



**WRITTEN 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, S.D. 1, RELATING TO CHILD SUPPORT.

**BEFORE THE:**

SENATE COMMITTEES ON JUDICIARY AND ON WAYS AND MEANS

**DATE:** Thursday, July 2, 2020

**TIME:** 10:00 a.m.

**LOCATION:** State Capitol Auditorium

**TESTIFIER(S):** **WRITTEN TESTIMONY ONLY.**

(For more information, contact LYNETTE J. LAU ,  
Administrator, Child Support Enforcement Agency )  
at (808) 692-7129)

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Chair Rhoads and Dela Cruz and Members of the Committees:

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

The purpose of the bill is to require the Child Support Enforcement Agency (CSEA) and the Department of Human Services (DHS) to convene a study group to examine the effects of establishing a pass through program for child support payments to Temporary Assistance Needy Families (TANF) recipients and to submit a report of its findings and recommendations prior to the next legislative session.

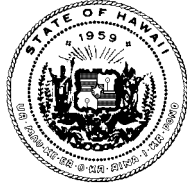
CSEA previously testified that the impact and costs of a pass through program will affect DHS and CSEA, by reducing the amount of reimbursement to both agencies and requiring modifications to their existing IT systems. Due to the impact of the COVID-19 pandemic, CSEA may not have enough fiscal information and time between July and December 2020 to conduct an adequate study and to properly make recommendations to the Legislature prior to the regular session of 2021. CSEA concurs with DHS' request that the deadline to prepare a report be extended to prior to the regular session of 2022.

We recommend that the bill be amended to extend the report submission deadline to allow additional time to convene the study group and for the submission of the report prior to the 2022 legislative session. We suggest 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 2022.”

Thank you for the opportunity to provide testimony.

DAVID Y. IGE  
GOVERNOR



PANKAJ BHANOT  
DIRECTOR

CATHY BETTS  
DEPUTY DIRECTOR

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

July 1, 2020

TO: The Honorable Senator Karl Rhoads, Chair  
Senate Committee on Judiciary

The Honorable Senator Donovan M. Dela Cruz, Chair  
Senate Committee on Ways and Means

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 2061 HD1 SD1 – RELATING TO CHILD SUPPORT**

Hearing: July 2, 2020, 10:00 a.m.  
Auditorium, 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; however, we respectfully request an amendment to delay the report deadline until prior to the Regular Session of 2022.

Given the COVID-19 pandemic and related economic crisis, the issue of available revenue to fund the pass-through is the primary issue. As we previously testified, we learned from our inquiries that the reason why other States ended their pass-through programs was due to revenue shortfalls. Also, we continue to anticipate the pass-through program will require amendments to existing DHS administrative rules as well as modifications to the IT system to operationalize the process. IT system modifications will require appropriations.

DHS is concerned that given the variety of COVID-19 related programmatic waivers, plans to return to regular program processes when waivers end, and the new programs DHS is implementing with COVID-19 related federal funds, we likely will not have enough fiscal information, administrative human resources, and time between July and December to conduct

an adequate study. Instead, we request an extended deadline to prepare a report prior to the 2022 Regular Session.

**PURPOSE:** The purpose of the bill requires the AG and DHS 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. (SD1)

Thank you for the opportunity to testify on this bill.



# HAWAII APPLESEED

## CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law & Economic Justice  
In Support of HB 2061, HD1, SD1 – Relating to Child Support  
Senate Committees on Judiciary and on Ways and Means  
Thursday, July 2, 2020, at 10:00 AM, in the State Capitol Auditorium

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Dear Chairs Rhoads and Dela Cruz, Vice Chairs Keohokalole and Keith-Agaran, and members of the Committees:

Thank you for the opportunity to provide testimony in **SUPPORT of HB 2061, HD1, SD1**, which would require the AG and DHS 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.

The policy under consideration, the pass-through of child support payments to TANF recipient families, is **already in place a majority of states and the District of Columbia.**<sup>i</sup> The outcomes of such laws have been studied extensively and found to be effective and beneficial for state governments.<sup>ii</sup> For example, the experience of other states shows that child support pass-throughs:

- increase custodial parents' likelihood of receiving child support payments,
- reduce the risk of child maltreatment, and
- generally decrease government outlays on services such as child care and food stamps.

We believe that Hawai'i should follow the majority of other states and require certain amounts of child support moneys to pass through to families receiving public assistance, as well as require that passed-through child support payments be disregarded when determining the needs of an applicant for public assistance.

