

STAND. COM. REP. NO.

207b

Honolulu, Hawaii

FEB 05 2014

RE: S.B. No. 2845

S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam:

Your Committee on Human Services, to which was referred S.B. No. 2845 entitled:

"A BILL FOR AN ACT RELATING TO APPOINTMENT OF EXEMPT PERSONNEL IN THE DEPARTMENT OF HUMAN SERVICES FOR THE STATE MEDICAL ASSISTANCE PROGRAMS,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the Director of Human Services to appoint and employ professional staff, not subject to civil service law, when the Director determines that the services to be performed are unique and essential to the execution of the state medical assistance programs.

Your Committee received testimony in support of this measure from the Department of Human Services. Your Committee received testimony in opposition to this measure from the Hawaii Government Employees Association and one individual.

Your Committee finds that it is challenging for the Department to recruit, hire, and compensate high level managerial and professional staff to manage critical functions of the \$1,800,000,000 medical assistance programs. State civil service system requirements make it very difficult to recruit qualified individuals with the requisite knowledge for specialized positions within the complex medical assistance programs and offer them competitive salaries.

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Your Committee finds that the Department needs some flexibility in its hiring ability and salary range options so that the Department can attract qualified applicants to fill important positions within the medical assistance programs. However, your Committee also acknowledges the concern regarding the proliferation of positions that are exempt from civil service law. Your Committee believes that a collaborative effort should be made to find a more permanent solution to the challenge the Department faces in being able to recruit qualified candidates and offer competitive salaries for high level positions.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2845, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2845, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Human Services,

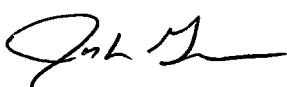


SUZANNE CHUN OAKLAND, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Human Services**  
**HMS**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2845	HMS, WAM	1/30/14		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	✓			
GREEN, Josh (VC)	✓			
KIDANI, Michelle N.				✓
TANIGUCHI, Brian T.	X 92	✓		
SLOM, Sam				✓
<b>TOTAL</b>	292	291	0	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b>				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes