



**WRITTEN TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-EIGHTH LEGISLATURE, 2015**

ON THE FOLLOWING MEASURE:

H.B. NO. 500, H.D. 1, RELATING TO THE STATE BUDGET.

BEFORE THE:

SENATE COMMITTEE ON WAYS AND MEANS

DATE: Wednesday, April 1, 2015

TIME: 9:10 a.m.

LOCATION: State Capitol, Room 211

TESTIFIER(S): WRITTEN TESTIMONY ONLY.

(For more information, contact Douglas S. Chin, Attorney General, or
David T. Moore, Administrative Services Manager, at 586-1289)

Chair Tokuda and Members of the Committee:

We respectfully request that the Senate Committee on Ways and Means make crucial adjustments to HB500, HD1. The overall budget provided by HD1 will be adverse to the Department of the Attorney General (Department) and, as a result, will be adverse to the public.

First, HD1 only provides funding for FY 2016 for Statewide Sexual Assault Services. Second, it eliminates \$1 million (\$340,000 general funds and \$660,000 federal funds) for the Modernization Feasibility Study to update the Keiki System within the Child Support Enforcement Agency (CSEA).

In response to your memorandum dated March 17, 2015, the Department identifies changes in the HD1 that will have substantial impacts on the Department and we identify what those impacts are and why they are so serious.

ATG100 – Legal Services

Executive Budget (SEQ# 210-003): The Department's request is for \$380,000 to be added to the base budget on a continuing basis.

Impact:

\$0 for FY 2017 means that the State will be unable to sustain its statewide delivery of sexual assault services.

The additional funds will allow the Department to continue the coordination of sexual assault services through a master contract with Kapi'olani Medical Center for Women and Children, which oversees the statewide network of sexual assault centers. Coordinating services

through a master contract is beneficial and effective for the State. The master contract has facilitated standardization of sexual assault services statewide, ensured fiscal and program oversight and program integrity on all islands, provided consistent program planning, ensured advocacy for survivors of sexual assault, and improved public policy.

Without the requested funds for FY 2017, the master contract will not be sustainable and the services provided by the State will devolve to a decentralized, obsolete, and uncoordinated treatment and prevention model that has not existed in the islands since 1997. This will adversely impact and compromise the quality and delivery of services, the physical and emotional well-being of survivors who are harmed by sexual predators, and public safety.

By providing an additional \$380,000 annually for statewide sexual assault services, the base budget of \$2,000,000 will be used solely for victim and prevention services and will allow: increased prevention and education services for rural communities on Moloka‘i, Lana‘i, Kaua‘i and Hawai‘i Island, crisis counselor staffing on Hawai‘i Island, and mental health therapy services for survivors on Maui, Moloka‘i and Kaua‘i.

We are unable to provide an alternative reduction as requested because any such reduction will require a reduction in other essential services that our Department provides. Notwithstanding our inability to offer an alternative reduction, we do not consider this budget item to be of lesser importance.

ATG500 – Child Support Enforcement Agency (CSEA)

Executive Budget: (SEQ# 210-001) – To obtain federal funds to modernize the obsolete, 17-year old Keiki System, the Department requests \$340,000 in general funds and \$660,000 in federal funds for a feasibility study.

Impact:

The federal Advance Planning Document requires states to complete a feasibility study as a condition of receiving federal moneys to modernize the computer systems supporting their respective child support enforcement agencies. Hawaii’s Keiki System is obsolete and must be replaced before CSEA experiences a system failure.

Because the Keiki System is obsolete, software and technical support are increasingly more difficult to obtain. In the absence of a modern system with regular software updates, security patches, and technical support, we can and should expect major disruption in CSEA’s

services in the event of even a partial system failure. The extent of a Keiki System failure is difficult to predict. What we know is that CSEA services 132,000 families monthly; payments to custodial parents may be delayed or even worse not issued. CSEA could go into what is referred to as penalty and reinvestment. Penalty and reinvestment is the loss of the federal matching funds provided to the State for CSEA operations and the Keiki System.

At present, the State invests about \$4 million per year in its operations and the Keiki System. The federal government matches every \$1.00 appropriated to CSEA by the Legislature with \$2.00. In penalty and reinvestment, the State will have to annually appropriate the total amount of \$17 million until the program comes back into compliance. Emerging from reinvestment will take a minimum of three years, costing the State as much as \$51 million.

Currently, we believe that we can modernize the Keiki System by procuring a computer system similar to those used in others states, but modified for Hawaii's needs. The cost of this type of system is expected to be approximately \$60 to \$70 million based upon the experiences of other states. The feasibility study is intended to give the State the necessary information and time to consider its needs and determine whether to adopt such a system or create a new system. Completing this process before a Keiki System failure will prevent unnecessary disruption in CSEA's services and allow the State to obtain federal moneys to pay up to two thirds of the total amount of the modernization. Thus, the State's portion of the funding would be approximately \$20 to \$23 million. If the State goes into penalty, none of the federal moneys would be available and the State will have to appropriate 100% of the funds for a new system.

CSEA collects and distributes approximately \$120 million annually to Hawaii's families. Any disruption for any period of time could be catastrophic for the families relying on child support. The feasibility study is a crucial first step to ensuring the delivery of seamless services.

As noted above, we are unable to provide an alternative reduction as requested because any such reduction will require a reduction in other essential services that our Department provides. Notwithstanding our inability to offer an alternative reduction, we do not consider this budget item to be of lesser importance.