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TO: The Honorable Senator Donovan M. Dela Cruz, Chair  
Senate Committee on Ways & Means

FROM: Cathy Betts, Director

SUBJECT: **SB 1137 SD1 - RELATING TO THE SPOUSE AND CHILD ABUSE SPECIAL FUND.**

Hearing: March 2, 2021, 9:30 a.m.  
Via Videoconference, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) strongly supports this administration measure that will provide needed access to non-federal revenue needed to implement Hawaii's Family First Prevention Services Act program. The Committee on Human Services amended the measure by:

- (1) Making it effective upon its approval; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

DHS respectfully requests the measure be amended so that the effective date be on or before June 30, 2021.

**PURPOSE:** To allow the retention of unencumbered and encumbered funds up to \$5,000,000 including Family First Prevention Services and Title IV-E of the Social Security Act federal reimbursements received from the U.S. Department of Health and Human Services, Administration for Children and Families, in the following fiscal year after the funds were expended.

The Family First Prevention Services Act of 2018, Public Law 115-123 (Family First), adds a mechanism for states to claim reimbursement through Title IV-E of the Social Security Act for a percentage of state funds spent on certain child abuse and neglect prevention services. DHS submitted its Family First Hawai'i Plan for federal review at the end of December 2020 and is awaiting its approval; once the plan is approved and implemented, DHS will be able to begin drawing down additional federal reimbursement funds for certain prevention services under Family First Hawai'i.

To draw down federal reimbursement, DHS is first required to expend a source of non-federal funds. To maintain the current level of services, and to build programmatic and community capacity to maximize federal reimbursement for certain prevention services available through Family First Hawai'i, DHS will use reimbursements from Title-IVE expenditures as the source of non-federal funds. Increasing the amount of federal reimbursement that may be retained in the Spouse and Child Abuse Special Fund is one strategy to stabilize a source of funding for these spouse and child abuse prevention and intervention services. Current projections are that DHS will require approximately \$4.9 million in non-federal funds to implement the Family First Hawaii program.

Currently, DHS returns approximately \$5,000,000 of federal Title IV-E reimbursements to the general fund when those reimbursements are received in the fiscal year after the funds were expended. This is in part due to the State and Federal fiscal years not being on the same 12 month cycle. Having the authority to retain up to \$5,000,000 will assist DHS with a stable and predictable source of non-federal funds eligible for federal reimbursement to administer programs and services that prevent, reduce, and respond to the impacts or incidents of spouse abuse and child abuse and neglect, e.g., services provided under the Family First Hawai'i Plan pursuant to the Federal Government's Family First Prevention Services Act.

Impact on the public will be positive, as DHS services will be better able to maintain the current level of services that was provided through the State's Title IV-E waiver. Also, if Title IV-E reimbursements are retained, more funds may be expended on evidence-based programs

that prevent and reduce the impact and incidents of spouse abuse and child abuse and neglect and prevent placement of youth into foster care.

Additionally, under Family First, the population that may be served for certain programs and services is greater than was previously eligible for Title IV-E funded programs, as certain conditions that previously limited eligibility for Title IV-E funds have been removed by Family First. We anticipate that due to the multiple impacts of the COVID-19 pandemic on families in Hawaii and elsewhere, that more families may be eligible and need supportive services to prevent child abuse or neglect.

Increasing the amount that may be deposited and retained in the Spouse and Child Abuse Special Fund will allow DHS to better provide and sustain spouse abuse and child abuse and neglect prevention and intervention services and maximize federal fund reimbursements.

The request to amend the effective date to be on or before June 30, 2021 will allow DHS to begin to retain up to \$5 million during state fiscal year 2021.

Thank you for the opportunity to provide testimony on this bill.