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HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO. 3293, S.D. 2, H.D. 2

March 31, 2022
2:30 p.m.
Room 308 and Videoconference

RELATING TO ASSISTANCE FOR PERSONS COMPLETING A TERM OF
IMPRISONMENT

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill (S.B.) No. 3293, S.D. 2, H.D. 2, establishes a five-year recidivism prevention pilot program at the Judiciary for individuals who have exited incarceration from the Women's Community Correctional Center consisting of: 1) a housing voucher program; 2) a child care voucher program for those women with custody of a child that do not already receive child care subsidies; and 3) an employer tax credit program to provide income tax credits to employers for employing program participants. This bill also sets the eligibility and participation requirements for the pilot program and sets forth reporting requirements for the Judiciary prior to the 2027 Legislative Session.

S.B. No. 3293, S.D. 2, H.D. 2, also establishes 5.00 permanent full-time equivalent transition navigator positions and appropriates an unspecified amount of general funds for the Judiciary in FY 23 to implement and operate the five-year recidivism prevention pilot program.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

B&F also notes that the federal ARP Act restricts states from using ARP Coronavirus State Fiscal Recovery Funds (CSFRF) to directly or indirectly offset a

reduction in net tax revenue resulting from a change in law, regulation, or administrative interpretation beginning on March 3, 2021, through the last day of the fiscal year in which the CSFRF have been spent. If a state cuts taxes during this period, it must demonstrate how it paid for the tax cuts from sources other than the CSFRF, such as:

- By enacting policies to raise other sources of revenue;
- By cutting spending; or
- Through higher revenue due to economic growth.

If the CSFRF provided have been used to offset tax cuts, the amount used for this purpose must be repaid to the U.S. Treasury.

The U.S. Department of Treasury has issued rules governing how this restriction is to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with this ARP restriction.

Thank you for your consideration of our comments.

DAVID Y. IGE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF PUBLIC SAFETY
1177 Alakea Street, 6th Floor
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MAX N. OTANI
DIRECTOR

Maria C. Cook
Deputy Director
Administration

Tommy Johnson
Deputy Director
Corrections

Jordan Lowe
Deputy Director
Law Enforcement

No. _____

TESTIMONY ON SENATE BILL 3293, SENATE DRAFT 2, HOUSE DRAFT 2
RELATING TO ASSISTANCE FOR PERSONS COMPLETING
A TERM OF IMPRISONMENT.

by
Max N. Otani, Director
Department of Public Safety

House Committee on Finance
Representative Sylvia Luke, Chair
Representative Kyle T. Yamashita, Vice Chair

March 31, 2022; 2:30 p.m.
Videoconference

Chair Luke, Vice Chair Yamashita, and Members of the Committee:

The Department of Public Safety (PSD) supports the intent of Senate Bill (SB) 3293, Senate Draft (SD) 2, House Draft (HD) 2, which seeks to establish a five-year recidivism prevention pilot program consisting of three components: a housing voucher program, childcare voucher program, and tax credits for employers. All of three initiatives are designed to assist certain individuals exiting the Women's Community Correctional Center (WCCC with reentry into the community.

While the Department supports the intent of this measure, it has great concerns regarding some of the provisions. PSD notes that the Department's jurisdiction and responsibility to administer any contract for programs and/or services is terminated upon the offender's release from custody. Offenders sentenced to jail terms of one year or less and offenders on probation fall under the sole jurisdiction of the Judiciary, not PSD. Also, offenders released on parole by the Hawaii Paroling Authority (HPA) fall under the sole jurisdiction of the HPA, not PSD. In addition,

Testimony on SB 3293, SD 2, HD 2
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once offenders have completed their sentence(s) of incarceration, PSD has no further jurisdiction or authority to direct them in any way.

As written, this measure appropriates all funding to the Judiciary, but requires PSD to be accountable for matters outside of our authority and jurisdiction. While the Department welcomes any initiatives to assist released offenders with reentry and is willing to work with other agencies, PSD respectfully requests that this measure be amended to remove the requirements for responsibility over programs outside of its jurisdiction.

