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DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
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### Testimony of the Office of Community Services

Good Morning Chairs Chun-Oakland and Takamine, Vice Chairs Ihara and Taniguchi and members of the committee,

My name is Sam Aiona and I am testifying as the Executive Director of the Office of the Community Services in support of SB 1182. The Office of Community Services, as you know or found out from your briefings, currently administers over seventy contracts in eighteen program areas to ensure the self-sufficiency of low-income persons, refugees, and immigrants. As the Governor mentioned in her state-of-the-State address, it is time for officials of the State to elevate our leadership roles. Offices like our own, which specialize in disadvantaged clients, will be called upon to improve and expand our services while at the same time keeping a tight rein on our spending. We believe that these goals, seemingly at odds with each other, can be accomplished with an administrative move to the Department of Human Services.

OCS was created in part to consolidate a number of programs that deal with economic and personal self-sufficiency, as well as community building. At the time of our establishment, the chief indicator of self-sufficiency was the attainment and maintenance of employment. Our focus then was on programs that trained and readied people for employment, our so-called "Employment Core" services. The definition of "Employment Core" fit well with the Department of Labor and Industrial Relations, to which we became administratively attached. Given our flexibility as an attached agency and our broad mission statement, over time OCS acquired and developed supportive services and programs linked to Employment Core services, and appropriately to the low-income, immigrant and refugee population. As the Office's identity emerged, employment training became a component in a more holistic approach to self-sufficiency.

At present, the number of people served by our Employment Core Services in FY 08 numbered slightly over 1,900 individuals, while the number of persons served by other programs in OCS numbered well over 25,000. Though Employment Core is still an important component of our total program package, it is no longer overwhelmingly the focus of our Office. Therefore, our program mission no longer aligns with that of the Department of Labor. OCS, under DHS, would be able to expand upon the good work we do under the DLIR by proposing new, more expansive measures of effectiveness that go beyond the narrower focus of the DLIR's mission.

We believe that Governmental programs should be constantly evaluated. A move to the Department of Human Services, we believe, would create certain efficiencies that would benefit the State and the clients we serve. Though not consolidation in the strictest sense, programs such as First-to-Work (administered by BESSD) and Employment Core would work together to

provide a seamless continuum of services for those that progress from below the Federal poverty line up to 150% of that standard. A continuum such as this could conceivably be administered by a few specialized employees, saving administrative costs. An added benefit of OCS being an attached agency is that in tough economic times, such as those we may yet face, we can adjust our client eligibility standards to consider Hawai'i's economy in relation to the Federal standard.

For our clientele, multiple contracts for similar services awarded to a single service provider would reduce the amount of paperwork required, reduce the amount of accounting hours by DAGS, streamline payment and encumbrance procedures, and reduce the workload on the Procurement Office, streamlining contracting. Also, an enduring relationship between an experienced administrator and the service providers could lead to innovative new programming, institutional memory, and smoother, more educated contract negotiation.

With regards to the addition of the Homeless program by OCS, we believe we have the capacity and expertise to more effectively administer the contracts the Homeless Branch currently oversees than the current agency. Our planning department has an excellent relationship with the State Procurement Office (SPO). We believe OCS has the necessary expertise to run both State and Federal contracts utilizing both the State and Federal fiscal year. This is evidenced by our current administration of Federal Programs, like the Community Services Block Grant and Weatherization for Low-Income Persons, and State Programs, like Job Creation or Employment Training for Low-Income Persons. There is support from many different sectors to move the Homeless Branch out of the Hawaii Public Housing Authority. It is recognized that HPHA's primary function is the administration of housing inventory, whereas the Homeless Branch deals more with programs that alleviate the issues that cause homelessness. We feel that the merging of our offices can create a continuum of services that will provide help to take people from the street to self-sufficiency. However, it remains up to the legislature to decide which agency would serve the goals of the Homeless Branch best.

These are a few things OCS believes we can accomplish by re-establishment under the auspices of the Department of Human Services. We humbly ask for your support of OCS's move to DHS under Senate Bill 1182. If in fact, you feel Homeless Branch does not belong in OCS an administration bill, SB 905 exists to facilitate just the OCS move to DHS. I thank you for your time and am available to answer any questions you may have.



## HAWAII COUNTY ECONOMIC OPPORTUNITY COUNCIL

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To: Committee on Human Services  
Committee on Labor  
Date: Thursday, February 12, 2009  
Time: 1:30 p.m.  
Place: Conference Room 016 – State Capitol

**Re: TESTIMONY OF GEORGE YOKOYAMA IN SUPPORT OF SB 1182 –  
RELATING TO COMMUNITY SERVICES AND THE STATE HOMELESS  
PROGRAMS**

Honorable Chairpersons and Members of the Committees,

On behalf of Hawaii County Economic Opportunity Council (HCEOC), a community action agency, I testify in support of Senate Bill 1182 which transfers the Office of Community Services (OCS) from the Department of Labor and Industrial Relations (DLIR) to the Department of Human Services (DHS). States Office of Community Services work together with local Community Services Block Grant (CSBG) providers as defined under section 673(1) of the CSBG Act, to prepare annual State Plans that address employment, education, income management, housing, nutrition, emergency services, and health, services that are more aligned with the function and purpose of the DHS than the DLIR.