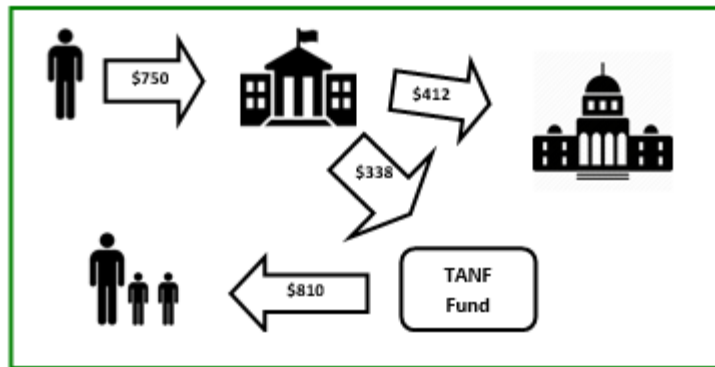
Custodial parents and children in Hawai'i who receive TANF benefits from the state may never see a penny of the child support they are owed. This is because **under our state's current child support system, a parent who owes child support to a family receiving TANF must pay that child support to the State of Hawai'i** (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.

The current system essentially denies the custodial parent access to their court-mandated child support payments.

For example, if a non-custodial parent owes \$750 per month to the custodial parent of their three children, and the custodial parent receives \$810 per month in TANF benefits, the all of the \$750 in child support would be paid to the state. The state would keep approximately \$338 and forward \$412 to the federal government.

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*The Hawai'i Appleseed Center for Law and Economic Justice is committed to a more socially just Hawai'i, where everyone has genuine opportunities to achieve economic security and fulfill their potential. We change systems that perpetuate inequality and injustice through policy development, advocacy, and coalition building.*

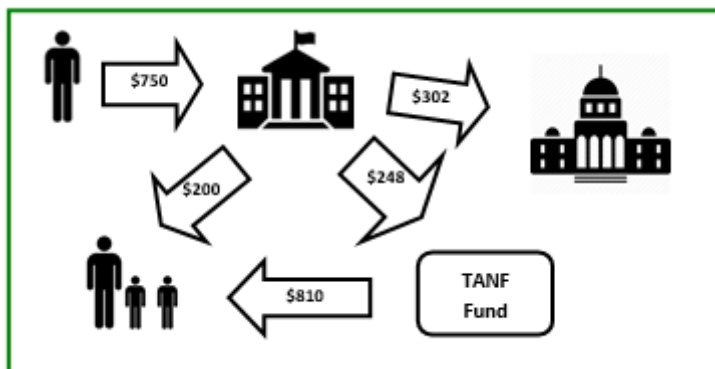


The federal Deficit Reduction Act of 2005 (DRA) encourages states to pass on certain portions – \$100 per month for families with one child and \$200 per month for those with two or more children – of state-collected child support by agreeing to waive the federal portion of those monies, provided the state disregards the additional income for determining TANF eligibility. This allows states to get additional money into the hands of struggling families at a fraction of the nominal cost.

This bill would enact the pass-through recommendations of the DRA. For struggling families, an additional \$200 a month can have dramatic impacts on their ability to provide necessities for their children, and can reduce the incidence and impact of childhood poverty. Modest increases in income for low-income families have been correlated with increased school attendance and achievement and long-term earning potential for children.

**In our above example, were Hawai'i to pass through \$200 of child support to the custodial family, it would only be losing \$90 in revenue.** The remaining \$110 would have been paid forward to the federal government.

According to the latest data that we have, if this bill were law in 2016, approximately 800 families would have benefitted from child support pass-through payments, providing them with just over \$1.5 million per year, at a cost to Hawai'i of only \$675,000.



Mahalo for your consideration of this testimony.

<sup>i</sup> <https://www.ncsl.org/research/human-services/state-policy-pass-through-disregard-child-support.aspx>

<sup>ii</sup> <https://www.countyhealthrankings.org/take-action-to-improve-health/what-works-for-health/strategies/full-child-support-pass-through-and-disregard>



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: Senator Rhoads, Chair  
Senator Keohokalole, Vice Chair  
Senate Committee on Judiciary

Senator Dela Cruz, Chair  
Senator Keith- Agaran, Vice Chair  
Senate Committee on Ways and Means

Re: **HB 2061 HD1 SD1, relating to child support**  
Hawaii State Capitol, Auditorium  
10:00 AM, 7/2/2020

Chair Rhoads, Chair Dela Cruz, Vice Chair Keohokalole, Vice Chair Keith-Agaran, and committee members,

**On behalf of Hawaii Children's Action Network Speaks!, we write in support of HB 2061 HD1 SD1**, which would require the Attorney General 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.

