

# **SB 1181**

## **Report Title:**

RELATING TO COMMITTED PERSONS ON FURLOUGH

## **Description:**

Adds child support payments as obligations for inmates on furlough who are employed and delineates percentage of earnings that shall be deducted to satisfy outstanding orders regarding restitution, crime victim compensation, other fees and fines, and child support and reimbursement to the State for the cost of room and board.

NEIL ABERCROMBIE  
GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF PUBLIC SAFETY**  
919 Ala Moana Boulevard, 4th Floor  
Honolulu, Hawaii 96814

TED SAKAI  
INTERIM DIRECTOR

Martha Torney  
Deputy Director  
Administration

Max Otani  
Deputy Director  
Corrections

Keith Kamita  
Deputy Director  
Law Enforcement

No. \_\_\_\_\_

TESTIMONY ON SENATE BILL 1181  
RELATING TO  
COMMITTED PERSONS ON FURLOUGH  
by  
Ted Sakai, Interim Director  
Department of Public Safety

Senate Committee on Public Safety, Intergovernmental and Military Affairs  
Senator Will Espero, Chair  
Senator Rosalyn H. Baker, Vice Chair

Tuesday, February 12, 2013; 2:45 p.m.  
State Capitol, Room 224

Chair Espero, Vice Chair Baker, and Members of the Committee:

The Department of Public Safety (PSD) **supports** Senate Bill 1181, relating to Committed Persons on Furlough, which adds child support as a financial obligation for employed inmates on furlough and delineates percentages to be deducted from earnings for financial obligations identified by statute.

Child support orders are not included in statute as financial obligations for committed persons on furlough who are employed outside of the correctional facility. The proposed amendment will require thirty percent of net earnings be dedicated to outstanding child support orders.

This proposal also specifies twenty-five percent of net earnings be deducted to satisfy outstanding restitution orders, which is in alignment with Act 139, Session Laws of Hawaii 2012. Current law is silent on what percent shall be deducted. In addition, it adds other court ordered fees and fines as obligations.

These percentages conform to those required for deductions as found in sections 353-22.6 and 353-22.8, Hawaii Revised Statutes.

Thank you for the opportunity to present this testimony.



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
TWENTY-SEVENTH LEGISLATURE, 2013**

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**ON THE FOLLOWING MEASURE:**

**S.B. NO. 1181, RELATING TO COMMITTED PERSONS ON FURLOUGH.**

**BEFORE THE:**

**SENATE COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL AND MILITARY  
AFFAIRS**

**DATE:** Tuesday, February 12, 2013

**TIME:** 2:45 p.m.

**LOCATION:** State Capitol, Room 224

**TESTIFIER(S):** David M. Louie, Attorney General, or  
Garry L. Kemp, Administrator, Child Support Enforcement Agency

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Chair Espero and Members of the Committee:

The Department of the Attorney General generally supports the intent of this bill. However, the Department has concerns that the bill as written could cause the state to be out of compliance with federal law, which would jeopardize federal funding. Also, the bill would adversely impact the operations of the Child Support Enforcement Agency. Therefore, the Department suggests an amendment to the part of this bill that amends section 353-17, Hawaii Revised Statutes (HRS), to limit the amount that can be deducted from the net earnings of inmates on furlough for child support purposes.

The provisions of this bill would amend section 353-17, HRS, to include child support payments as obligations for inmates on furlough who are employed and delineates the percentage of net earnings that shall be deducted to satisfy outstanding restitution and child support orders.

Currently, the State of Hawaii is in compliance with section 466(b)(1) of the Social Security Act (42 U.S.C. §666(b)(1)) that requires the income of the non-custodial parent be withheld in an amount necessary to comply with the child support order up to the maximum amount permitted under the Consumer Credit Protection Act (15 U.S.C. §1673(b)) in cases where child support has been ordered and is being enforced by the Child Support Enforcement Agency. If this bill is passed and the agency is limited in the amount that it can require an employer to withhold from the net earnings of an employee who is an inmate on furlough to thirty percent as specified on page 2, lines 1 through 3, it would cause the State to be out of compliance with existing federal law. If the State is found to be out of compliance, it will

jeopardize federal welfare funding and federal funding of the child support enforcement programs.

In addition, the Department of the Attorney General is concerned that this bill would have an adverse impact on the Child Support Enforcement Agency's operations and personnel. In order to comply with federal requirements, the agency's state wide computer system is designed to generate income withholding notices based upon the underlying child support orders. When a new employer is identified through the state new hire reporting process, the notice is sent to the new employer. 45 C.F.R. §303.100(e)(2) and (3) requires the agency to send notice to the employer of the withholding requirement within two business days of the agency receiving the information on the employment of the non-custodial parent. If this measure passes and the agency is limited to thirty percent of the net monthly earnings for employees who are on furlough, additional resources will be necessary to modify the system to keep track of these types of employees separately from all other employees. The agency would not know what to require the employer to withhold as we would not know what the employee's net income will be. To obtain the information on the employee's net income before sending the notice to the employer will delay the process and cause the agency to be in danger of not being able to notify the employer of income withholding within two business days in accord with federal requirements. Also, these employees will have to be manually tracked to determine when they are no longer on furlough and the restriction no longer applies.

Additionally, this bill may have an adverse impact on the employer. The employer will have to keep track of these employees separately because of the different withholding requirements.

The Department of the Attorney General respectfully requests that the members of the Committee consider deleting the wording limiting the amount of child support "to be paid at thirty per cent of the net monthly earnings or the amount ordered, whichever is less," on page 2, lines 1 through 3, if this bill is to be passed.

**SB1181**

Submitted on: 2/9/2013

Testimony for PSM on Feb 12, 2013 14:45PM in Conference Room 224

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