



SB 2718, SD1

Measure Title: RELATING TO THE HAWAII CHILDREN'S TRUST FUND.

Report Title: Hawaii Children's Trust Fund Advisory Board; Hawaii Children's Trust Fund Coalition; Hawaii Children's Trust Fund Advisory Committee

Description: Amends and establishes new responsibilities and members for the Hawaii children's trust fund advisory board. Amends responsibilities of the Hawaii children's trust fund coalition. Eliminates the Hawaii children's trust fund advisory committee. (SD1)

Companion:

Package: None

Current Referral: HMS/HTH

Introducer(s): GALUTERIA



**HAWAII CHILDREN'S
TRUST FUND**

Investing in 'Ohana for a Stronger Hawaii'

**HAWAII CHILDREN'S
TRUST FUND**

Advisory Board

Nanci Kreidman, Chair

Community Representative

Vacant

Department of Health

Representative

Suzanne Chun-Oakland

Senate Representative

Vacant

House Representative

Sylvia Yuen

Hawaii Community Foundation

Representative

Vacant

Community Representative

Gail Braekey

Community Representative

Advisory Committee

Marty Oliphant, Chair

Coalition Representative

Gordon Miyamoto

Department of Education

Representative

Helene Kaiwi

Department of Health

Representative

Lynne Kazama

Department of Human Services

Representative

Gordean Akiona

Judiciary Representative

Edralyn Caberto

Office of Youth Services

Representative

Chester Adessa

Coalition Representative

Dawn Mahi

Coalition Representative

Robert Raasch

Coalition Representative

L. Jani Sheppard

Coalition Representative

Tammie Smith-Visperas

Coalition Representative

To: Chair, Senator Chun Oakland
Vice Chair, Senator Josh Green
Members of the Committee

Chair, Senator Josh Green
Vice Chair, Senator Rosalyn Baker
Members of the Committee

Fr: Nanci Kreidman, M.A.

Re: SB 2718, SD1 Support

Aloha! Thank you for joining us in this important conversation to continue strengthening the good work of the Hawaii Children's Trust Fund. The Body has just celebrated its twentieth anniversary, and dare I say, there is much more work to be done.

After a great deal of discussion, examination, strategic consideration and deliberation it is largely the consensus that the structure of the HCTF would benefit from consolidation. A strong community network focused on the prevention of child abuse and neglect, and a solid understanding of the interface with other issues impacting families is key to advancing understanding, effective planning and community services.

Clarification of roles and responsibilities among participating public and private partners can be achieved through the shift in structure. Decision making and collaboration, therefore, is likely to be strengthened.

2013 has been a year of transition for the Advisory Board, the Advisory Committee, the Department of Health and the Hawaii Community Foundation. It is not for a lack of effort that the work is somewhat stalled, but perhaps with a shift in direction through the provisions made in this SB 2718, SD1 the transformation of HCTF will continue its best service to the children who have a right to be safe and a community capable of making that possible.

Mahalo for this opportunity to be with you today, working together in the best interests of Hawaii's children.



HAWAII COMMUNITY FOUNDATION

February 25, 2014

Senator Suzanne Chun-Oakland, Chair
Senator Josh Green, Vice Chair
Committee on Human Services

Senator Josh Green, Chair
Senator Rosalyn Baker, Vice Chair
Committee on Health

February 27, 2014, 1:00 pm
Conference Room 016

Testimony in Support of the Intent of **Senate Bill 2718, Senate Draft 1**, Relating to the Hawaii Children's Trust Fund

Chair Chun-Oakland, Chair and Vice-Chair Green, Vice-Chair Baker, and Members of the Committee:

My name is Tammi Chun, Vice President for Programs for the Hawaii Community Foundation (HCF). HCF **supports the intent** of Senate Bill 2718, Senate Draft 1 (SB2718_SD1), Relating to the Hawaii Children's Trust Fund (HCTF), which proposes amendments to Hawaii Revised Statutes ("HRS") section 350B. This bill is timely to address needed amendments. HCF's experience as an HCTF partner¹ for 20 years is that the statutory structure creates confusion about responsibility and accountability of funds and roles among the various parties involved.² HCF presents considerations for statutory amendments.

Impetus for Legislation

Amendments proposed in SB2718_SD1 reflect the recommendations of a workgroup of HCTF Advisory Board and Advisory Committee members. The workgroup was formed as an outcome of a November 2013 planning retreat of HCTF stakeholders; all members of the HCTF's three statutorily established advisory groups had been invited to attend the November retreat. There was a general consensus among retreat participants and the subsequent workgroup that the HCTF's structure needs streamlining. Since the

¹ HRS section 350B-2(b) provides, "The Hawaii Community Foundation shall have the responsibility for the expenditures of moneys from the trust fund for the purposes of this chapter." In a consistent manner, all component trust funds held at HCF are governed by its Master Declaration of Trust, effectively restated on January 1, 1996, which provides in Article IV(A) that the Board of Governors has the authority to distribute such funds in its "absolute and uncontrolled discretion" by the terms of "any such gift, grant, devise or bequest."