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 HD1 SD1.

Thank you,

Kathleen Algire  
Director, Public Policy and Research

**HB-2061-SD-1**

Submitted on: 6/30/2020 4:58:40 PM

Testimony for JDC on 7/2/2020 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ann S Freed	Testifying for Hawaii Women's Coalition	Support	No

Comments:

Aloha Chair Rhoads, Chair Dela Cruz and members,

The Hawaii Women's Coalition remains in strong support of this measure.

Mahalo,

Ann S. Freed

Co-Chair Emeritus, Hawaii Women's Coalition





To:  
Senator Karl Rhoads  
Chair, Senate Committee on Judiciary

Senator Donovan Dela Cruz  
Chair, Senate Committee on Ways and Means

From:  
Zonta Club of Hilo, Legislative Advocacy Committee

June 30, 2020

**RE: Zonta Club of Hilo in SUPPORT of HB2061 SD1 Relating to Child Support**

Aloha Senators Rhoads, Dela Cruz and members of the Senate Judiciary and Ways and Means Committees,

Thank you for the opportunity to testify in **SUPPORT** for **HB2061 SD1**, which would require the AG and DHS 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.

We believe that this pass through is a straightforward method to provide greater assistance to our most vulnerable families at a reduced cost to the state. We appreciate that the uncertainty around the impacts of COVID 19 on our state's economy will make it difficult to fully implement a pass through program at this time, therefore support this study and the amendments made to the bill in the Senate HMS committee, which we think will increase the likelihood of a child support pass through program being implemented in the future.

Child support payments can make a significant difference in the lives of families who are currently receiving or are at risk of needing public assistance. An extra \$100 or \$200 per month may mean the difference between a family making a rent payment or becoming homeless, putting gas in the car or having their child miss school, buying groceries or having the family go hungry.

For struggling families, these additional funds will not only have dramatic impacts on a parent's ability to provide necessities for their children, these funds can also reduce the incidence and impact of childhood poverty. 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> Child support pass-throughs can help ease families off public benefits and by increasing the financial security of a family. Pass-throughs can make a return to the benefits system less likely once that family no longer has the need for public assistance.

While it is important to consider that this pass through will allow the state to potentially avoid future costs, it is simply the right thing to do to help end the cycle of poverty for the youngest members of our community.

Under Hawaii’s current child support system, a non-custodial parent must pay child support directly to the State of Hawaii up to the amount of TANF benefits paid to that family. 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. Custodial parents receiving TANF funds, the majority of whom are women, may never see any of the child support they are owed.

For example, if a non-custodial parent owes \$750 per month to the custodial parent of their three children, and the custodial parent receives \$810 per month in TANF benefits, all \$750 in child support would be paid to the state. The state would keep approximately \$338 and forward \$412 to the federal government. This system essentially denies the custodial parent access to their court-mandated child support payments.

The federal Deficit Reduction Act of 2005 (DRA) recommended that states to pass through certain portions of the child support collected by the state and agreed to waive the federal portion of those monies, provided the state disregards the additional income for determining TANF eligibility. HB2061 SD1 would allow Hawaii to provide \$100 per month for families with one child and \$200 per month for those with two or more children at a fraction of the cost for the state.

We hope that there will be consensus among all concerned parties that providing child support pass through benefits to our most needy families will ultimately be beneficial to both those families and our state and therefore all parties can come to agreement on the implementation process through this joint study.

The Zonta Club of Hilo supports **HB2061 SD1** and 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.

**HB-2061-SD-1**

Submitted on: 6/29/2020 3:44:01 PM

Testimony for JDC on 7/2/2020 10:00:00 AM

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

Comments:

Comments in support: Please pass this bill to explore the opportunity to increase assistance to Hawaii's needy families using Federal funds with little or no cost to Hawaii's taxpayers. Thank you.

Amy Monk

**LATE**

**HB-2061-SD-1**

Submitted on: 7/1/2020 2:36:46 PM

Testimony for JDC on 7/2/2020 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jennifer Azuma Chrupalyk	Individual	Support	No

Comments:

**HB-2061-SD-1**

Submitted on: 7/1/2020 3:25:34 PM

Testimony for JDC on 7/2/2020 10:00:00 AM

**LATE**

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Rayne Kauhi	Individual	Oppose	No

Comments: