



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**

AFSCME Local 152, AFL-CIO

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A 4  
**L A W E**

The Twenty-Fifth Legislature, State of Hawaii  
House of Representatives  
Committee on Finance

Testimony by  
Hawaii Government Employees Association  
April 6, 2009

S.B. 294, S.D. 2 (Proposed H.D. 1) –  
RELATING TO STATE  
DEPARTMENTS

The Hawaii Government Employees Association does not take a formal position with respect to the proposed reorganization of state government contained in S.B. 294, S.D. 2 (Proposed H.D. 1). This is a policy decision that properly rests with the Legislature. During this period of economic uncertainty, it is necessary to carefully consider how state government can become more effective and efficient. However, we have one recommendation, which is to leave the State Health Planning and Development Agency as an independent entity administratively attached to the Department of Health. This will preserve the agency's independence.

Our primary concern is for the employees, both civil service and exempt, who will be affected by the elimination and transfer of various programs to other departments. It is especially important that the rights and benefits of civil service employees are protected within this legislation. Section 65 of the bill contains some of the needed protections, although we have suggested language to strengthen subsection (b), which we can provide to the committee.

Thank you for the opportunity to testify on S.B. 294, S.D. 2 (Proposed H.D. 1).

Respectfully submitted,

Nora A. Nomura  
Deputy Executive Director

SUGGESTED AMENDMENTS TO S B. 294, S.D. 2 (Proposed H.D. 1)

Part XVI

SECTION 65.

(b) All officers and employees whose functions are transferred by this Act shall be transferred with their functions and shall continue to perform their regular duties upon their transfer subject to the state personnel laws and this Act; except that an officer or employee whose position is no longer authorized under the General Appropriations Act of 2009 shall not be transferred. In the event that a position held by any employee having permanent civil service status or membership is no longer authorized under the General Appropriations Act of 2009, such employee shall remain in the employment of the State in accordance with the civil service law, the applicable bargaining unit contract, or the state personnel rules and regulations, whichever is applicable.

(c) No officer or employee who has been transferred pursuant to subsection (b) who has tenure shall suffer any loss of salary, seniority, prior service credit vacation, sick leave, or other employee benefit or privilege as a consequence of this Act.

(d) Any employee who, prior to this Act, was exempt from civil service and who may be transferred as a consequence of this Act, may continue to retain the employee's exempt status, but shall not be appointed to a civil service position because of this Act. No exempt employee who is transferred by this Act shall suffer any loss of prior service credit, any vacation and sick leave credits previously

earned, or other employee benefits or privileges as a consequence of  
this Act.

~~(d) If a position held by an officer or employee having tenure  
is no longer authorized under the General Appropriations Act of 2009,  
the movement of an officer or an employee to another position shall  
be subject to the applicable collective bargaining agreement.~~



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LATE

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Date: April 3, 2009

TO: HOUSE FINANCE Committee  
Rep. Marcus Oshiro, Chair  
Rep. Marilyn Lee, Vice-Chair

From: Teresa Bill *TBill*

RE: **SB294, sd2 hd1 Proposed**, relating to Executive Branch Reorg.  
Propose Amendments / Oppose Section 64

Monday April 6, 2009 5:00 p.m. *Agenda #4*  
State Capitol Conference Room 308

LATE

I am Teresa Bill, testifying in regards to SB 294, sd2, hd1 with suggested amendments to reinstate a portion of section 64 , relating to the Research Division of DBEDT, under HRS §201-3 (6) Self-sufficiency standard.

I propose that the biennial calculation of a "Self-Sufficiency Standard" should continue to be a function of the research office of DBEDT.

I was a co-director of the group that facilitated the development of the Hawai'i Family Economic Self-Sufficiency Standard (HI-FESS) published in April 2003. The community has worked very hard for several years to statutorily establish that DBEDT would conduct the biennial updates; the first of which was produced for the 2009 legislature using the most current (2007 data). The community of advocates for working families is pleased with DBEDT's report and the information is available and useful for a variety of calculations. Attached to my testimony is a page from the Self-Sufficiency Standard that details the wages needed to support a family of 3; and it is sophisticated enough to differentiate between a family of 3 with 1 adult earner and 2 children; or 2 adults with 1 child.

The Self-Sufficiency Standard provides a "reality-based model" of determining the wages, benefits and work supports necessary for families to be "economically self-sufficient" – which means how much does a family need to earn so they do not need any government or private subsidies to provide a very basic standard of living. The Federal Poverty Level of \$21,060 for a family of 3 in Hawaii is laughable and not a serious indicator of the real costs facing families. It is appropriate that the Dept. of Business, Economic Development & Tourism be the agency calculating and disseminating a self-sufficiency standard, (including different size families living in different counties). We need to know if our economy includes jobs that can support our families. Government agencies make decisions that impact family self sufficiency and we need a reality-based calculation. Many federal programs use the term, "self sufficiency" but we need to define it – and consistently update that calculation.