² HRS Chapter 350B establishes a trust fund at HCF for the purpose of "strengthen(ing) families primarily by the award of grants for primary and secondary prevention activities to prevent child abuse and neglect." The statute allows the HCTF, which is a component fund of HCF, to receive governmental funding, income tax remittances from the Domestic Violence and Sexual/Child Abuse and Neglect Funds tax check off (HRS section 235-102.5), and private contributions. Furthermore, the statute identifies the Department of Health (DOH) as the lead public agency and establishes a three-part advisory structure: an Advisory Board, Advisory Committee, and Coalition. The statute names inter-related but distinct functions and membership for the various advisory groups.

November retreat, the workgroup has met to refine their recommendations and communicate with stakeholders about the recommendations.

HCF's Recommendations for Amendments

HCF agrees that combining the Advisory Board³ and Advisory Committee⁴ into a single advisory group is an improvement. HCF advises that the Legislature consider maintaining the intent of the HCTF Coalition⁵ by directing the single advisory group to consult with stakeholders and advocates for child abuse and neglect prevention (over 200 are on the current mailing list of the Coalition) while removing the Coalition from statute.

HCF recommends that the single advisory group proposed in SB2718_SD1, Section 1 consist of 7-11 members to ensure that the group can operate effectively. A 15-member board is often unwieldy. While 15 members allows for greater representation of stakeholder groups and points of view, it is often larger than an effective size for strategy and planning as well as convening; even the current 7-member Advisory Board has difficulty achieving quorum. Furthermore, the Legislature should also consider:

- Establishing terms for advisory group since SB2718_SD1 does not specify the duration of terms for all members. Based on recent HCTF Advisory Board discussions about members' experiences on the board, HCF recommends four-year terms.
- Specifying a process for transitioning members using staggered terms for their initial appointment or switching to the new membership once a majority of members are appointed, and
- Determining whether the advisory group is subject to or exempt from Sunshine law requirements (HRS Chapter 92).

Furthermore, HCF recommends that the Legislature reconsider HCF's role in the statute. As described in HRS section 350B, HCF assists the State in its efforts to prevent child abuse and neglect in the following capacities: (i) as the fund owner & fiduciary of the Hawaii Children's Trust Fund ("HCTF"); (ii) as the individual trustee and sole beneficiary of the Wodehouse Hawaii Children's Trust Fund Trust ("Trust") that benefits the HCTF at the HCF; and (iii) as a statutory "partner" pursuant to HRS Chapter 350B, which created the HCTF.⁶ HCF's Board of Governors, not the statutorily created HCTF advisory groups, is legally required to exercise fiduciary responsibility and control over the HCTF's investments, administration, and grant expenditures. The statute blurs the lines of responsibility and accountability, since it assigns the HCTF advisory groups interdependent but distinct statutory roles related to HCTF expenditures; for instance, the Advisory Committee is responsible for "establish(ing) criteria and guidelines for grantmaking"⁷ while the Advisory Board is responsible for "mak(ing) final recommendations to HCF for... grantmaking... and administration of the [Hawaii Children's] trust fund"⁸. Thus, confusion among HCTF stakeholders about the advisory groups and HCF is ongoing and understandable.

³ Created by HRS section 350B-4.

⁴ Created by HRS section 350B-6.

⁵ Created by HRS section 350B-5.

⁶ Because of HCF's multiple roles related to HCTF, please be advised that this submission is based solely on HCF's observations associated with carrying out our statutory role of interacting with the HCTF advisory groups as it relates to the HCTF. It is not intended to, nor should be construed as, representing the views of the Wodehouse Trust.

⁷ HRS section 350B-6(b)(2).

⁸ HRS section 350B-4(a)(1) and (3).

