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TRISTA SPEER
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February 1, 2026

TO: The Honorable Senator Joy A. San Buenaventura, Chair
Senate Committee on Health and Human Services

FROM: Ryan I. Yamane, Director

SUBJECT: **SB 2861 – RELATING TO THE OFFICE OF WELLNESS AND RESILIENCE.**

Hearing: Monday, February 2, 2026, Time 1:05 p.m.
Conference Room 225, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of the bill to further utilize federal funds to support families and children in need, offers comments, and requests clarification. DHS defers to the Office of Wellness and Resilience (OWR).

This bill proposes to utilize federal Temporary Assistance for Needy Families (TANF) funds to establish within OWR the Kakou Pilot Program to support families and children in need. The bill changes the eligibility for the \$50 Hawai'i Child Wellness Incentive Program (HCWIP) payment pilot established by Act 127, Session Laws of Hawai'i 2022 (Act 127). The DHS Med-QUEST Division (MQD) is implementing HCWIP.

For services described in Section 1, a determination must be made as to whether one of the four TANF purposes is met to expend TANF funds. As required by federal law and to clarify what is described in the bill's preamble, the four TANF purposes are:

- (1) Provide assistance to needy families so children may be cared for in their own homes or in the homes of relatives;

- (2) End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- (3) Prevent and reduce the incidence of out-of-wedlock pregnancies; and
- (4) Encourage the formation and maintenance of two-parent families.

If the services are intended to qualify under purpose one or two, "means testing" for TANF eligibility is also required.

The DHS Benefit Employment & Support Services Division (BESSD), which oversees the TANF program, is in ongoing discussions with OWR to use TANF funds for a proposed pilot that would provide a peer support resource navigation program similar to the Kakou program described in this measure. This resource navigation program emerged from the work of the Malama Ohana Working Group.

Also, for the committee's information, in 2025, the DHS Child Welfare Services Branch (CWS) initiated its Kāko'o Program to enhance support for children in foster care, including additional home visits and food box deliveries. Federal Title IV-E funds support the CWS program.

Regarding Section 3, DHS requests clarification on its intent. DHS Med-QUEST Division (MQD) successfully implemented the Hawaii Child Wellness Incentive Program (HWCIP) pilot per Act 127. The intent of Act 127 was to "ensure the health of children in Hawaii, including early detection of potential illnesses", and required the pilot program:

"shall pay \$50 to each state medicaid benefit recipient for each completed well-child examination of that recipient parent's child; provided that only one payment may be made per child each year."

As drafted, the bill replaces "state medicaid benefit" with "eligible" and defines "eligible recipient" as "any parent receiving support from the temporary assistance for needy families program, and any other parent meeting the standards and requirements established by the office of wellness and resilience."

DHS requests clarification on whether the bill intends to delete and eliminate Medicaid recipients from Act 127 and HWCIP. Currently, MQD has completed extensive work to implement the Act 127 pilot, including promulgating administrative rules, developing the program's implementation and administration, advertising, and outreach to inform Medicaid-

recipient parents about the benefit. Since its implementation in April 2024, MQD has issued 7,246 awards.

As drafted, the bill deletes the Medicaid eligible recipient parent, and, potentially, with enactment, could halt the current implementation of HWCIP until new standards are developed and administrative rules are amended. Of note, Act 127 repeals on June 30, 2027.

DHS further requests clarification on whether the bill intends to transfer oversight of the HWCIP program from MQD to OWR. Given our current infrastructure, DHS systems are not portable across programs or offices. If a transfer were to occur, in addition to new administrative rules, OWR will likely need additional FTE and IT resources to support application processing, eligibility determinations, and payment issuance. If the intent is for the program to remain with MQD, the proposed amendments may raise a bill title issue.

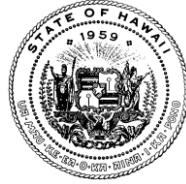
For the committee's information, TANF funds remain available to eligible families with dependent children and provide 60-month lifetime cash assistance, job readiness, and other supports. Regarding TANF funds subject to this bill, often referred to as TANF reserves, DHS obligates them through contracted services that align with one or more of the four required TANF purposes described above.

Additionally, certain uses of TANF funds may limit non-assistance payments to a family to a maximum of four months to address a crisis or episode of financial need, and may establish other requirements, such as means testing, to determine whether a family meets income and citizenship criteria.

Most recently, DHS obligated \$100 million of TANF reserve funds to establish the statewide Hawai'i Relief Program (housing and utility assistance) and to support the Hawai'i Emergency Food Assistance Program (\$250 per person for SNAP recipient households with a dependent child) during the 2025 federal government shutdown. In response to the August 2023 Maui Wildfire, DHS also obligated \$85 million through the Maui Relief TANF Program to support families with children as they recover from multiple losses. TANF reserve funds are a critical resource for responding to major emergencies and are now available to families experiencing a financial crisis through the ongoing Hawaii Relief Program.

