



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

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**ON THE FOLLOWING MEASURE:**

S.B. NO. 2310, RELATING TO CHILD SUPPORT.

**BEFORE THE:**

SENATE COMMITTEE ON HUMAN SERVICES

**DATE:** Friday, January 31, 2020

**TIME:** 2:50 p.m.

**LOCATION:** State Capitol, Room 016

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

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Chair Ruderman and Members of the Committee:

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

The purpose of this bill is to allow certain child support payments collected by the State to be passed through to the family receiving public assistance for the benefit of a child or children and increases the maximum fine for an employer who discharges, refuses to employ, or takes disciplinary action against any noncustodial parent subject to income withholding or who fails to comply with an order of assignment of future income to pay child support.

Under section 346-37.2, Hawaii Revised Statutes (HRS), the Child Support Enforcement Agency (CSEA) is tasked with collecting the debt owed to the Department of Human Services (DHS) by the non-custodial parent, when Temporary Assistance for Needy Families (TANF) benefits are paid for the benefit of any dependent child. Currently, because TANF is a federally funded program, federal law requires that a portion of the collection must be paid back to the federal government, which is retained by CSEA for federal matching funds. The remaining portion is reimbursed back to the DHS. The federal Deficit Reduction Act of 2005 would allow a portion of the debt amount (\$100 or \$200) to pass through to the custodial parent without applying the required reimbursement to the federal government and DHS. In federal fiscal year

2018-2019, the federal portion was approximately 54 percent of the total collections, with DHS receiving 46 percent of the total collections. While we do not know what the actual financial impact will be, the pass through will reduce the amount of reimbursement to DHS and the federal government.

In addition, the proposed bill requires pass through payments to be tied to the TANF recipient family or household. CSEA's existing case management system is not designed to disburse payments in this manner. CSEA's case management system disburses child support on a per case basis, or per non-custodial parent basis. CSEA's statewide case management computer system would need to be modified to consider TANF household members or recipients before passing through child support payments. Although the actual costs to implement this legislative proposal cannot be specified at this time, CSEA estimates that it would incur approximately \$400,000 for the required system modification. This cost has not been included in the agency budget and would require an appropriation of state general funds.

Finally, federal law requires each state to have laws requiring the imposition of a fine against an employer who discharges, refuses to employ, or takes disciplinary action against any noncustodial parent subject to income withholding or who fails to comply with an order of assignment of future income to pay child support. Federal law does not mandate a specific amount for the fine. CSEA provides no further comments regarding amending the amount of the fine in sections 571-52.2 and 576E-16, HRS.

The Department of the Attorney General respectfully requests that the Committee consider including an appropriation amount and amending the measure by establishing an effective date that provides CSEA sufficient time to make necessary computer system and operational changes.

Thank you for the opportunity to testify on this bill.



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

January 28, 2020

TO: The Honorable Senator Russell E. Ruderman, Chair  
Senate Committee on Human Services

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 2310 – RELATING TO CHILD SUPPORT**

Hearing: January 31, 2020, 2:50 p.m.  
Conference Room 016, 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, DHS requests clarification and provides the following comments as other states have implemented the program with mixed results.

**PURPOSE:** The purpose of the bill is to require certain amounts of child support moneys collected by DHS for public assistance of a child to pass through to the family receiving the public assistance; and to require DHS to disregard passed through child support payments when determining the needs of an applicant for or recipient of public assistance.

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 the custody of either parent.

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.

Lastly, DHS requests an amendment of the effective date that will give DHS and CSEA sufficient time to make necessary administrative and operational changes

Thank you for the opportunity to testify on this bill.

**SB-2310**

Submitted on: 1/28/2020 8:01:50 PM

Testimony for HMS on 1/31/2020 2:50:00 PM

| <b>Submitted By</b> | <b>Organization</b>  | <b>Testifier Position</b> | <b>Present at Hearing</b> |
|---------------------|--|---------------------------|---------------------------|
| Laurie Field        | Testifying for Planned Parenthood Votes Northwest and Hawaii | Support                   | No                        |

Comments:



**of Hawaii**

January 29, 2020

Hawaii State House Committee on Human Services

Hearing Date/Time: January 31, 2020 2:50PM

Place: Hawaii State Capitol, Room 16

Re: Testimony in SUPPORT of SB2310

Dear Chair Ruderman, Vice Chair Rhoads, and Members of the Committee,

Members of AAUW of Hawaii are grateful for this opportunity to testify in support of SB2310, 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".

