

DAVID Y. IGE  
GOVERNOR



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STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
P. O. Box 339  
Honolulu, Hawaii 96809-0339

February 10, 2020

TO: The Honorable Representative Chris Lee, Chair  
House Committee on Judiciary

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 2061 HD1 – RELATING TO CHILD SUPPORT**

Hearing: February 11, 2020, 2:00 a.m.  
Conference Room 325, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports the intent of this bill as the concept would increase families' cash income. DHS appreciates the amendments by the Committee on Human Services & Homelessness and defers to the Department of Attorney General (ATG).

**PURPOSE:** The purpose of the bill is to requires the AG to convene a study group to examine the impacts, costs, and impediments of allowing child support payments to pass through to TANF recipients and submit a report to the legislature prior to the 2021 Regular Session. Effective 12/31/2059. (HD1)

DHS agrees to co-lead the study group with the ATG. Given the time frames and to facilitate the work of the study group, DHS requests that the study group be exempt from provisions of chapter 92, Hawaii Revised Statutes.

For background on the issue, as required by federal law, DHS receives reimbursement payments from the Child Support Enforcement Agency (CSEA) from child support payments CSEA collects from absent or non-custodial parents of children receiving financial assistance from DHS. These payments are reimbursements to DHS for Temporary Assistance for Needy Families (TANF)/Temporary Assistance for Other Needy Families (TAONF) benefits received by

families with children while the parent is absent or while the children are not in a parent's or both parents' custody.

Regarding the "disregard," the definition of "Public assistance" in section 346-1, Hawaii Revised Statutes (HRS), includes financial assistance and payments to or on behalf of such persons for medical care, and social service payments as described under the Social Security Act.

The amount of the pass-through income that will be disregarded for TANF/TAONF programs will not be disregarded for the Supplemental Nutrition Assistance Program (SNAP) as SNAP is not a part of the Social Security Act. The additional funds to the family will likely reduce the amount of SNAP benefits issued monthly. In addition, it is unclear if the intent of the disregard is intended solely for child support payments collected by the CSEA or child support payments made directly to the Department.

Analysis is required to understand the impact on the financial programs as other States who have had a pass-through program, have subsequently ended the practice due to fiscal shortfalls. If adopted, DHS does not know the long-term fiscal impact this measure may have to maintaining current financial assistance payment amounts should caseloads increase, or federal funding decrease. Consequently, uninterrupted continuity in maintaining financial assistance payment amounts during such times would either require suspending the pass-through program due to a lack of funds, and/or requiring an additional appropriation of state general funds to supplement the pass-through.

Implementation of a pass-through program will require amendments to existing DHS administrative rules as well as modifications to the IT system to operationalize the process. DHS will need appropriations for system modification and additional time to implement both of these items.

DHS defers to CSEA on its fiscal and operational issues to implement the measure.

Thank you for the opportunity to testify on this bill.



**LATE**

‘O kēia ‘ōlelo hō’ike no ke  
**Komikina Kūlana Olakino o Nā Wāhine**

Testimony on behalf of the  
**Hawai‘i State Commission on the Status of Women**  
Khara Jabola-Carolus, Executive Director

Prepared for the House Committee on Judiciary

In Support of HB2061 HD1  
Tuesday, February 11, 2:00 p.m. in Room 325

Dear Chair Lee, Vice Chairs San Buenaventura, and Honorable Members,

The Hawai‘i State Commission on the Status of Women supports HB2061 HD1, which requires the AG to convene a study group to examine the impacts, costs, and impediments of allowing child support payments to pass through to TANF recipients and submit a report to the legislature prior to the 2021 Regular Session.

In 1974, the child support enforcement program was created as a moneymaker for government: reduce government spending on public assistance and keep families off public assistance. Today, much of a parent’s child support never reaches their child. Each year, billions of dollars in child support are collected by government to reimburse public assistance costs. In 1996, the Personal Responsibility and Work Opportunity Reconciliation Act created Temporary Assistance for Needy Families (TANF), ending the “pass through” requirement under the federal Aid to Families with Dependent Children program and requiring TANF recipients to assign their rights to child support payments to the state.<sup>1</sup> Research shows that this repayment structure disincentivizes child support payment, reduces a parent’s stake in paying, and weakens family relationships.<sup>2</sup>

Today, states are rethinking child support as a reimbursement mechanism to a family lifeline. Over half of all states have enacted pass-through policy. This measure would lay the groundwork

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<sup>1</sup> Turestky, V. *What if All the Money Came Home?*, 43 FAMCR 402, Jul. 2005.

