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Attorneys for Defendant
PANKAJ BHANOT, in his official
capacity as the Director of the Hawaii
Department of Human Services

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAII**

PATRICIA SHEEHEY, PATRICK
SHEEHEY, RAYNETTE AH CHONG,
individually and on behalf of the class
of licensed foster care providers in the
state of Hawaii,

Plaintiffs,

vs.

PANKAJ BHANOT, in his official
capacity as the Director of the Hawaii
Department of Human Services,

Defendant.

CIVIL NO. CV13-00663 LEK-KSC

**JOINT STATUS REPORT;
CERTIFICATE OF SERVICE**

JOINT STATUS REPORT

This Joint Status Report is submitted pursuant to this Court's Minute Order of April 28, 2017, Dkt. 351.

The 2017 Hawaii legislative session adjourned sine die on May 4, 2017. Unfortunately, the Hawaii Legislature did not appropriate the funds necessary to conclude the preliminarily-approved settlement of this matter. Specifically, it did not include in the Executive Budget or HB1022 (making appropriations for claims against the State, its officers, or its employees) monies (1) to fund the proposed increase in the basic board rates for next fiscal year; (2) to cover the proposed attorneys' fees and costs for this case (*i.e.*, the federal action); or (3) to fund the State Lawsuit settlement.

Because the settlement of both this case and the State Lawsuit was conditioned upon the Legislature making these appropriations (*see* Dkt. 340-3, Section IV(7); Dkt. 340-4, Section III), in all likelihood, the Settlement Agreement will become null and void on June 30, 2017. *See* Dkt. 340-3 at Section I.J (Definition of Legislation Enactment Deadline); *id.*, at page 2 ¶ 2 (Federal Settlement Agreement shall become void if legislation appropriating funds is not enacted by the Legislation Enactment Deadline).

In light of the legislative outcome, it appears that the following should occur if the Court so orders:

1. The parties are to notify the Class Members that the settlement of this case, as described in the Class Notice and the preliminarily-approved settlement, will not occur due to the Hawaii Legislature's decision not to appropriate funds for the settlement. The case will instead proceed to trial. Because of the Hawaii Legislature's decision, the Court did not consider whether to give final approval to the proposed settlement. No objections to the preliminarily-approved settlement were filed by Class Members by the May 1, 2017 deadline.

The parties are to submit a draft notice to the Court for review and approval before sending the notice to the Class Members.

2. Defendant will give notice of the same information described in paragraph 1 to the recipients of the 28 U.S.C. § 1715 notice.

3. The parties are to appear on a date and time set by the Court for a status conference to discuss scheduling of trial and other related matters.

DATED: Honolulu, Hawaii, May 12, 2017.

/s/ Donna H. Kalama
CARON M. INAGAKI
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Deputy Attorneys General

Attorneys for Defendant
PANKAJ BHANOT, in his
official capacity as Director of the
State of Hawai'i, Department of
Human Services

/s/ Claire Wong Black _____

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GAVIN THORNTON

JAMES HANCOCK

ALESSA HWANG

Class Counsel

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CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the date indicated below, a copy of the foregoing document was served on the following parties electronically through CM/ECF as follows:

VICTOR GEMINIANI
GAVIN THORNTON
PAUL ALSTON
J. BLAINE ROGERS
CLAIRE WONG BLACK
JAMES HANCOCK
ALESSA HWANG
Attorneys for Plaintiffs

DATED: Honolulu, Hawai'i, May 12, 2017.

/s/ Donna H. Kalama
DONNA H. KALAMA
Deputy Attorney General

Attorney for Defendant
PANKAJ BHANOT, in his
official capacity as Director of the
Hawai'i Department of Human Services