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TO: The Honorable Representative Joy A. San Buenaventura, Chair
House Committee on Human Services & Homelessness

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 1231 - RELATING TO THE SPOUSE AND CHILD ABUSE SPECIAL FUND**

Hearing: March 15, 2019, 9:00 a.m.
Conference Room 329, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports this administration bill that will allow the department to retain reimbursements of federal funds to provide funding for child abuse and neglect prevention and intervention services.

PURPOSE: The purpose of this bill is to exempt the spouse and child abuse special fund from the central services assessment and administrative expense assessment. Amends the spouse and child abuse special fund to allow reimbursements received from the U.S. Department of Health and Human Services, Administration for Children and Families, in the year following the fiscal year in which the Title IV-E funds were expended, to be deposited and expended for state-funded share of spouse or child abuse and neglect prevention, intervention, and other related services. Replaces "account" with "fund," and deletes "department of human services" from the title.

Currently, funds from the Spouse and Child Abuse Special Account (SCASA) are used to support crucial activities that are not sufficiently funded from any other source, such as services

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for minors who are sexually trafficked, counseling and psychoeducation to parents who have abused or neglected their children, and domestic violence fatality reviews. Currently, the source of funds is a percentage of vital records fees collected by the Department of Health.

In 2018, the United States Congress passed the Family First Prevention Services Act (FFPSA). Before FFPSA, Social Security Title IV-E funds could only be used by states for expenses directly related to children being in foster care, adoption, or kinship guardianship. Beginning October 2019, under FFPSA, states have the option of using these funds for prevention services. The Department plans on taking advantage of this option, and would like to be able to retain all FFPSA and Title IV-E reimbursements for needed services in the State.

Another significant federal change is the Title IV-E waiver program will end on September 30, 2019. In 2015, Hawaii was granted a Title IV-E waiver, and we anticipate a 15% cut in federal funds as the state transitions to non-waiver Title IV-E.

Title IV-E reimbursement claims are submitted to the federal government quarterly. Hawaii's fourth quarter claims are submitted in July, the subsequent state fiscal year. Under current State law, DHS is not allowed to retain federal reimbursement funds received in the following fiscal year from which they were expended; instead DHS is required to return the federal reimbursement to the State general fund. DHS returned approximately \$4,068,161 in SFY 2017 and approximately \$6,736,894 in SFY 2018 to the general fund in Title IV-E federal reimbursements received in the following fiscal year. This bill will allow DHS to retain Title IV-E federal reimbursements in SCASA and will stabilize child welfare program funding.

The bill will also exempt SCASA from the central services assessment and administrative expense assessment fees. In SFY 2018, DHS paid \$92,119 in fees. Exempting SCASA from these fees will allow additional funds to be used for prevention and intervention services.

With sustained and predictable funding, DHS will be able to:

- address the increase in the number families being served by Child Welfare Services,
- stabilize funding for crucial support services,
- stabilize funding for prevention services,

- develop its own evidence-based, child abuse prevention and intervention programs, designed specifically for Hawaii's diverse population; and, most crucially,
- expand the State's capacity to prevent, reduce, and appropriately respond to spousal and child abuse in Hawaii, and
- SCASA, being non-federal funds, can be used as matching funds to generate more federal funds to Hawaii, including those under the new Family First Prevention and Services Act.

Thank you for the opportunity to testify in support of this measure.