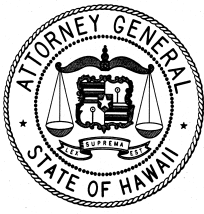
<sup>2</sup> *Id.*

for pass through policy in Hawai‘i, which would reduce poverty. The State should work to create a system that allows child support payments to pass through to TANF recipients.

Accordingly, the Commission requests the Committee pass HB2061 HD1.

Sincerely,

Khara Jabola-Carolus



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
THIRTIETH LEGISLATURE, 2020**

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**ON THE FOLLOWING MEASURE:**

H.B. NO. 2061, H.D. 1, RELATING TO CHILD SUPPORT.

**LATE**

**BEFORE THE:**

HOUSE COMMITTEE ON JUDICIARY

**DATE:** Tuesday, February 11, 2020

**TIME:** 2:00 p.m.

**LOCATION:** State Capitol, Room 325

**TESTIFIER(S):** Clare E. Connors, Attorney General, or  
Lynette J. Lau, Administrator for Child Support Enforcement  
Agency

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Chair Lee and Members of the Committee:

The Department of the Attorney General supports the intent of this bill and provides the following comments.

The purpose of the bill is to convene a study group to examine the impact of child support moneys collected by the Department of Human Services (DHS) for the public assistance of children for pass through to the family receiving public assistance.

The Child Support Enforcement Agency (CSEA) within the Department of the Attorney General is responsible for collecting the debt owed to DHS by the non-custodial parent when Temporary Assistance For Needy Families (TANF) benefits are paid for the benefit of any dependent child. The bill requires the Department of the Attorney General to convene a study group to examine the effects of establishing a pass through program for child support payments to TANF recipients and to submit a report of its findings and recommendations prior to the next legislative session.

The impact and costs of a pass through program will significantly affect DHS and CSEA, by reducing the amount of reimbursement to both agencies and requiring modifications to their existing IT systems. Thus, we are recommending that the examination of the pass through program be a joint effort by the Department of the Attorney General and DHS.

We recommend that the bill be amended to include DHS in the convening of the study group and the submission of the report prior to the next legislative session. We suggest that section 2 on page 2, lines 19 through 20, be revised as follows: “The department of the attorney general and the department of human services shall jointly convene a study group to examine.” We also recommend that section 3 on page 3, lines 8 through 12, be revised as follows: “The department of the attorney general and the department of human services shall submit a report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2021.”

Thank you for the opportunity to provide testimony.



## of Hawaii

Hawaii State House of Representative Committee on Judiciary

Hearing Date/Time: February 11, 2020 2:00PM

Place: Hawaii State Capitol, Room 325

Re: Testimony in SUPPORT of HB2061 HD1

Dear Chair Lee, Vice Chair San Buenaventura, and Members of the Committee,

Members of AAUW of Hawaii are grateful for this opportunity to testify in support of HB2061 HD1, which would require certain amounts of child support moneys collected by the Department of Human Services for public assistance of a child to pass through to the family receiving public assistance, \$100 per month to families with one child and \$200 per month to families with two or more children.

Please pass this bill and save families from becoming homeless or going hungry or not being able to pay for transportation to go to work.

The American Association of University Women (AAUW) of Hawaii is a state-wide organization made up of six branches (Hilo, Honolulu, Kauai, Kona, Maui, and Windward Oahu) and includes just over 650 active members with over 3800 supporters statewide. As advocates for gender equity, AAUW of Hawaii promotes the economic, social, and physical well-being of all persons.

Mahalo.

A handwritten signature in blue ink, appearing to read 'Younghee Overly', is written in a cursive style.

Younghee Overly

Public Policy Chair, AAUW of Hawaii

publicpolicy-hi@aauw.net

**HB-2061-HD-1**

Submitted on: 2/10/2020 3:51:33 PM

Testimony for JUD on 2/11/2020 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
	Domestic Violence Action Center	Support	No

Comments:

aloha, custodial parents desperately need child support. cost of living and cost of raising children are at odds with one another. please help us advance the interests of island families.

thank you.





Hawaii  
**Children's Action Network Speaks!**  
Building a unified voice for Hawaii's children

*Hawaii Children's Action Network Speaks! is a nonpartisan 501c4 nonprofit committed to advocating for children and their families. Our core issues are safety, health, and education.*

To: Representative Lee, Chair  
Representative San Buenaventura, Vice Chair  
House Committee on Judiciary

Re: **HB 2061 HD1, relating to child support**  
Hawaii State Capitol, Room 325  
2:00PM, 2/11/2020

**LATE**

Chair Lee, Vice Chair San Buenaventura, and committee members,

**On behalf of Hawaii Children's Action Network Speaks!, we write in support of the original intent of HB 2061,** which would have allowed a portion of child support payments to be passed through to families currently receiving Temporary Assistance to Needy Families (TANF) benefits.

