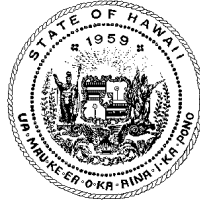


DAVID Y. IGE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF PUBLIC SAFETY
1177 Alakea Street, 6th Floor
Honolulu, Hawaii 96813

MAX N. OTANI
DIRECTOR

Maria C. Cook
Deputy Director
Administration

Tommy Johnson
Deputy Director
Corrections

Jordan Lowe
Deputy Director
Law Enforcement

No. _____

WRITTEN TESTIMONY ONLY

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

by
Max.N. Otani, Director
Department of Public Safety

House Committee on Corrections, Military, and Veterans
Representative Takashi Ohno, Chair
Sonny Ganaden, Vice Chair

March 17, 2022; 10:45 a.m.
Via Videoconference

Chair Ohno, Vice Chair Ganaden, and Members of the Committee:

The Department of Public Safety (PSD) supports the intent of Senate Bill (SB) 3293, Senate Draft (SD) 2, which appropriates funds to establish within the Department of Human Services (DHS), a 4-year pilot program to provide housing and childcare vouchers to qualified sentenced offenders with minor children leaving incarceration and provide a tax credit as an incentive for employers hiring exiting offenders up to two years following the offender's return to the community.

PSD welcomes the involvement of other agencies in supporting and assisting offenders transitioning back into the community while also providing tax credits as incentives for potential employers to hire former offenders. Access to affordable and safe housing for offenders and their minor-aged children is critically important for successful reintegration.

The Department also advises that the severity of an offender's offense could affect federal rental restrictions, Public Housing Authority (PHA) eligibility requirements, the eligibility requirements of this pilot program, and/or guidelines involving the proposed tax credits and, therefore, suggests that offenders at the end of sentence rather than those granted parole, may have greater success participating in this initiative. In addition, PSD respectfully suggests that any aid awarded should also be shielded from interfering with or disqualifying candidates from applying for and securing other forms of financial aid.

Thank you for the opportunity to present this testimony on SB 3293, SD 2.

DAVID Y. IGE
GOVERNOR



CATHY BETTS
DIRECTOR

JOSEPH CAMPOS II
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

March 16, 2022

TO: The Honorable Representative Takashi Ohno, Chair
House Committee on Corrections, Military, & Veterans

FROM: Cathy Betts, Director

SUBJECT: **SB 2393 SD2 – RELATING TO ASSISTANCE FOR PERSONS COMPLETING A TERM OF IMPRISONMENT.**

HEARING: March 17, 2022, 10:45 a.m.
Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this measure, provides comments, and requests clarification. The Department defers to the Departments of Public Safety (PSD) and Taxation. Lastly, DHS respectfully requests that any appropriation not reduce or replace budget priorities identified in the executive budget.

PURPOSE: The purpose of this measure is to establish within the Department of Human Services a four-year pilot program to provide housing and child care vouchers to qualified applicants who will soon complete, or have recently completed, a term of imprisonment as a sentenced offender, and who have or will have sole or primary custody of one or more children under the age of eighteen. Income tax credit to employers who employ qualified program participants for up to two years after the qualified program participant is released from a correctional facility. Requires reports to the Legislature. Appropriates funds. Effective 7/30/2075. (SD2) The SD1 amended the measure by:

- (1) Including in the four-year pilot program, an income tax credit for taxpayers who employ qualified program participants; and

- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Per the committee report, the added excise tax provisions are from SB2775, which was deferred.

The SD2 defected the effective date.

The Department agrees that more resources are needed to support inmates exiting the State's jails and prisons and appreciates this comprehensive proposal. The Department will work with PSD to develop a process for jail and prison inmates before their release to improve access to existing DHS benefits and programs. For example, the DHS Med-QUEST division has a working relationship with PSD to have prison inmates apply for Medicaid coverage before exiting prison. In addition, our staff has provided training to community groups working with former inmates on accessing DHS programs.

The Department requests clarification if the Legislature intends to provide state general funds for the identified vouchers or whether the expectation is that former inmates will access existing federally or state-funded programs. Notably, the primary resource that men and women exiting jail or prison need is safe housing; it is challenging to follow up with individuals who do not have an address.

The Department requests the Legislature consider that depending upon the individual's household size upon exiting jail or prison; if these are new kinds of vouchers, it is unclear how DHS programs will consider these vouchers for eligibility for existing programs.

The Department is open to discussion on how to maximize existing resources to accomplish the purpose of this measure. The Department also asks the Legislature to support SB2306/HB1741 Relating to Children and Family of Incarcerated Individuals, which proposes a small pilot to work with inmates exiting from Waiawa Correctional Center.