Thank you for the opportunity to present this testimony.

DAVID Y. IGE
GOVERNOR

JOSH GREEN M.D.
LT. GOVERNOR



ISAAC W. CHOY
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DEPARTMENT OF TAXATION
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To: The Honorable Sylvia Luke, Chair;
The Honorable Kyle T. Yamashita, Vice Chair;
and Members of the House Committee on Finance

From: Isaac W. Choy, Director
Department of Taxation

Date: Thursday, March 31, 2022
Time: 2:30 P.M.
Place: Via Video Conference, State Capitol

**Re: S.B. 3293, S.D. 2, H.D. 2, Relating to Assistance for Persons
Completing a Term of Imprisonment**

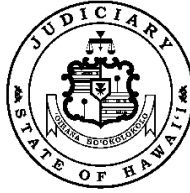
The Department of Taxation (Department) appreciates the intent of S.B. 3293, S.D. 2, H.D. 2, and offers the following comments.

S.B. 3293, S.D. 2, H.D. 2, creates a five-year pilot program to include a housing voucher program, child care voucher program, and a nonrefundable income tax credit for employers of program participants. This measure has a defective effective date of July 1, 3000, and otherwise has a repeal date of July 1, 2027, with the tax credit section applying to taxable years beginning after December 31, 2022 and ending before January 1, 2028.

In regard to taxation, this measure creates a non-refundable income tax credit for employment of program participants in subsection (e). The Department appreciates that the previous committee reinserted the prior language outlining the administration of the tax credit through an application to be filed with the program, and also creating provision for the Department of Labor and Industry to provide necessary information to the Department.

Assuming that a non-defective effective date is to be inserted, the Department requests that the effective date of this new tax credit remain applicable to taxable years after December 31, 2022. This will provide the Department time to make the necessary forms, instructions, and computer system changes to implement this new tax credit.

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



The Judiciary, State of Hawai‘i

Testimony to the Thirty-First State Legislature, 2022 Regular Session

House Committee on Finance
Representative Sylvia Luke, Chair
Representative Kyle T. Yamashita, Vice Chair

Thursday, March 31, 2022, 2:30 P.M. – Agenda #2
State Capitol, Conference Room 308 & Videoconference

by
Rodney A. Maile
Administrative Director of the Courts

WRITTEN TESTIMONY ONLY

Bill No. and Title: Senate Bill No. 3295, S.D. 1, H.D. 2, Relating to Corrections.

Purpose: Establishes the women's corrections implementation commission within the department of public safety to provide oversight over state correctional facilities and community correctional centers that incarcerate women; receive and investigate complaints from incarcerated women; monitor the criminal justice system's progress in implementing reforms; and monitor programs and data that are important to ensuring successful outcomes for women in the correctional system. Requires annual reports to the legislature. Appropriates funds. Effective 7/1/2050.

Judiciary's Position:

The Judiciary supports the intent of this measure that is consistent with a gender-responsive approach to improve outcomes for women in the criminal justice system but respectfully offers the following comments for the Committee's consideration.

The women's corrections implementation commission contemplated by this measure would be established within the Department of Public Safety and focus on the oversight of state correctional facilities and incarcerated women. The Judiciary does not have authority over these facilities or jurisdiction over this target population, and as such does not appear to be contemplated as part of the commission's membership. Operationally, considering the



Senate Bill No. 3295, S.D. 1, H.D. 2, Relating to Corrections
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Judiciary's relatively defined and limited involvement with these specific issues, the Judiciary does not appear to be the appropriate entity for the role as expending agency as contemplated in the current version of this measure.

In addition, from a fiscal perspective, the Judiciary serving as the expending agency would be highly complicated and arguably inappropriate. Specifically, it would be difficult for the Judiciary to expend funds for the commission since the administrative functions fall under the Department of Public Safety, which is outside of the Judiciary's purview. Thereby, it would be a complex task for the Judiciary to monitor, verify, and reimburse for expenditures of an external entity as required by our financial administration policies. Moreover, since it would be improper for the Judiciary to participate in the substantive work of the commission, it is unclear how recruitment, hiring, and control over any positions associated with the commission would be handled.