The Department's divisions will continue to engage with OWR to assess resource needs to implement its work and will seek policy clarification from the U.S. Department of Health and Human Services, Administration for Children and Families, regarding the bill's proposed uses of TANF funds.

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



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Testimony on S.B. 2861
RELATING TO THE OFFICE OF WELLNESS AND RESILIENCE

Senator Joy San Buenaventura, Chair
Senator Angus McKelvey, Vice Chair
Senate Committee on Human Services and Homelessness

February 2, 2026, at 1:05 p.m.; Room Number: 225

The Office of Wellness and Resilience (OWR) appreciates the intent of S.B. 2861 and humbly offers comments.

OWR is also currently engaged in ongoing discussions with Department of Human Service's (DHS) Benefit, Employment and Support Services Division (BESSD) regarding the use of Temporary Assistance for Needy Families (TANF) funds to establish a peer navigation program. The goal of this program is to support families at risk of entering the child welfare system by connecting them with peer supports who can assist with enrollment in public and other benefits, parenting classes, and culturally grounded family-strengthening services. S.B. 3204 is a proposed measure that reflects the collaborative efforts between BESSD and OWR on this initiative.

The DHS Child Welfare Services Branch currently administers the Kāko'o Program, which provides home visits and food box deliveries to enhance support for children in foster care. OWR can partner with the Child Welfare Services Branch (CWS) to provide support to ensure service delivery within the Kāko'o Program is trauma-informed.

Given today's fiscal climate, in which state resources are limited and require careful stewardship, OWR deeply appreciates the bill's intent to leverage available federal funds to support Hawai'i's families and keiki. OWR also recognizes the extensive work undertaken by the DHS Med-QUEST Division to implement Act 127, the Hawai'i Child Wellness Incentive Program. Modifying eligibility requirements for Act 127 would necessitate OWR to develop and adopt new administrative rules and implementation processes that are currently established and operating in the DHS Med-QUEST division.

OWR would welcome the opportunity provide consultation and technical assistance to implement these programs with trauma-informed strategies and provide support to Med-QUEST to continue implementation Act 127, as well as the Kako'o Program, currently being implemented in CWS.

Mahalo for the opportunity to testify.

Tia L.R. Hartsock, MSW, MSCJA
Director, Office of Wellness & Resilience



January 31, 2026

**Testimony in Support of S.B. 2861
Relating to the Office of Wellness and Resilience**

Aloha Chair San Buenaventura, Vice Chair McKelvey, and members of the Committee,

Aloha United Way stands in **strong support** of **S.B. 2861**, which establishes the Kākou Pilot Program within the Office of Wellness and Resilience to support families and children in need.

In Hawai'i, approximately 40% of households are below the ALICE (Asset Limited, Income Constrained, Employed) threshold. These are working families who earn above the federal poverty level but still cannot afford basic necessities. The ALICE Household Survival Budget for a family of four exceeds \$110,000¹ annually, placing many families with children one emergency away from crisis.

S.B. 2861 makes a smart, preventive investment by directing unspent TANF funds toward child wellness visits, food assistance, counseling, and trauma-informed supports for vulnerable families. These upstream supports help stabilize families early, reduce the need for costly and more extensive interventions in the future, and improve the health and economic outcomes for children.

Expanding eligibility for the child wellness incentive reflects the reality that many working families fall just outside traditional safety-net thresholds, yet still face significant need.

We urge you to support S.B.2861.

Mahalo,

Michelle Bartell
President & CEO
Aloha United Way

¹ <https://www.unitedforalice.org/the-cost-of-basics/hawaii>

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February 1, 2026

To: Senator Joy San Buenaventura, Chair,
And members of the Committee on Health and Human Services

Testimony in Support of SB 2861 Relating to the Office of Wellness and Resilience

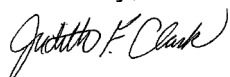
As a community advocate and the former Executive Director of Hawaii Youth Services Network who worked for non-profit organizations for 50 years, I support SB 2861 which establishes a pilot program to support families in need.

I served as a member of the Hawaii Trauma-Informed Care Task Force from its inception and on the Office of Wellness and Resilience Advisory Board through December 2025.. Over the past 4 years, the task force has developed a plan and strategies that will incorporate trauma-informed approaches to services provided to children, youth, and families.

This Kakou Pilot Program will utilize peer navigators, an evidence-informed practice, to help families identify needs and access services. It will provide material assistance to support basic needs. By strengthening families, it will reduce the overload of the Child Welfare System.

Thank you for this opportunity to testify.

Sincerely,



Judith F. Clark, MPH