We respectfully ask the committee to amend HB 2061 HD1 to mirror the original bill. The current HD1 would require a study on the subject. Through their testimony, both the Department of Human Services and the Attorney General's Office have provided comments on potential impact, so it seems a study would repeat information we already know.

Currently, non-custodial parents must pay child support to the State of Hawaii up to the amount of TANF benefits paid. The state then keeps a portion of that money (45% in 2017) and passes on the rest to the federal government as reimbursement for providing TANF assistance. This allows the custodial parents to keep more of the child support payment. The pass through amounts may seem small, up to \$100 for one child and up to \$200 for two or more children, but for the families receiving it, it can be the difference between making rent or not.

We appreciate the opportunity to provide testimony in support of HB 2061 and respectfully request the committee amend the HD1 to its original intent and pass the bill.

Thank you,

Kathleen Algire  
Director, Public Policy and Research

**HB-2061-HD-1**

Submitted on: 2/10/2020 10:53:31 PM

Testimony for JUD on 2/11/2020 2:00:00 PM

**LATE**

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Sherrie Galdeira	Individual	Support	No

Comments:

In support of HB2061, please pass.

**LATE**

**HB-2061-HD-1**

Submitted on: 2/11/2020 8:09:06 AM

Testimony for JUD on 2/11/2020 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
donald erway	Individual	Support	No

Comments:

**HB-2061-HD-1**

Submitted on: 2/11/2020 8:21:01 AM

Testimony for JUD on 2/11/2020 2:00:00 PM

**LATE**

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
JR Dowd	Individual	Support	No

Comments:



**LATE**

To:  
Representative Chris Lee  
Chair, House Committee on Human Services and Homelessness

Representative Joy San Buenaventura  
Vice Chair, House Committee on the Judiciary

From:  
Zonta Club of Hilo, Legislative Advocacy Committee

Feb 11, 2020

**RE: Zonta Club of Hilo Comments on HB2061 HD1 Relating to Child Support**

Aloha Representatives Lee, San Buenaventura and the members of the House Committee on the Judiciary,

Thank you for the opportunity to comment on HB2061 HD1. While we understand the concerns raised in the testimony provided by the Office of the Attorney General and the Department of Human Services, we respectfully request the House Committee on the Judiciary amend HB2061 back to the original language that enabled the TANF Child Support Pass through. Implementing a pass trough will cost time and money and HB2061 should be amended to provide the necessary funds and time to do so. However, first funding a study rather than using those funds to implement the program is not the best use of tax payer dollars.

Hawaii is one of only four states that has seen a decrease in TANF benefits below their nominal 1996 levels. The Center for Budget and Policy Priorities reports that, adjusting for inflation, Hawaii has reduced benefits by at least 48% from 1996-2019 and 15.1% of that in the last 10 years. TANF Befits for a family of three in Hawaii amount to only 29.8% of the Federal Poverty Level, down from 57.2% in 1996. TANF plus SNAP benefits amount to 70.2% of the Federal Poverty Level. Furthermore, TANF benefits account for less 30% of Fair Market Rent Values in Hawaii. In short TANF and TANF+SNAPP alone are insufficient for families to meet their basic needs in Hawaii.

Researchers agree that small increase in the incomes of families in poverty relieves the anxiety caused by the difficulty in meeting basic needs. Research has linked poverty to lasting negative consequences in the brain development and physical health of children.<sup>1</sup> The modest increases in income provided by the TANF Child Support Pass Through can improve children’s academic, health, and economic outcomes.<sup>2,3</sup>

One year is a long time in the life of a child and the effects of living in poverty can have lifelong impacts on their health and future economic outcomes. We urge the House Committee on the Judiciary reconsider moving the TANF pass through to a study and further delaying providing much needed assistance to our most vulnerable families.

The Zonta Club of Hilo thanks you for your consideration of this testimony.

Mahalo,  
Heather Kimball  
Zonta Club of Hilo Legislative Advocacy Committee

Zonta International is a leading global organization of professionals empowering women worldwide through service and advocacy. Zonta International envisions a world in which women's rights are recognized as human rights and every woman is able to achieve her full potential. In such a world, women have access to all resources and are represented in decision making positions on an equal basis with men. Our membership includes both current and former small business owners in Hilo

<sup>1</sup>Arloc Sherman and Tazra Mitchell, "Economic Security Programs Help Low-Income Children Succeed Over Long Term, Many Studies Find," Center on Budget and Policy Priorities, July 17, 2017.

<sup>2</sup> National Academies of Sciences, Engineering, and Medicine, "A Roadmap to Reducing Child Poverty," 2019.

<sup>3</sup>Greg Duncan and Katherine Magnuson, "The Long Reach of Early Childhood Poverty," *Pathways*, Winter 2011.