If the function of DBEDT continues to be to “make broad policy determinations with respect to economic development in the State and to stimulate through research and demonstration projects those industrial and economic development efforts that offer the most immediate promise of expanding the economy of the State,” (Section 58, pg. 85 of HB1260, sd1) then DBEDT needs to know how much it costs to live in Hawaiʻi to accurately assess and discuss the economic development potential of various industries. The proposed SD1, eliminates many of the specific research and promotional functions of DBEDT but the biennial calculation and reporting of Hawaiʻi’s self-sufficiency standard should remain.

If however, DBEDT is gutted and research offices are unavailable to conduct the biennial study, I would support that the calculation of the self-sufficiency standard be transferred to the University of Hawaiʻi, like many other functions discussed in this bill. The UH Center on the Family or the UHERO (University of Hawaiʻi Economic Research Organization) are logical sites with capable but small staff.

I implore you to consider amending Sb294, sd2, hd1 to maintain the calculation and biennial reporting of a Family Self-Sufficiency standard, whether at DBEDT or elsewhere.

Thank you for this opportunity to testify.

Please see attached page 3 for full-page of January 2009 DBEDT Self-Sufficiency Standard.

**Table 2. Self-Sufficiency Family Budgets for Selected Family Types, Honolulu County, 2007**

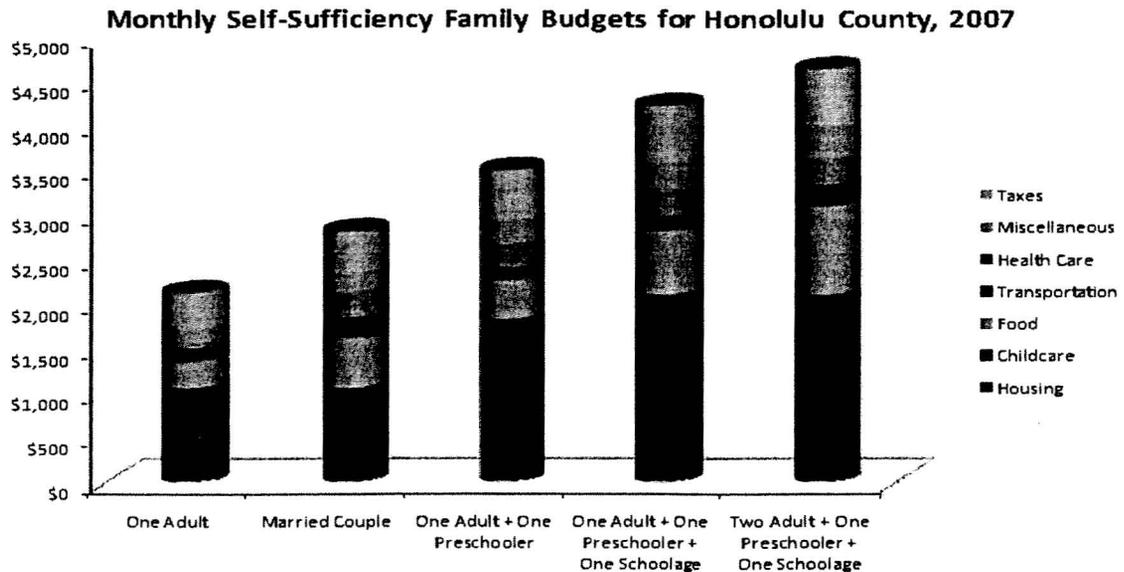
Monthly Costs	One Adult	Two Adult Family	One Adult + One Preschooler	One Adult + One Preschooler + One Schoolage	Two Adult + One Preschooler + One Schoolage
Housing	\$1,058.00	\$1,058.00	\$1,279.00	\$1,279.00	\$1,279.00
Childcare	\$0.00	\$0.00	\$546.00	\$825.43	\$825.43
Food	\$308.71	\$577.17	\$443.33	\$730.30	\$1,004.23
Transportation	\$137.57	\$216.35	\$137.57	\$147.57	\$226.35
Health Care	\$61.73	\$280.23	\$266.06	\$279.41	\$296.84
Miscellaneous	\$154.60	\$213.17	\$267.20	\$326.17	\$363.18
Taxes	\$413.16	\$480.62	\$576.56	\$639.74	\$645.66
<b>Total</b>	<b>\$2,133.77</b>	<b>\$2,825.54</b>	<b>\$3,515.71</b>	<b>\$4,227.61</b>	<b>\$4,640.69</b>

Self-Sufficiency Income Requirement					
Hourly	\$12.12	\$8.03	\$19.98	\$24.02	\$13.18
Monthly	\$2,133.77	\$2,825.54	\$3,515.71	\$4,227.61	\$4,640.69
Annual	\$25,605.24	\$33,906.48	\$42,188.50	\$50,731.34	\$55,688.23

% by Which Self-Sufficiency Income Is Above or Below Selected Income Benchmarks					
Poverty Threshold	117.9%	115.3%	167.9%	156.9%	134.5%
Minimum Wage	67.2%	10.7%	175.5%	231.3%	81.8%
Median Income	-19.2%	-57.7%	16.8%	35.5%	-33.9%

% of Families with Income Below Self-Sufficiency Level (based on ACS-PUMS data)					
Honolulu County Total	42.9%	11.1%	67.6%	78.2%	24.7%

