance Program (LIHEAP). As such, the department is subject to a variety of federal regulations that require the safeguarding and protection of confidential information.

As the State agency administering the SNAP, TANF and Medicaid programs, DHS is responsible for the security of the information systems supporting these programs. This includes the designation of an agency security personnel; the establishment of security related policies and procedures that address the physical security information systems and personnel practices; and a biennial review of the security plan and program. 45 CFR 155.260 and 155.280 go further and introduce the obligation of the Medicaid program to protect the privacy and security of Personally Identifiable Information (PII). These regulations establish the privacy and security controls necessary for compliance. Such controls are to be documented in a System Security Plan that is required to be monitored continuously and attested to annually.

Due to the difficulty in recruiting and filling information security positions, the Department initially chose to make information security and privacy compliance officer, security engineer, and security analyst contract positions to assist with the development and implementation of sound information privacy and security practices. These included high-level departmental policy direction related to security and privacy by establishing standards, guidelines, and procedures to be followed by the divisions and staff offices that are consistent and current with federal and state law and other regulatory changes. The contractors also work with the staff and various information systems contractors to ensure the systems meet the business needs while addressing new and emerging threats.

As a condition for receiving Federal tax information (FTI), DHS' security analyst and security engineer positions need to be government employees as opposed to contractor positions to prevent unauthorized access, disclosure, and use of FTI. IRS federal safeguards requirements pursuant to IRC § 6103(l)(7) restricts FTI access to government employees and the Federal Health and Human Services clearly states that contractors are not allowed access to FTI for any purpose. The elevated privileges required by the existing security analyst and security engineer to accomplish their sensitive responsibilities necessitates that they are in government as opposed to contractor positions.

The requested three positions are critical for the establishment and operation of a DHS Security Management Program that ensures compliance with security requirements including the FBI Criminal Justice Information Services (CJIS) Security Policy, Health Insurance Portability and Accountability Act (HIPAA) (Section §164.308), and IRS Publication 1075. The Information and Security and Privacy Compliance Officer, Security Analyst and Engineer positions are responsible for creation, administration, and oversight of security related policies, procedures, and technologies to ensure the prevention, detection, containment, and correction of security breaches. Furthermore, failure to comply with HIPAA can also result in civil and criminal penalties.

Establish three (3.00) Exempt Temporary Positions and Transfer Funds from Other Personal Services to Personal Services (904AA-05)

Request: FTE (T) 3.00 A for FY20 and for FY21

DHS requests to establish (3) exempt temporary positions within the office of the Director. The three (3) are the policy director, the special assistant to the Director, and the community/project development director.

The Policy Director will serve as an advisor to the Department Director in the review of policy formulation and strategies by analyzing complex issues and problems affecting government operations and identifying legislative and administrative strategies to improve departmental operations; establishes and liaises with the State legislative staff members and lobbyists for community groups; assist in developing responses to Legislative and other inquiries regarding policy matters involving Divisions within the Department; assist Divisions, apply and embed

‘Ohana Nui concept/strategy in all DHS programs; and perform other duties as assigned.

Special Assistant to the Director will work with the director and the deputy director in managing the policy and ongoing operations across the department, and will service four major divisions, six staff offices, two administratively attached agencies and two commissions. This position will provide and be tasked with policy activities and other executive duties as assigned; manage special projects, community development and advocacy efforts; and work with the director in overseeing the expanded span of jurisdiction and lend stability to the operations. The expanded span of jurisdiction and control has made it virtually impossible for the director and deputy director to manage the department’s operations with the level of attention they feel is required; therefore, the requested staff is needed to stabilize operations and advance the above initiatives.

The Community/Project Development Director will assist with managing the policy work and numerous projects assigned to the department, including embedding and operationalizing ‘Ohana Nui throughout the department addressing statewide homelessness; the individual and family functions of the State-based Marketplace using the Federal Platform (SBM-FP, previously under the Hawaii Health Connector); ensuring continued access to health coverage for State residents from the Compact of Free Association nations; and building a collaborative, and integrated multi-generational service model for children and families.

In the last 3 years, the Community and Development Project Director has collaborated with national partners, Aspen Institute, National Governors Association, American Public Human Services Association, Administration for Children and Families, Federal Reserve Bank, and others to establish best practices and inform federal policy enhancements; built DHS’ capacity for transformation and develop change agents at all levels through in-person and technology-assisted professional development, including organizational development coaching, formal course work, learning teams, pilot projects, mentorships, cross-department and multi-state site exchanges; partnered across all sectors to create economies of scale, reduce redundancy and close gaps in access and delivery of human services; optimize finite state and federal dollars and resources.

In addition to maintaining oversight of all DHS programs, to continue the transformation of DHS to an integrated and multi-generational delivery system, the Director's office pursued several grants opportunities.

Accountable Health Communities, Addressing the Critical Gap Between Clinical Care and Social Services in Hawaii's Current Healthcare Delivery System; 2017 - 2022, a 5-year grant from CMS for DHS to partner with United Healthcare to test whether, consistent with ‘Ohana Nui, systematically identifying and addressing the health-related social needs of Medicare and Medicaid beneficiaries through screening, referral and community navigation services will impact health care quality, utilization and costs, and beneficiary and provider experiences.

Fostering Cross-Sector Collaboration to Address the Health and Success of Children and Families: Cross-Sector Collaboration Learning Lab; 2018, a 5-state, 16-month technical assistance grant from the National Governors Association to address educational, social, economic, and environmental factors that improve the health and overall success of children and families, with Hawaii's DHS, DOE, and DOH, to align the departments' overarching goals, examine and understand the knowledge management cultures of each department, establish governance and standardization of the process to access cross-system data, and come to an agreement of shared short-term and long-term performance measures.

