HOUSE RESOLUTION

DIRECTING THE DEPARTMENT OF HUMAN SERVICES TO STOP ITS PROPOSED REORGANIZATION OF THE BENEFITS, EMPLOYMENT, SUPPORT SERVICES AND MED QUEST DIVISIONS UNTIL A LEGISLATIVE TASK FORCE EVALUATES THE PROPOSAL.

WHEREAS, the Department of Human Services (DHS) oversees a variety of important social service programs, including Temporary Assistance to Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), General Assistance and Medicaid, that serve thousands of people in Hawaii; and

WHEREAS, DHS proposes to reorganize its Benefits, Employment Support Services Division (BESSO), Med Quest Division, Social Services Division, including but not limited to the intake and eligibility determination functions for public assistance, SNAP, Medicaid and Foster Care Income Maintenance, and create a new Eligibility Processing Operations Division (EPOD) seeking to save money and streamline operations; and

WHEREAS, the proposed reorganization would close 31 eligibility offices which equate to 50 community units statewide, essentially limiting the direct client access to financial, food stamp and medical public assistance programs; and

WHEREAS, the eligibility offices and community units will be replaced by two processing centers in Honolulu and Hilo to handle all applications and the work previously done in local offices and units; and

WHEREAS, under the proposed reorganization BESSD and Med Quest employees would have no direct contact with clients because all communication would be by phone, fax and e-mail; and

WHEREAS, at least 232 DHS employees would be laid off as a result of this proposal, and the proposed changes come as more residents are struggling in the current economic recession and people are turning to social welfare for help; and
WHEREAS, there have been increases in the number of people on welfare, food stamps, Medicaid and child care subsidies during the current recession; and

WHEREAS, this reorganization will likely result in fewer people receiving benefits and hurt those greatest in need because many are the elderly, disabled or mentally ill, who do not have access to computers, fax machines or phones; and

WHEREAS, clients may not be able to reach an eligibility worker by phone because of short staffing caused by the massive reduction-in-force to DHS last year; and

WHEREAS, it is doubtful that non-profit social service organizations can assist in the event that there are problems with this policy proposal since they are already struggling to serve their existing clients; and

WHEREAS, the Chief Investigator of the DHS Investigation and Restitution office, as well as a Deputy Prosecutor from the island of Hawaii both testified that the EPOD plan would result in rampant welfare fraud as the “checks and balances” currently in place would be eliminated, primarily due to the fact the front line eligibility workers are required witnesses to prosecute welfare fraud; and

WHEREAS, due to the increase in welfare fraud, millions of dollars in court ordered restitution that the State of Hawaii receives would be lost; and

WHEREAS, it is urged DHS be prohibited from hiring private contractors and vendors for intake and eligibility of welfare services; and

WHEREAS, the DHS Director is rushing to implement the EPOD by July 2010 even though there is strong precedent that similar call center schemes have failed miserably in other states such as Florida, Oregon, Indiana and Texas, resulting in tremendous suffering by needy clients not being able to access available Federal assistance programs; and

WHEREAS, the Florida model, which the proposed EPOD proposal is modeled after, took over two years to implement; and
WHEREAS, Florida was the 43rd ranked state for food stamp participation after their system converted to call centers; and

WHEREAS, testimony was received regarding the Oregon model by a former recipient who stated that the Oregon public assistance program was a terribly inadequate and inefficient system; furthermore, this recipient and their child was denied assistance they were lawfully entitled to; and

WHEREAS, although eligibility offices remained open in each respective Oregonian county, the program was fraught with worker errors, dropped calls and major delays; and

WHEREAS, Hawaii has a proven community assistance model that has won Federal cash awards for the State of Hawaii by providing timely and accurate assistance to the needy population for the past 42 years; and

WHEREAS, Hawaii was recognized for outstanding service and accuracy in SNAP between 2003 through 2008; and

WHEREAS, to date over 6,300 DHS employees and clients have submitted signed petitions stating that they have "no confidence" in the DHS Director’s ability to properly administer the mission of the department; and

WHEREAS, the State of Hawaii House of Representatives Finance Committee has reduced the Governor’s DHS budget by 18,521,400 million dollars, and protected DHS positions the Governor wanted to eliminate that provides essential community assistance services to over 300,000 needy Hawaii residents; and

WHEREAS, the DHS Director, as of the current date, has not provided an operational EPOD implementation plan, as well as a contingency plan in the event EPOD meets with catastrophic failure; and

WHEREAS, a policy change of this complexity and magnitude should be carefully evaluated before implementation, especially in the last several months of the administration; now, therefore,
BE IT RESOLVED by the House of Representatives of the Twenty-fifth Legislature of the State of Hawaii, Regular Session of 2010, that the implementation of the proposed reorganization of the Benefits, Employment, Support Services (BESSD) and the Med Quest Divisions be stopped until a Legislative Task Force evaluates the proposal; and

BE IT FURTHER RESOLVED that a Task Force be established consisting of the following; DHS Director or designee; an eligibility worker from each island from the BESSD, Social Services Division, and Med-Quest Division and two from the island of Oahu; a representative from the Fraud Investigation Unit of DHS; a representative from HGEA; the House Chair of the Committee on Human Services; the Senate Chair of the Committee on Human Services; a representative from the United States Department of Agriculture; a representative from PHOCUSED; and

BE IT FURTHER RESOLVED that the Task Force conduct a thorough evaluation of the proposed reorganization that includes but is not limited to the following issues:

1. What the effect this proposal will have on current clients considering Hawaii’s unique geography and multi-cultural society; and
2. Whether benefit payments will be wrongly denied or delayed under this proposal; and
3. What specific information technology will be used to implement this proposal and how much it will cost; and
4. When will DHS staff be trained in the technology; and
5. Any and all other matters that the United States Department of Agriculture normally undertake as necessary or appropriate to evaluate a major policy proposal; and

§§

BE IT FURTHER RESOLVED that an appropriate agency, as determined by the Legislature, shall staff the Task Force in order to complete its designated work; and

BE IT FURTHER RESOLVED that DHS, its staff and other relevant persons or agencies are requested to cooperate with and assist the Task Force, and to provide information requested by the Task Force; and
BE IT FURTHER RESOLVED that no funds shall be expended towards any reorganization until the Task Force submit the findings and recommendations of the reorganization proposal to the Legislature no later than 20 days prior to the convening of the Regular Session of 2011; and

BE IT FURTHER RESOLVED that the findings and recommendations of the Task Force be submitted to the United States Department of Agriculture to determine possible concerns and/or potential violations with federal regulations and/or policy; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Governor, the Director of Human Services, the Speaker of the House of Representatives, the President of the Senate and members of Hawaii’s congressional delegation.