The size of the HCTF fund at HCF exacerbates the structural challenges. The HCTF's statutory funds are approximately \$1.1 million, as of December 31, 2013. This is the amount that has been accumulated as an endowment over 20 years from an initial state appropriation, income tax remittances from the Domestic Violence and Sexual/Child Abuse and Neglect Funds tax check off⁹ and private contributions. By HCF policy, 4% of the market value of the fund is distributed annually. Therefore the HCTF is projected to generate approximately \$35,000-40,000 annually for HCTF expenditures. Based on current priorities identified by the advisory groups and Advisory Board recommendations, these funds are targeted to support "infrastructure" for the HCTF Coalition and HCTF Advisory Committee for convening and disseminating information about child abuse and neglect prevention among stakeholders. In contrast, the Wodehouse Trust, for which HCF is solely responsible, is projected to provide approximately \$230,000 annually for grants and other expenditures to prevent child abuse and neglect. The complexity of the current statute exceeds the magnitude of decisions that the advisory groups need to make for the HCTF. Therefore:

1. If lawmakers determine that the HCTF trust fund at HCF should continue, amend the proposed language of HCTF Advisory Board responsibilities in HRS section 350B-4 to be advisory to HCF, since HCF has fiduciary and legal responsibility for the fund:
Page 1, Section 1, Lines 12-13: "Recommend priorities for grantmaking" instead of "Establish criteria and guidelines for grantmaking," and
2. Clarify the advisory group's relationship with the Department of Health (DOH) since the relationship is vague. See, HRS section 350B-2(g). As advisory to DOH, the reconstituted advisory group would receive administrative support from DOH:
Page 2, Section 1, Lines 4-6, revise to include: (B) Advise the department of health on matters involving prevention of child abuse and neglect (from HRS section 350B-4, which is deleted in SB2718_SD1).
3. Make a technical amendment to HRS section 321-38, which references the advisory committee which is repealed by SB2718_SD1.

Facilitating prevention of child abuse and neglect in Hawaii through HCTF would benefit significantly from amendments to the enabling statute. Thank you for the opportunity to provide comments and suggest clarifications to the HCTF statute.

⁹ HRS section 235-102.5.

February 27, 2014

Senator Chun Oakland, Chair
Senate Human Services Committee
Senator Josh Greene, Chair Senate Health Committee
Hawaii State Capitol, Room 229
Honolulu, HI 96813

Re: SB 2718, SD-1 , Relating to the Children's Trust Fund

Senators Chun-Oakland, Greene, Baker and Members of the Committees,

I am Gail Breakey, member of the Advisory Board for the Children's Trust Fund, testifying in support of this bill. The purpose of the Trust Fund is to serve as a mechanism for supporting initiatives to prevent child abuse and neglect. Over the years, it has served as a repository for significant federal funds, funds from an income tax designation and a major private legacy. This has enabled financial support of a number of services to prevent child abuse and promote healthy child development.

The Trust Fund is under the management the Hawaii Community Foundation with a complex advisory system of groups which was intended to ensure involvement and participation from a broad sector of the community. This currently includes an Advisory Board, an Advisory Council and a membership coalition. Those who have served on these entities have found this structure to be very cumbersome with duplication of effort and communication difficulties. Representatives of the current entities have met over the past six months to consider an alternative structure which is reflected in this bill.

Essentially, the new structure increases the membership of the Advisory Board, allowing the coalition to elect members from the community and dissolves the Advisory Council. The coalition and the Advisory Board assume responsibilities previously designated to the Council. We believe that this will result in more effective collaboration and communication between the community, the Advisory Board and the Hawaii Community Foundation.

Thank you for the opportunity to testify and for your consideration of this legislation.

Sincerely,

Gail Breakey, Advisory Board Member

To: Senate Committee on Human Services

Please accept testimony in support of SB 2718, SD1, Relating to the Hawaii Children's Trust Fund.

I am writing as a private citizen, but bring my previous experience as staff at the Hawaii Community Foundation (HCF), with responsibility to support the Hawaii Children's Trust Fund (HCTF). For more than 4 years, I worked closely with all partners of HCTF – Advisory Board, Advisory Committee, Coalition, Grantees, and the Department of Health (DOH) – and I believe I can offer a helpful perspective for this bill.

For many years, the current existing structure served a necessary purpose to bring multiple perspectives to inform the use of public and private funds that support child abuse prevention efforts in Hawaii. The existing structure also required significant staff resources provided by DOH and HCF to ensure regular and consistent communication between all partners so that they would move together with shared strategies toward a collective goal. The necessary staff resources were made possible largely through funding from federal funds received by DOH.

Given the elimination of most, if not all, of those federal funds that support HCTF, the cost-benefit of maintaining staff resources to support the partners is low.

In the revised structure proposed in SB2718, SD1, I see three significant improvements that fit the evolved needs of HCTF:

- Amending the structure by eliminating the Advisory Committee as a separate partner will greatly simplify and increase efficiency in the partnership.
- Growing the Advisory Board to include new members from government brings new and necessary voices to support solutions that prevent child abuse and neglect.
- Clearer articulation of the responsibilities and activities of the Advisory Board and Coalition clarifies roles to avoid miscommunication and increase efficiencies.

Thank you for your consideration of this testimony.

Sincerely,

Carrie Shoda-Sutherland