Determining Metrics and Outcomes to Evaluate and Validate the State of Hawaii's 'Ohana Nui Strategy; 2017, a 6-month technical assistance grant from Ascend at The Aspen Institute and the Urban Institute to make the business case for its transformation efforts, utilizing individual, family, program and system data to directionally substantiate the end goals of breaking the intergenerational cycle of poverty for children and families, closing service gaps and eliminating redundancy, and improving government efficiency and reducing costs.

'Ohana Nui as a Catalyst for Moving up the Health and Human Services Value Curve; 2017, a 1-year technical assistance grant from the American Public Human Services Association to ensure that we continue to evolve the way we deliver health and human services so that enhancements are made from children's and families' points of view, and that integrity, service, addressing root causes, and positively impacting determinants of health and self-sufficiency are milestones as we evolve through the stages of our progress.

Establish four (4.00) Exempt Temporary Positions for Information Technology (IT) Modernization Project (904AA-06)

Request: FTE (T) 2.04 A/1.96 N and \$188,501 A/\$276,030 N for FY20 and for FY21

The purpose of the IT Modernization Project is to replace the department's old mainframe systems with modern technology to serve the beneficiaries of the programs administered by the Med-QUEST Division (MQD); the Benefit, Employment, and Support Services Division (BESSD); and the Social Services Division, in a more comprehensive and efficient manner. MQD was the first division to transition from the department's nearly 30-year-old mainframe system, HAWI, to the new Kauhale On-Line Eligibility Assistance (KOLEA) application and underlying platform. DHS intends to transition BESSD and SSD off the old mainframe systems by leveraging the system infrastructure and capabilities established by MQD. The next phases of the project include BESSD's Benefits Eligibility Solution and SSD's Comprehensive Child Welfare Information System.

The IT Modernization Project will support the implementation of the department's 'Ohana Nui initiative which aims to invest early and concurrently in children and families to improve health outcomes and reduce the impact and incidents of poverty. An integrated eligibility solution will allow applicants to apply for multiple programs and benefits at the same time, validate and verify information electronically, and determine eligibility efficiently to assist families in

accessing services as soon as possible.

Position Justification:

Pos No. 121315 - Info Tech Implementation Manager is essential to develop overall project plans including project governance and decision making structure, identify and validate functional requirements including workflows, and technology support needs, develop procurement strategies, assess the impact on and implement changes to existing policies, procedures, business processes and organization structure, and implement communications, change management and training initiatives.

Pos No. 121414 - Assistant Information Technology Implementation Manager is essential to assist the Information Technology Implementation Manager in the development and managing of the overall project and all its components.

Pos No. 122450 - Resource Manager is essential to work with project managers to ensure adequate resources are available and directed at the various projects for a smooth integration and to identify risks associated with the interdependencies between the projects.

Pos No. 122738 -Graphic Designer/Art Director is essential for data and workflow visualization to provide graphic design and art direction for all project collateral to inform internal and external stakeholders on system and process changes and helps to ensure technical aspects of the project are understood by the DHS workforce and clients through visual components. This position is responsible for communicating and messaging to the DHS workforce on the need for and movement toward business process transformation, organization change management, and training initiatives to condition the workforce on its applicability and efficacy in fulfilling the DHS Mission.

Funds for Contract Services for Program Management Office (904AA-07)

Request: \$120,000 A/\$280,000 N for FY20 and \$156,000 A/\$364,000 N for FY21

The Department is implementing an integrated enterprise solution that will improve service to its clients (applicants and beneficiaries) more efficiently and effectively. The new system will enable individuals and families to apply for services on-line and perform self-service functions, and enable the department to determine eligibility consistently and timely. The Program Management Office (PMO) is responsible in overseeing the implementation of the integrated solution that includes various design, development, and implementation projects for Med-QUEST Division (MQD), Benefits, Employment and Support Services Division (BESSD), and Social Services Division (SSD).

Currently, PMO has three positions required to oversee the implementation, and more staff are needed to provide the enterprise architect services, oversight of the budget (all projects include federal funds), contracts, and quality of the projects.

Due to the difficulty in establishing, recruiting and filling positions, the Department seeks a contractor to provide these services.

At present, approximately 70% of the implementation costs are being funded through federal funds, and it is important to ensure all contracts and purchases are appropriately accounted for with the state and federal funds. While quality is viewed from various aspects (project team and Independent verification and validation services), the PMO reviews the quality of implementation across multiple projects. Given the size and breadth of the projects, at least one individual should be devoted to reviewing the deliverables to ensure the various projects are being built for integration as opposed to modernized "silos." In the end, it is important that the vendors deliver high quality products that meet the current and future needs of the department.

If PMO cannot contract the services, the Department will be at risk for developing a system that is not expandable and not adaptable to accommodate future programs and changes. The federal government, in providing funding, expects that the end system would be built using industry standards, using modularity and be interoperable. The PMO, with these new positions along with the project managers, will help to ensure the projects are implemented meeting the federal requirements. Proper budgeting and financial oversight of the projects are needed so the department reduces its risk for not providing adequate information, timely submission of reports and claims for the federal funds for the project.

FRINGE BENEFITS

MOF A fringe benefits for DHS employees is not appropriated to DHS, but is determined and included in B&F's budget. DHS includes only the federal portion or MOF N in its budget.

	<u>FY20</u>	<u>FY21</u>
MOF N	\$2,720,283	\$2,948,735