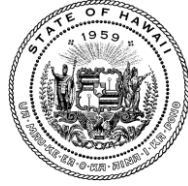
Additionally, for DHS to implement a new program, it will need an appropriation for additional staff and operational resources, including funds for contract services, to establish this pilot. As the bill can appropriate only one-year funding, DHS suggests that available appropriations go toward procuring a planner or consultant to facilitate the development of the pilot and give additional time to develop the idea. The Department also does not have any

expertise or experience regarding tax credits and will require funds to procure technical assistance to implement the proposed tax credit. As the bill progresses through session, DHS will update its resources needs.

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

DAVID Y. IGE
GOVERNOR

JOSH GREEN M.D.
LT. GOVERNOR



ISAAC W. CHOY
DIRECTOR OF TAXATION

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

To: The Honorable Takashi Ohno, Chair;
The Honorable Sonny Ganaden, Vice Chair;
and Members of the House Committee on Corrections, Military, & Veterans

From: Isaac W. Choy, Director
Department of Taxation

Date: Thursday, March 17, 2022
Time: 10:45 A.M.
Place: Via Video Conference, State Capitol

**Re: S.B. 3293 S.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, and offers the following comments.

S.B. 3293, S.D. 2, creates a four-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 30, 2075, with a repeal date of June 30, 2026.

The income tax credit for employers of program participants, as written in Section 2 subsection (c)(4) of the measure, is "equal to the amount of contribution paid by the taxpayer pursuant to section 383-61, Hawaii Revised Statutes (HRS), for the qualified program participant-employee." Section 383-61, HRS, relates to contributions for Hawaii Employment Security Law, labor and industry.

The Department notes the inclusion of a procedure for verification of eligible employees when taxpayers claim this tax credit as outlined in Section 2, paragraphs (c)(1) and (2). Similarly, the Department appreciates the inclusion of statutory language allowing the Department of Labor and Industrial Relations (DLIR) to provide necessary data pertaining to section 383-61, HRS, in order for the Department to administer the tax credit portion of this bill, as outlined in Section 2, paragraph (c)(4). The Department appreciates these changes and requests that they remain intact.

Finally, the Department respectfully requests that the effective date of this new tax credit be amended so that the new tax credit applies to taxable years after December 31, 2022. This will provide the Department time to make the necessary forms, instructions, and computer system changes.

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

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150
HONOLULU, HAWAII 96810-0150

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 CORRECTIONS, MILITARY, & VETERANS
ON
SENATE BILL NO. 3293, S.D. 2

**March 17, 2022
10:45 a.m.
Room 430 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 No. 3293, S.D. 2: 1) establishes a housing and child care voucher pilot program within the Department of Human Services (DHS) for individuals who are exiting incarceration or were recently released and who have or will have sole or primary custody of a minor child for a period of four years; 2) establishes an employer tax credit program to provide income tax credits to employers of qualified program participants for a period of four years; 3) sets eligibility and participation requirements for both programs; 4) sets reporting requirements for DHS for both programs; and 5) appropriates an unspecified amount of general funds to DHS in FY 23 to provide pilot program vouchers.

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.



SB3293 SD2 Comprehensive Women Offender Reentry Program

COMMITTEE ON CORRECTIONS, MILITARY, & VETERANS

Rep. Takashi Ohno, Chair

Rep. Sonny Ganaden, Vice Chair

Thursday, Mar 17 2022: 10:45 : Videoconference

Hawaii Substance Abuse Coalition Strongly Supports SB3293 SD2:

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**

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

Housing for parents and children as well as tax credits for employers can be an effective form of contingency management if reinforcement and consequences are applied.

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.*

COMMITTEE ON CORRECTIONS, MILITARY & VETERANS
REP. TAKASHI OHNO, CHAIR
REP. SONNY GANADEN, VICE CHAIR

DATE: Thursday, March 17, 2022

TIME: 10:45 AM

SUPPORT FOR SB3293.SD2 ASSISTANCE TO PERSONS COMPLETING A TERM OF IMPRISONMENT

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

SB3293, which establishes a four year pilot project within the Department of Human Services will reduce recidivism and increase the chances that women will successfully rejoin the community after leaving the Women's Community Correctional Center. 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 and costly items that can present 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 WCCC. 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 also provide 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.

Thank you for considering our thoughts on this bill.

The Women's Prison Project strongly supports SB3293.SD2.

Mahalo for considering our thoughts on this matter.

Linda Rich for Women's Prison Project

SB-3293-SD-2

Submitted on: 3/15/2022 10:39:42 AM

Testimony for CMV on 3/17/2022 10:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Laurie Tomchak	League of Woman Voters	Support	Written Testimony Only

Comments:

I would like to express my support for this bill, which will help those who are leaving prison after serving their sentences by facilitating their transition through concrete assistance in integrating into society. Housing, jobs, and education can be vital in this process. Since there are other bills with similar content, hopefully they can be consolidated to create the best possible legislation. As a retired community college instructor, I have seen how education can help people make a better life for themselves and their children.

Laurie Tomchak, Ph.D.