We would also note that a similar measure has been proposed (HB2312, H.D. 1, S.D. 1), which would establish a commission within the Judiciary that focuses on diversion and community-based programs to support women offenders. The goals, membership, and structure of the HB2312 commission are more closely aligned with the areas of the criminal justice system under the Judiciary's jurisdiction. As expressed in our testimony for HB2312, H.D. 1, we are supportive of this approach and recognize that such a commission would be a helpful forum for ongoing improvements.

Thank you for the opportunity to testify on this measure.

SB-3293-HD-2

Submitted on: 3/30/2022 1:49:06 PM

Testimony for FIN on 3/31/2022 2:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Linda Rich	Women?s Prison Project	Support	Remotely Via Zoom

Comments:

COMMITTEE ON FINANCE

Representative Sylvia Luke,Chair

Representative Kyle T. Yamashita, Vice Chair

HEARING DATE: March 31, 2022

TIME: 2:00 PM,

PLACE: Via Videoconference

CONFERENCE ROOM 308

STATE CAPITOL

SUPPORT FOR SB3293, SD2, HD2 RELATING TO ASSISTANCE FOR PERSONS COMPLETING A TERM OF INCARCERATION

My name is Linda Rich and I am testifying on behalf of the Women’s Prison Project in **STRONG SUPPORT of SB3293, SD2, HD2 with recommendations.**

SB3293, SD2, which establishes a pilot project within the Judiciary will reduce recidivism and increase the chances that women will successfully rejoin the community after leaving the Women’s Community Correctional Center. We respectfully recommend that the pilot project be placed within the Department of Human Services, in keeping with the original wording of SB3293, as Judiciary does not provide programs for persons being released from incarceration. DHS has the expertise to manage this program and expend the funding effectively. In an earlier hearing, language from a related House bill that placed the project in the Judiciary was inserted into this bill to ensure that the Navigator positions in the House version were included in SB3293, SD1, not with the intent of moving the project to the Judiciary. Transition navigators

will play an important role in assisting those transitioning out of prison to successfully access and utilize the benefits of the program. Individuals who have been in the highly controlled and restrictive prison environment face a period of readjustment and may find the navigation of state systems and application processes daunting.

The pilot project's three parts—the housing voucher program, child care voucher program and the tax credit for employers who hire program participants, are critically important items that can remove barriers to successful reintegration into the community, especially for parenting women. The tax incentives for employers is also an important component of the bill, as the stigma of history of conviction and incarceration presents a barrier to successful job seeking. As stated in the bill, “These vouchers would help reentering women afford the two most expensive, yet basic, necessities that will allow them stability and certainty as they pursue employment and educational opportunities.”

The housing and child care vouchers would be provided to qualifying individuals transitioning out of prison for up to two years after they leave prison. Eligibility for the program requires custody or expected custody of a minor child under the age of 18 years, work or participation in an education, substance abuse or parenting program for a combined minimum of 20 hours each week, and financial need. For many custodial parents, participation in work, treatment or education is not possible without child care. The vouchers would provide stability not only to the parent, but her or his children.

Hawaii's high housing and child care costs are nearly impossible to manage for a recently released woman. Poverty is the strongest predictor of recidivism among women. Providing state-sponsored support to address short-term needs such as housing reduces the odds of recidivism by 83% for poor women on probation and parole (Holtfreder et.al. 2004).

Women's Prison Project strongly recommends that the appropriation for SB329, SD2 go to Department of Human Services and include funding for five, full-time “Transition Navigators” dedicated to assisting program participants to navigate the many systems with which they will be interacting, and supporting their efforts to successfully rejoin their families and the community. These positions will provide the kind of support needed for a successful transition after spending years in prison.

The Women's Prison Project strongly supports SB3293, SD2, HD2 with recommended changes.