Younghee Overly

Public Policy Chair, AAUW of Hawaii

publicpolicy-hi@aauw.net



# HAWAII APPLESEED

## CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai‘i Appleseed Center for Law & Economic Justice  
In Support of SB 2310 – Relating to Child Support  
House Committee on Human Services & Homelessness  
Friday, January 31, 2020, at 2:50 PM, in conference room 016

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Dear Chair Ruderman, Vice Chair Rhoads, and members of the Committee:

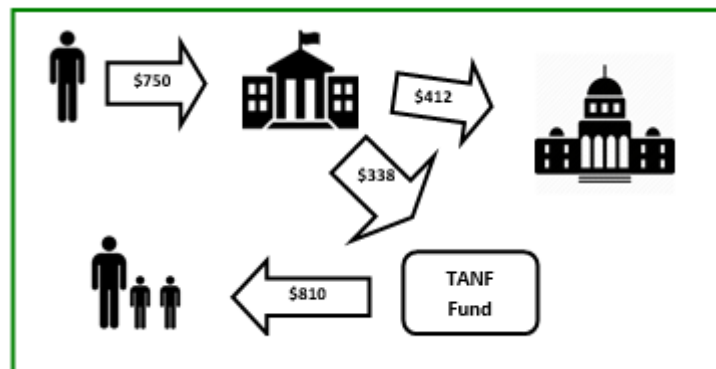
Thank you for the opportunity to provide testimony in **SUPPORT** of **SB 2310**, which would require certain amounts of child support moneys to pass through to families receiving public assistance as well as require that passed-through child support payments be disregarded when determining the needs of an applicant for public assistance.

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. According to the U.S. Census Bureau, child support payments accounted for over 70.3 percent of annual income for custodial parents living below poverty who received full child support nationally in 2013. Moreover, if all the custodial parents living in poverty in the nation received full amounts of child support in 2015, approximately 200,000 of them would have been raised out of poverty.

However, 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.

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.

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



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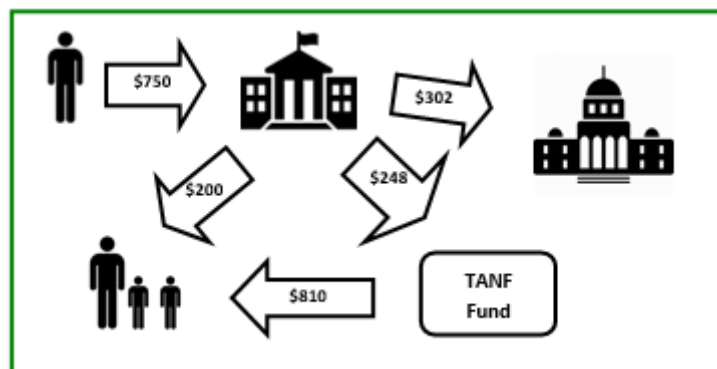
*The Hawai‘i Appleseed Center for Law and Economic Justice is committed to a more socially just Hawai‘i, where everyone has genuine opportunities to achieve economic security and fulfill their potential. We change systems that perpetuate inequality and injustice through policy development, advocacy,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



In addition, the experience of the 26 states and the District of Columbia that have adopted child support pass-through laws or policies have shown benefits for state governments. Child support pass-throughs increase fathers’ voluntary compliance with child support orders. If a father can see that his child support dollars are going directly to their children, he is more likely to work and to make timely payments.

Our state needs all the help we can get in that area. Since 2003 Hawai‘i has ranked last in collecting child support debts. Presently, families in Hawai‘i and the state are owed more than \$484 million in child support arrears.

In addition to increasing compliance, child support pass-throughs can help ease families off public benefits. By increasing the financial security of families as they begin to climb the income ladder, child support pass-throughs can make a return to the benefits system less likely, helping to ensure that families continue working after they earn their way out of benefits.

Mahalo for your consideration of this testimony.





To:  
Senator Russell Ruderman  
Chair, Senate Committee on Human Services

Senator Karl Rhoads  
Vice Chair, Senate Committee on Human Services

From:  
Zonta Club of Hilo, Legislative Advocacy Committee

Jan 30, 2020

**RE: Zonta Club of Hilo in SUPPORT of SB2310 Relating to Child Support**

Aloha Senators Ruderman and Rhoads and members of the Senate Committee on Human Service,

Thank you for the opportunity to testify in **STRONG SUPPORT** for **SB2310**, which would require certain amounts of child support payments to be passed through to families receiving Temporary Assistance for Needy Families (TANF) benefits. 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.

