

JAN 27 2021

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# A BILL FOR AN ACT

RELATING TO THE SPOUSE AND CHILD ABUSE SPECIAL FUND.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Congress passed the Family First Prevention  
2 Services Act of 2018 (Family First) as part of the Bipartisan  
3 Budget Act of 2018, Public Law 115-123. Family First changes  
4 the way states may spend and claim funds pursuant to Title IV-E  
5 of the Social Security Act (Title IV-E funds). Previously,  
6 Title IV-E funds could only be used for foster care maintenance,  
7 adoption assistance, kinship guardianship assistance, and  
8 related training and administrative expenses. Family First  
9 provides reimbursement of Title IV-E funds for child abuse and  
10 prevention services.

11           Hawaii will soon submit its Family First Hawaii Plan for  
12 federal review, and upon approval, Hawaii will have the option  
13 to use state and Title IV-E funds for prevention services that  
14 would allow children who have been abused or neglected or are at  
15 risk of being abused or neglected to remain with their parents  
16 or relatives.

17           Section 346-7.5, Hawaii Revised Statutes, currently allows  
18 up to \$3,000,000 to be retained in the spouse and child abuse  
19 special fund. To maximize Hawaii's ability to draw additional

1 federal fund reimbursement available through Family First, the  
2 department needs a significant source of sustainable non-federal  
3 revenue to support spouse and child abuse and neglect prevention  
4 and intervention services, including personnel costs. With the  
5 projected loss of state revenue due to the COVID-19 pandemic and  
6 the resulting economic crisis, an increase in the amount the  
7 spouse and child abuse special fund is allowed to retain is  
8 necessary to meet the projected decrease in general funds  
9 appropriations.

10 The department of human services seeks to retain all  
11 unencumbered and unexpended funds in the spouse and child abuse  
12 special fund up to \$5,000,000 including Family First federal  
13 reimbursements and Title IV-E federal reimbursements received in  
14 the fiscal year following the year in which the funds were  
15 expended to secure a stable source of funding for spouse abuse,  
16 child abuse and neglect prevention, intervention, and other  
17 services.

18 The purpose of this Act is to allow the spouse and child  
19 abuse special fund to retain all unencumbered and unexpended  
20 moneys up to \$5,000,000 including Family First and Title IV-E  
21 federal reimbursements received in the fiscal year following the  
22 year in which the funds were expended.

S.B. NO. 1127

1 SECTION 2. Section 346-7.5, Hawaii Revised Statutes, is  
2 amended by amending subsection (e) to read as follows:

3 "(e) All unencumbered and unexpended moneys in excess of  
4 [~~\$3,000,000~~] \$5,000,000 in the spouse and child abuse special  
5 fund shall lapse to the credit of the general fund. Upon  
6 dissolution of the spouse and child abuse special fund, any  
7 unencumbered moneys in the fund shall lapse to the general  
8 fund."

9 SECTION 3. Statutory material to be repealed is bracketed  
10 and stricken. New statutory material is underscored.

11 SECTION 4. This Act, upon its approval, shall take effect  
12 on June 30, 2021.

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INTRODUCED BY: *Neur. M.*

BY REQUEST

1 **Report Title:**

2 Spouse and Child Abuse Special Fund

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4 **Description:**

5 Amends the spouse and child abuse special fund to allow up to  
6 \$5,000,000 of federal reimbursements received from the U.S.

7 Department of Health and Human Services, Administration for  
8 Children and Families, in the year following the fiscal year in  
9 which Family First Prevention Services funds and the Title IV-E  
10 funds were expended to be deposited and retained.

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12 *The summary description of legislation appearing on this page is for informational purposes only and is*  
13 *not legislation or evidence of legislative intent.*

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JUSTIFICATION SHEET

DEPARTMENT: Human Services

TITLE: A BILL FOR AN ACT RELATING TO THE SPOUSE AND CHILD ABUSE SPECIAL FUND.

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.

MEANS: Amend section 346-7.5(e), Hawaii Revised Statutes.

JUSTIFICATION: 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. The Department of Human Services (DHS) will soon submit the State's Family First Plan for federal review and 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.

To be able to draw down federal reimbursement, the DHS requires 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. 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 spouse and child abuse prevention and intervention services.

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. Having the authority to retain up to \$5,000,000 will assist DHS with a stable and predictable source of state funds to administer programs and services that prevent, reduce, and respond to the impacts or incidents of spouse abuse and child abuse and neglect.

Impact on the public: 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.

Additionally, the population that may be served for certain programs and services may be 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.

Impact on the department and other agencies: Increasing the amount that may be deposited and retained in the spouse and child abuse fund will allow DHS to better provide and sustain spouse abuse and child abuse and neglect prevention and intervention services.

GENERAL FUND:	None.
OTHER FUNDS:	\$5,000,000

PPBS PROGRAM  
DESIGNATION:

HMS 901.

OTHER AFFECTED  
AGENCIES:

Department of Health, Department of the Attorney General, and Judiciary. For the state to be eligible to receive federal reimbursement for state expenditures on prevention services and related administrative expenses, additional prevention plans and appropriate court orders will need to be documented to reflect certain elements required by the Family First Prevention Services Act.

EFFECTIVE DATE:

June 30, 2021.