Since the establishment of OCS under the DLIR, state general funds for OCS activities has been significantly reduced from \$8.5 million to \$3.5 million, a cut of \$5 million due to non-federal general revenue shortfall and discretionary budget restrictions imposed upon State departments. OCS budget restrictions are passed down to agency providers and the disadvantaged population served.

The transfer of OCS to DHS increases the overall effectiveness of federal and state funds, creates an opportunity for one-stop services to enable the public to access social services programs, and enhances coordination and efficiencies between human services programs.

Thank you for the opportunity to testify.

  
George Yokoyama  
Executive Director

LINDA LINGLE  
GOVERNOR



LILLIAN B. KOLLER, ESQ.  
DIRECTOR  
HENRY OLIVA  
DEPUTY DIRECTOR

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

February 12, 2009

**MEMORANDUM**

TO: The Honorable Suzanne Chun Oakland, Chair  
Senate Committee on Human Services  
  
The Honorable Dwight Y. Takamine, Chair  
Senate Committee on Labor

FROM: Lillian B. Koller, Director

SUBJECT: **S.B. 1182 - RELATING TO COMMUNITY SERVICES AND THE  
STATE HOMELESS PROGRAMS**

Hearing: Thursday, February 12, 2009; 1:30 p.m.  
Conference Room 016, State Capitol

**PURPOSE:** This bill creates the Office of Homeless and Community Services under the Department of Human Services and transfers the Office of Community Services (OCS) from the Department of Labor and Industrial Relations (DLIR) and the Homeless programs from the Hawaii Public Housing Authority (HPHA) to the Department of Human Services (DHS).

**DEPARTMENT'S POSITION:** The Department of Human Services supports the intent of this bill but cannot support it as written. The Department respectfully requests the Committee to defer this bill and support, instead, the following four Administration-sponsored bills: H.B. 1087 and S.B. 905 propose to transfer the OCS from DLIR to DHS and establish it as an attached agency; and separately, H.B. 1092 and S.B. 910 propose to transfer the State Homeless program, currently within the HPHA, to the

Benefit, Employment, and Support Services Division (BESSD) of the DHS. These four Administration-sponsored bills better achieve the intent and purpose of this bill.

The transfer of OCS and the Homeless program separately will allow each to concentrate on assimilating their own programs into DHS so that the transfers can be efficient with no disruption to their programs and services to clients. The Administration's proposed two separate bills that transfer the OCS intact as an administratively attached agency to DHS and placing the homeless program in BESSD will facilitate the smooth transfer of OCS and the homeless program.

The transfer of the OCS from the DLIR and the Homeless program from the HPHA to DHS will strengthen and improve the delivery of human services programs.

We believe that the primary functions of OCS and the State homeless program more readily correspond to the mission, objectives and responsibilities of DHS, which is to provide timely, efficient and effective programs, services and benefits, for the purpose of achieving the outcome of empowering those who are the most vulnerable in our State to expand their capacity for self-sufficiency, self-determination, independence, healthy choices, quality of life and personal dignity.

DHS is the appropriate placement for OCS and State homeless programs since they offer programs that give low-income persons, disadvantaged persons, refugees, immigrants, and homeless individuals the tools to attain self-sufficiency, such as employment and job training, child care, and general assistance. This realignment will improve DHS' coordination and delivery of homeless services to Hawaii's homeless population, both singles and families.

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



**STATE OF HAWAII**  
DEPARTMENT OF HUMAN SERVICES  
HAWAII PUBLIC HOUSING AUTHORITY  
1002 NORTH SCHOOL STREET  
POST OFFICE BOX 17907  
Honolulu, Hawaii 96817

Statement of  
**Chad K. Taniguchi**  
Hawaii Public Housing Authority  
Before the

**SENATE COMMITTEE ON HUMAN SERVICES  
SENATE COMMITTEE ON LABOR**

February 12, 2009 1:30 P.M.  
Room 016, Hawaii State Capitol

In consideration of  
**S.B. 1182**

**RELATING TO COMMUNITY SERVICES AND THE STATE HOMELESS PROGRAMS**

The Hawaii Public Housing Authority (HPHA) appreciates the intent of H.B. 1406, which would transfer the Office of Community Services (OCS) and Homeless Programs branch of the Hawaii Public Housing Authority (HPHA) and merge their functions into one agency under the Department of Human Services (DHS).

However, we do not support H.B. 1406 as the vehicle for doing so. We support moving the two programs to DHS as outlined in the Administration's legislative proposals in:

- S.B. 910 and H.B. 1092 (moving Homeless Programs); and
- S.B. 905 and H.B. 1087 (moving OCS).