**Figure 2. Monthly Self-Sufficiency Family Budgets for Honolulu County, 2007**



**LATE**

**LINDA LINGLE**  
GOVERNOR OF HAWAII



**CHIYOME LEINAALA FUKINO, M.D.**  
DIRECTOR OF HEALTH  
*Agenda 4*

**STATE OF HAWAII**  
**DEPARTMENT OF HEALTH**  
P.O. Box 3378  
HONOLULU, HAWAII 96801-3378

In reply, please refer to:  
File:

**WRITTEN TESTIMONY**

**Committee on Finance**

**SB 294, SD2, HD1, Relating to State Departments**

**Testimony of Chiyome Leinaala Fukino, M.D.**  
**Director of Health**

**April 6, 2009**

1 **Department's Position:** The Department STRONGLY OPPOSES Part XIII of SB 294, SD2, HD1,  
2 which proposes to transfer the administration of the state health planning and resource development  
program to the Department of Health.

4 **Fiscal Implications:** Unknown

5 **Purpose and Justification:** The State Health Planning and Development Agency (SHPDA) has  
6 processed over 120 Certificate of Need (CON) Applications since January 2005. These applications  
7 represent over \$85,000,000 in health care capital expenditures annually. Integral to the CON process is  
8 the staffing of six subarea health planning councils and the Statewide Health Coordinating Council by  
9 SHPDA personnel. The Agency is also responsible for the collection of health care provider statistics  
10 and development and ongoing revisions of the State Health Plan. The Department of Health (DOH)  
11 cannot perform these additional statutory duties without additional resources.

12 In addition, the proposed bill contains technical flaws and creates ambiguity and uncertainty in  
13 the certificate of need process. For example, the bill deletes the position of administrator of the agency,  
but fails to appropriately revise portions of Chapter 323D, Hawaii Revised Statutes (HRS) that require  
15 the administrator of the Agency to take action, such as presiding over public meetings requested

1 pursuant to 323D-44.5 HRS. Although the proposed bill states that an independent officer will make  
2 decisions on certificate of need applications that involve the department of health, it is not clear as to  
3 who will make decisions on all other certificate of need applications. The bill proposes to replace the  
4 reconsideration committee of the agency with the department of health. This creates an inherent conflict  
5 of interest as the department of health would be able to solely determine whether its own decision  
6 should be reconsidered as opposed to a committee of five individuals. Finally, this bill would add  
7 expense to the program by requiring the department to compensate the independent officer. This  
8 compensation is currently not necessary as the agency is attached to the department for administrative  
9 purposes only and therefore conflict of interest issues are avoided.

10 Thank you for the opportunity to testify.



House FINCommittee  
Monday, April 6, 2009  
5 PM  
Room 308

National Association of Social Workers

Hawaii Chapter

April 6, 2009

**LATE**

TO: Rep. Marcus Oshiro, Chair  
And members of the House Finance Committee

FROM: Debbie Shimizu, LSW, Executive Director  
National Association of Social Workers (NASW)  
Welfare and Employments Rights Coalition (WERC)

RE: SB 294, SD2, **proposed HD1** – Relating to Government- **OPPOSED to deleting Section 59 (page 91) relating to HRS 201-3(6) Self-sufficiency standard.**

Chair Oshiro and members of the House Finance Committee, I am Debbie Shimizu, Executive Director of the National Association of Social Workers and a member of the Welfare and Employment Rights Coalition. I am testifying in **opposition to deleting Section 64 (page 86) relating to HRS 201-3(6) Self-sufficiency standard.**

In 2005, the Legislature passed legislation to change the formula used to calculate the amount of assistance individuals would receive on welfare based on the 2006 Federal Poverty Level (FPL). While we appreciate the change, we know that in a few years, we would be back advocating to change the formula again to the new poverty level. Truthfully, basing the formula on the FPL is flawed. The FPL was created in 1963 and set at three times the cost of the “Thrifty Food Plan”. Since then, the Wider Opportunities for Women (WOW) developed the “self sufficiency standard” which calculates the cost of living based on a number of factors including housing, transportation, child care, etc, and takes into account the composition of the family and community in which the family lives. The “self sufficiency standard” is a truer picture of what it costs a family to live. The self-sufficiency standard for Hawaii was published in 2003. In 2008, the Legislature established that DBEDT would biennially update the standard.

We were pleased that we had a truer figure to use to make public policy decisions rather than the FPL. As policy makers, you should have accurate and current information to base your decisions on. Eliminating this function from DBEDT without re-establishing it in another department will eliminate the progress we were making in determining the real costs of living for Hawaii’s families.

We urge you to keep Section 64, page 86 relating to HRS 201-2(6) self-sufficiency standard in DBEDT. If you eliminate this from DBEDT, we strongly encourage transferring the function to update the self-sufficiency standard to the University of Hawaii Center on the Family, who produced a 2005 report on the “*Economic Well-Being in Hawaii: Family and Individual Self Sufficiency*” and is familiar with the self-sufficiency standard.

Thank you for the opportunity to testify on SB 294 HD2 proposed SD1.