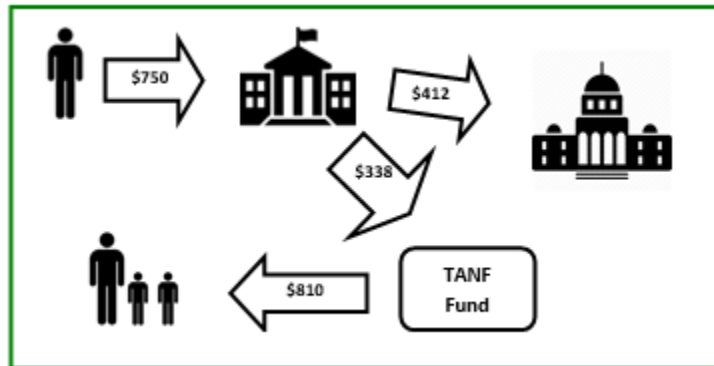
Child support payments can make a significant difference in the lives of families who are currently receiving or are at risk of needing public assistance. An extra \$100 or \$200 per month may mean the difference between a family making a rent payment or becoming homeless, putting gas in the car or having their child miss school, buying groceries or having the family go hungry. Modest increases in income for low-income families have been correlated with increased school attendance and achievement and long-term earning potential for children.

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. 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.

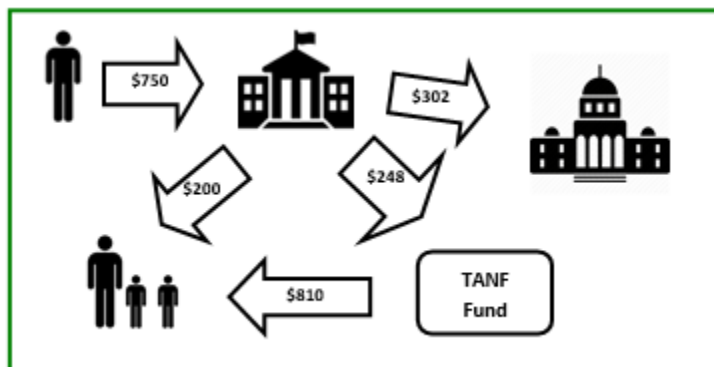
For example, if a non-custodial parent owes \$750 per month to the custodial parent of their three children, and the custodial parent receives \$810 per month in TANF benefits, all \$750 in child support would be paid to the state. The state would keep approximately \$338 and forward \$412 to the federal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



Graphic provided by Hawaii Appleseed

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. SB2310 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.

In this example, were Hawaii to pass through \$200 of child support to the custodial family, the state would only be losing \$90 in revenue. The remaining \$110 would be reduced from the amount sent to the federal government.



Graphic provided by Hawaii Appleseed

26 states and the District of Columbia that have adopted child support pass-through laws or policies and these have shown benefits for state governments. In addition to reducing the incidence and impact of

childhood poverty, child support pass-throughs increase voluntary compliance with child support orders by non-custodial parents. If a father can see that his child support dollars are going directly to their children, he is more likely to work and to make those payments in a timely manner. Since 2003 Hawaii has ranked last in collecting child support debts. Providing this pass through can help with the collection rate of child support payments owed to custodial parents and their families.

In 2016 a similar version of this bill (SB3028) passed through the Senate but did not pass through the House. At that time concerns were raised by the Attorney General's Office and the Department of Human Services as to which agency would be responsible for the pass through and if funds would be provided to modify current systems in order to implement the pass through. The 2020 version, SB2310, addresses these concerns by clarifying that DHS will be responsible for managing the pass through and appropriates funds to provided for modifications to their systems.

We understand that further deliberation may be required with these agencies to facilitate the implementation of this legislation. 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 beneficial to both those families and our state and therefore all parties can come to agreement on the implementation process.

The Zonta Club of Hilo supports **SB2310** 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.

Date: January 30, 2020

To: Senator Russell Ruderman , Chair  
Senator Karl Rhoads, Vice Chair  
House Committee on Health and Human Services

From: NASW Hawai'i Chapter

RE: Testimony in Support of SB 2310

Chair Ruderman, Vice Chair Rhoads, and members of Senate Committee on Human Services

The National Association of Social Workers- Hawaii (NASW-Hawai'i) strongly supports SB 2310, relating to child support. This bill would allow for the pass through of a portion of child support payments to be passed through to families currently receiving Temporary Assistance to Needy Families (TANF) benefits

AS it stands 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.

The full pass through reduction in revenue would not exclusively be carried by the state of Hawai'i. The federal government would waive their portion meaning for \$100 pass through, it would only cost the state \$45. 26 states and DC currently have some level of TANF Pass through.

A Pass through will help lift families out of poverty and reduce the likelihood that they will need to go back on public assistance. An extra \$100 or \$200 per month for our most vulnerable families 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. Therefore, the costs of this proposal should be weight against avoided costs to the state for future services.

