



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
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February 11, 2020

TO: The Honorable Representative Aaron Ling Johanson, Chair
House Committee on Labor & Public Employment

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 1664 HD1 – RELATING TO HUMAN SERVICES**

Hearing: February 13, 2020, 9:00 a.m.
Conference Room 309, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this bill, suggests amendments, and offers comments. DHS appreciates the amendments of the Committee on Human Services & Homelessness.

PURPOSE: Requires DHS to convene a study group to examine the efficiencies and effectiveness, including program outcomes, of DHS's supporting employment empowerment Hawaii work program and submit a report to the legislature prior to the 2021 regular session. Effective 12/31/2059. (HD1)

DHS established the Supporting Employment Empowerment Hawaii Work Program (SEE) in 2006 through Hawaii Administrative Rules (HAR), as amended effective March 20, 2017. HAR §17-795, Supporting Employment Empowerment Program (SEE), may be accessed at: <https://humanservices.hawaii.gov/wp-content/uploads/2017/03/HAR-17-795-Supporting-Employment-Empowerment-SEE-Program.pdf>.

The SEE Program continues to be a valuable tool for our TANF participants in establishing employment opportunities having placed 188 participants into subsidized employment placements through the network of 44 participating employers this past year.

DHS appreciates the suggestion of a work group to evaluate the SEE program, however, we recommend that funds for a third-party evaluator be appropriated for DHS to evaluate the SEE program. The evaluation should include "focus groups" to include First To Work (FTW) case managers, current and former FTW participants, and employers. We respectfully request that any appropriation not supplant a budget priority identified in the executive budget.

We ask that the Legislature appropriate funds to re-fund the Exit & Retention Program. 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, however, it did not make an appropriation for the benefits; this request is to fund the program benefits. We are requesting for State Fiscal Year 2021, a general fund appropriation of \$225,120 with a match of \$900,480 in federal TANF funds.²

Previously, the Exit and Retention Bonuses program was established under the "Reward Works" initiative in 2009. Employed TANF 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 modifications to the HANA system are projected to complete in March 2020, and the adoption of the proposed rule amendments is projected for June 2020. The implementation of the Exit and Employment Retention Bonus Program may be implemented in early SFY 2021, provided funds for the bonus payments are appropriated.

We estimate about 80% of the 1,050 would be eligible for federally-funded bonuses; therefore, 20% of the projected bonus payments will need to be funded with State general funds.

Thank you for the opportunity to testify on this bill.