The Administration's approach to this coordination of services does not mandate a merging of the two into one agency; that coordination is best left to a careful analysis once they are co-located in DHS. HPHA supports this approach.

LINDA LINGLE  
GOVERNOR



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TESTIMONY  
OF  
AARON S. FUJIOKA  
ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE  
SENATE COMMITTEES  
ON  
HUMAN SERVICES  
AND  
LABOR

February 12, 2009

1:30 PM

SB 1182

RELATING TO COMMUNITY SERVICES AND THE STATE HOMELESS PROGRAMS.

Chair Chun Oakland, Chair Takamine, Vice-Chair Ihara, Vice-Chair Taniguchi, and committee members, thank you for the opportunity to testify on SB 1182. This bill creates the office of homeless and community services under the department of human services.

The State Procurement Office (SPO) testimony on SB 1182 is limited to SECTION 2 page 16, which allows an exemption from HRS Chapter 103F for the selection of provider agencies to administer programs for the homeless. HRS Chapter 103F provides a health and human services competitive procurement process which applies to all contracts made by state agencies for the benefit of Hawaii's residents.

As a public entity, the state must maintain an open, fair and equitable treatment of all providers who deal with the state's procurement system, maximize the purchasing value of public funds, and foster broad-based competition within the free enterprise system. Statutorily exempting an agency from the requirements of HRS Chapter 103F is not in the best interest of government, the health and human services provider community, and the general public. The competitive procurement processes are to insure that all potential providers are afforded the opportunity to compete for the required services through established time-tested, fair, and reliable set of rules and processes for award of contracts. To the extent agencies may need specific items to be exempt, the current statutes provide an exemption process.

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There is no compelling reason to statutorily exempt the office of homeless and community services from the requirements of HRS Chapter 103F since the statutes already provides independence and flexibility in the procurement process.

The SPO recommends amending page 16, lines 5 and 6, as follows:

“...this chapter, shall not be subject to chapters 42F, 102, and 103, ~~and 103F.~~”

Thank you



## CATHOLIC CHARITIES HAWAII

TO: Senator Suzanne Chun Oakland, Chair  
Senator Les Ihara, Jr., Vice Chair  
Committee on Human Services

Senator Dwight Y. Takamine, Chair  
Senator Brian T. Taniguchi, Vice Chair  
Committee on Labor

FROM: Stella M.Q. Wong, Vice President of Programs 

DATE: Thursday, February 12, 2009 (1:30 p.m., Room 016)

RE: **Opposition to SB 1182, Relating to Community Services and the State Homeless Programs**

Catholic Charities Hawaii (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawaii for over 60 years. The Agency has programs serving immigrants, refugees and homeless families through contracts with both the Office of Community Services (OCS) and the State Homeless Programs.

**We do NOT support SB 1182** which proposes to merge OCS and the State Homeless Programs.

**We RECOMMEND:** That the committee consider alternative bills which allow the **transfer** of: 1) OCS to the Department of Human Services; and 2) the Homeless Programs out of the Hawaii Public Housing Authority (HPHA) to the Benefit, Employment, and Support Services Division. **We support the following bills which would allow for these transfers without a merger of the two offices:**

- **HB 1087, HB1092, SB905, SB910**

We are recommending that the Homeless Programs be transferred from HPHA to the Benefit, Employment, and Support Services Division (BESS) as this would provide more streamlining and efficiency in procurement and contracting. We feel that placing Homeless Programs directly under BESS would be the best fit since BESS already has the infrastructure to support more efficient and timely contracting and will be able to provide other support as needed. No additional costs would be needed to create new infrastructure, since the transfer would be to an existing DHS department. Furthermore, BESS is a more appropriate fit for the homeless programs since they deal with similar funding sources and similar clients.

While there is some overlap of clients between OCS and Homeless Programs, there are also distinct differences.



- Of the clients served by Catholic Charities Hawai'i through contract with OCS, only 1% is homeless.
- The immigrant population served by Catholic Charities Hawai'i through contract with OCS includes a significant number of Chinese, Vietnamese, Filipino and Spanish clients. These populations are not highly represented in the homeless population.
- Employment challenges for immigrants often pertain to lack of English language skills and acculturation issues. Employment challenges for homeless families often pertain to lack of competitive job skills, functional literacy, family history of poverty, and other related issues.

While both immigrant and homeless populations are extremely diverse and the above information is not representative of all of them, the basic message we wish you to consider: The issues that cause people to become homeless are not necessarily the same issues faced by immigrant and refugee populations. Therefore, to combine these two offices into one would be a disservice to the populations that they are meant to serve.

**Catholic Charities Hawai'i opposes SB 1182 and asks that your committees consider the bills listed above that allow for the transfer of the two departments but do not include their merger.**

If additional information is needed, please feel free to contact me via phone at 535-0889 or via email at [swong@catholiccharitieshawaii.org](mailto:swong@catholiccharitieshawaii.org). **Thank you.**