Mahalo for considering our thoughts on this matter.

Linda Rich for Women's Prison Project



SB3293 SD2 HD2 Comprehensive Women Offender Reentry Program

COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair

Rep. Kyle T. Yamashita, Vice Chair

Thursday, Mar 31 2022: 2:30 : Videoconference

Hawaii Substance Abuse Coalition Strongly Supports SB3293 SD2 HD2:

ALOHA CHAIR, VICE CHAIR AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the current chair of the Hawaii Substance Abuse Coalition (HSAC), a statewide organization for substance use disorder and co-occurring mental health disorder treatment and prevention agencies.

Successful reentry contains these elements *if needed*:

- 1. Substance use disorder treatment or co-occurring substance abuse and mental health treatment**
- 2. Mental health treatment (no substance abuse)**
- 3. Criminality programs to change attitudes and beliefs about crime.**
- 4. Housing**
- 5. Family reunification**
- 6. Employment and/or Education**
- 7. Support from Probation/Parole**
- 8. Case management as needed.**
- 9. Healthcare**
- 10. Mentoring that includes navigators**

Reentry is a highly cost-effective investment.

Motivating people with encouraging support could make a big difference here.

Also, there is ample evidence about Contingency Management, which could be applied here:

1. Contingency management refers to a type of behavioral therapy in which individuals are ‘reinforced’, or rewarded, for evidence of positive behavioral change. These interventions have been widely tested and evaluated in the context of substance misuse treatment.¹

¹ *Psychiatrist*. 2011 May; 35(5): 161–163. doi: [10.1192/pb.bp.110.031831](https://doi.org/10.1192/pb.bp.110.031831) Contingency management: what it is and why psychiatrists should want to use it [Nancy M. Petry](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3083448/) <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3083448/>

2. Cost vs benefit can be a concern; however, cost-effectiveness analyses of contingency management find that sometimes increasing the upfront magnitude of reinforcement can result in greater cost-effectiveness with respect to patient outcomes.²

We appreciate the opportunity to provide testimony and are available for further questions.

² *Olmstead TA, Petry NM Drug Alcohol Depend. 2009 Jun 1; 102(1-3):108-15.*

SB-3293-HD-2

Submitted on: 3/30/2022 9:56:30 AM

Testimony for FIN on 3/31/2022 2:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Barbara Polk	Individual	Support	Written Testimony Only

Comments:

I strongly support SB3293 SD2 HD2! Investments in programs to reduce recidivism by supporting people released from jail or prison are essential and will save money in the long run. When a person is separated from the community for a period of time, reestablishing connections is important as is the ability maintain those connections. The provisions of this bil should help greatly in preventing recidivism for those who participate in it.

Please pass SB3293!

SB-3293-HD-2

Submitted on: 3/30/2022 11:30:24 AM

Testimony for FIN on 3/31/2022 2:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Wendy Gibson-Viviani	Individual	Support	Written Testimony Only

Comments:

TO: COMMITTEE ON FINANCE

FROM: Wendy Gibson-Viviani RN/BSN

RE: SB3293 (In Support)

Hearing: March 31, 2022 at 2:30 p.m.

Dear Chair Rep. Sylvia Luke, Vice-Chair Rep. Kyle T. Yamashita, and Members of the Committee,

I am Wendy Gibson-Viviani, a healthcare professional (RN) who has lived and worked in Hawaii for 29 years. I support SB3292 because:

- Poverty is the strongest predictor of recidivism among women.
- Providing support for housing and childcare for up to two years could greatly reduce recidivism.
- Providing tax incentives to employers is a key component – as formerly incarcerated job-seekers are less likely to get hired.
-

Just a couple of notes:

- It seems to me that this should be administered through the Hawaii Department of Human Services rather than Judiciary.
- And, I support the funding of five, full-time “Transition Navigators” who will be dedicated to providing resources for the participants.

Thank you for your attention to this important matter and for the opportunity to submit testimony. Please support SB3292

Wendy Gibson-Viviani RN/BSN

Kailua