Sonja Bigalke-Bannan, MSW, LSW  
Executive Director  
National Association of Social Workers, Hawai'i Chapter



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.*

January 31, 2020

To: Senator Ruderman, Chair  
Senator Rhoads, Vice Chair  
Senate Committee on Human Services

Re: **SB 2310, relating to child support**  
Hawaii State Capitol, Room 016  
2:50PM, 1/31/2020

Chair Ruderman, Vice Chair Rhoads, and committee members,

**On behalf of Hawaii Children's Action Network Speaks!, we write in support of SB 2310**, which would allow for the pass through of a portion of child support payments to be passed through to families currently receiving Temporary Assistance to Needy Families (TANF) benefits.

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 SB 2310 and respectfully request the committee pass the bill.

Thank you,

Kathleen Algire  
Director, Public Policy and Research



## Hawaii Women's Coalition

To: Hawaii State House of Representatives Committee on Human Services  
Hearing Date/Time: Wed., Jan. 31, 2020, 2:50 p.m.  
Place: Hawaii State Capitol, Rm. 016  
Re: Testimony of Hawaii Women's Coalition in support of S.B. 2310

Dear Chair San Buenaventura and Members of the Committee,

The Hawaii Women's Coalition writes in support of S.B. 2310 to allow for the pass through of a portion of child support payments to be passed through to families currently receiving Temporary Assistance to Needy Families (TANF) benefits.

The proposed bill will provide a \$100 pass through to families with 1 child and a \$200 pass through to families with 2 or more children. 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.

The Federal Deficit Reduction Act of 2005 (DRA) encourages states to pass on certain portions by agreeing to waive the federal portion of those monies, provided the state disregards the additional income for determining TANF eligibility. 27 states currently have some level of TANF Pass through.

According to the data from 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 Hawaii of only \$675,000.

An extra \$100 or \$200 per month for our most vulnerable families 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. Therefore, the costs of this proposal should be weight against avoided costs to the state for future services.

Providing this pass through may help decrease delinquency in child support payment if the parent paying the child support know that more of the payment is going to the children.

Thank you for your support for this important measure.

Sincerely,  
Hawaii Women's Coalition

**LATE**

**SB-2310**

Submitted on: 1/31/2020 1:27:43 AM

Testimony for HMS on 1/31/2020 2:50:00 PM

| <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 Ruderman, Vice Chair Rhoads and members,

The Coalition is in strong support of this measure that will make a large difference in the lives of Hawaii's vulnerable families, most especially single mothers who suffer disproportionately from the high cost of living in our state. Please pass this bill out of committee.

Mahalo,

Ann S. Freed

Co-Chair Emeritus, Hawaii Women's Coalition

**SB-2310**

Submitted on: 1/28/2020 10:45:51 PM

Testimony for HMS on 1/31/2020 2:50:00 PM

| <b>Submitted By</b> | <b>Organization</b> | <b>Testifier Position</b> | <b>Present at Hearing</b> |
|---------------------|---------------------|---------------------------|---------------------------|
| Jonathan Boyne      | Individual          | Support                   | No                        |

Comments:

As a community health professional, I support SB2310 because:

- Would allow for the pass through of a portion of child support payments to be passed through to families currently receiving Temporary Assistance to Needy Families (TANF) benefits
- Proposed \$100 pass through to families with 1 child, \$200 pass through to families with 2 or more children.
- 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.
- The Federal Deficit Reduction Act of 2005 (DRA) encourages states to pass on certain portions by agreeing to waive the federal portion of those monies, provided the state disregards the additional income for determining TANF eligibility.
- The full pass through reduction in revenue would not exclusively be carried by the state. The federal government would waive their portion meaning for \$100 pass through, it would only cost the state \$45.
- 26 states and DC currently have some level of TANF Pass through.
- According to the data from 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 Hawaii of only \$675,000.
- A Pass through will help lift families out of poverty and reduce the likelihood that they will need to go back on 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.
- An extra \$100 or \$200 per month for our most vulnerable families 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. Therefore, the costs of this proposal should be weight against avoided costs to the state for future services.
- Providing this pass through may help decrease delinquency in child support payment if the parent paying the child support know that more of the payment is going to the children.



- The only objections to the 2018 version of this legislation were, which agency would handle the pass through and the time and cost of implementing the IT to manage the transfer. There was also concern that the pass through may limit access for these families to also receive SNAP benefits. These concerns have been addressed in the 2020 legislation. DHS will handle the pass through and the bill calls for funds for implementation.

Sincerely,

Jonathan Boyne

**SB-2310**

Submitted on: 1/30/2020 11:26:07 PM

Testimony for HMS on 1/31/2020 2:50:00 PM

| <b>Submitted By</b> | <b>Organization</b> | <b>Testifier Position</b> | <b>Present at Hearing</b> |
|---------------------|---------------------|---------------------------|---------------------------|
| Caroline Kunitake   | Individual          | Support                   | No                        |

Comments:

Please support SB2310.

Mahalo,

Caroline Kunitake