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March 17, 2014

TESTIMONY TO THE
HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

For Hearing on Tuesday, March 18, 2014
10:30 a.m., Conference Room 309

BY
BARBARA A. KRIEG
DIRECTOR

Senate Bill No. 2846 S.D. 2 H.D. 1

**RELATING TO ESTABLISHING A SECOND DEPUTY DIRECTOR POSITION FOR
THE DEPARTMENT OF HUMAN SERVICES**

WRITTEN TESTIMONY ONLY

TO CHAIRPERSON MARK NAKASHIMA AND MEMBERS OF THE COMMITTEE:

The purpose of S.B. 2846 SD 2 HD 1 is to restore the second deputy position for the Department of Human Services.

The Department of Human Resources Development (DHRD) **strongly supports** this bill which would restore the second deputy director position for the Department of Human Services that was deleted by Act 223, Session Laws of Hawaii 1994.

Currently, the Department has only one deputy director. Restoring the second deputy position is necessary for the effective and efficient administration of the State's second largest department which administers an annual budget of \$2,000,000,000 and employs over 2,000 employees.

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



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

March 18, 2014

TO: The Honorable Mark M. Nakashima, Chair
House Committee on Labor and Public Employment

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2846, S.D.2, H.D.1 – RELATING TO ESTABLISHING A SECOND
DEPUTY DIRECTOR POSITION FOR THE DEPARTMENT OF HUMAN
SERVICES**

Hearing: Tuesday, March 18, 2014, 10:30 a.m.
Conference Room 309, State Capitol

PURPOSE: The purpose of this bill is to restore the second deputy director position for the Department of Human Services.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports this Administration bill which would restore the second deputy director position for the Department of Human Services. The second deputy position was deleted by Act 223, Session Laws of Hawaii 1994 and was prompted by the State's poor economy at that time.

An additional Deputy Director position will assist the Director in managing the resources of this very large and complex department. The DHS has the largest operating budget of any state department, over \$2.5 billion, including 67% of all the state's federal operating funds. The Department also has the fifth largest staff of any

department, with over 2,000 employees staffing its four divisions and three administratively attached agencies.

The Department of Human Services serves vulnerable and needy adults and children across the Islands. Our programs are diverse and complex with each driven by its own set of laws, rules and regulations, both State and federal. Each requires specialized leadership and expertise. It is difficult to develop the breadth of knowledge over all the Department's programs that is necessary for effective management of all the programs.

In addition to helping Hawaii's vulnerable individuals, the Department manages significant federal and state funds and processes vast amounts of information - its mainframe computer is the largest in state government. The department's accounting and budget functions have grown more complex as requirements to track the receipt and expenditure of federal funds has increased the number of departmental appropriation accounts from 51 to 118. The Department also takes on new federal and state programs or mandates on a regular and on-going basis. In this past year alone, the Affordable Care Act (ACA) required the Department to expend significant resources conforming its administrative rules to ACA's new requirements and the development of Kolea – Med-Quest's new integrated eligibility system - which also determines eligibility for advance premium tax credits and cost share reductions for the Hawaii Health Connector's clients. This effort severely taxed the resources of the Director's Office.

Effective management of the Department and its programs requires collaboration within the Department, with other state, federal and local agencies, with the community and the clients served. Maintaining these necessary collaborations further erodes the ability of the Director's Office to fully oversee personnel matters, fiscal and budget

issues, IT development, and operational matters related to quality control, program oversight and reporting.

The Department's \$2.5 billion budget also makes it especially critical that programs are run well with broad collaboration to ensure that tax payer dollars are well spent and that program objectives are being met and the community is being served as intended.

Successful programs help Hawaii residents to achieve self-sufficiency, self-determination, independence, healthy lifestyles and personal dignity as well as contributing to the State's economic base.

Restoring the second deputy position is necessary for the effective and efficient administration of the Department.

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

yamashita1-Kristine

From: mailinglist@capitol.hawaii.gov
Sent: Friday, March 14, 2014 2:14 PM
To: LABtestimony
Cc: vested_interest_hi@yahoo.com
Subject: Submitted testimony for SB2846 on Mar 18, 2014 10:30AM

SB2846

Submitted on: 3/14/2014

Testimony for LAB on Mar 18, 2014 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Elizabeth Kent	Individual	Support	No

Comments: I wholeheartedly support the addition of another deputy position at the Department of Human Services. From July 2001 - December 2002, I was the deputy at DHS. Based on my experience, the DHS definitely needs an additional deputy, if not two more deputies. The department is very large, complex, and serves many vulnerable people. I believe it would be extremely helpful to have additional members of the leadership team. Thank you for considering my testimony.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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