

JOSH GREEN, M.D.
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KE KIA'ĀINA



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STATE OF HAWAII
DEPARTMENT OF DEFENSE

TESTIMONY ON HOUSE BILL 1060
RELATING TO EMERGENCY MANAGEMENT

BEFORE THE HOUSE COMMITTEE ON
PUBLIC SAFETY

BY

MAJOR GENERAL STEPHEN F. LOGAN
ADJUTANT GENERAL AND
DIRECTOR OF
THE HAWAI'I EMERGENCY MANAGEMENT AGENCY

JANUARY 27, 2025

Aloha Chair Belatti, Vice-Chair Iwamoto, and members of the committees:

I am Major General Stephen Logan, Adjutant General and Director of the Hawaii Emergency Management Agency (HIEMA), State of Hawaii, Department of Defense.

The Department of Defense provides written testimony in **SUPPORT** of HB1060.

I stand in strong support of the legislation to establish Community Readiness Centers through the HIEMA Hawai'i Hazard Awareness and Resilience Program. In an era marked by increasing natural disasters, it is critical that we create centralized locations where our communities can access essential support, health and medical services, and education during and after emergencies.

Community Readiness Centers will serve as vital lifelines, offering immediate assistance to those affected while also empowering residents with the knowledge and resources needed to prepare for future emergencies. By emphasizing the importance of preparedness, HIEMA can enhance community resilience and ensure that our residents are not left to navigate crises alone.

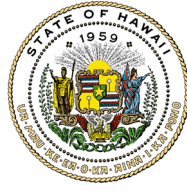
These Community Readiness Centers will strengthen collaboration among local agencies, businesses, and organizations, streamline response efforts, and maximize available resources. This collective approach will reinforce HIEMA's emergency response framework and enable them to act quickly when and where it matters most.

I ask for your support in championing this initiative. Investing in Community Readiness Centers is an investment in the safety and well-being of all residents of the State of Hawai'i, and together Hawai'i can build stronger and more prepared communities.

Thank you for the opportunity to testify.

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JAMES DS. BARROS
ADMINISTRATOR OF
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STATE OF HAWAI'I
DEPARTMENT OF DEFENSE
HAWAI'I EMERGENCY MANAGEMENT AGENCY

TESTIMONY ON HOUSE BILL 1060,
RELATING TO EMERGENCY PREPAREDNESS

BEFORE THE HOUSE COMMITTEE ON
PUBLIC SAFETY

BY

JAMES DS. BARROS
ADMINISTRATOR
HAWAI'I EMERGENCY MANAGEMENT AGENCY

JANUARY 29, 2025

Aloha Chair Bellatti, Vice-Chair Iwamoto, and Members of the Committee:

Thank you for the opportunity to submit a testimony in **SUPPORT** of House Bill 1060.

We strongly support the legislation to create Community Readiness Centers, which the Hawai'i Emergency Management Agency's Hawai'i Hazards Awareness and Resilience Program (HHARP) is helping to implement. As natural disasters become more frequent, it's critical to have centralized locations where our communities have the capability to access essential support during and post disasters or emergencies. Additionally, incorporating comprehensive training and education at these centers will enhance community resilience by equipping individuals with the knowledge and skill set necessary to prepare for, respond to, and recover from emergencies effectively.

These Community Readiness Centers will foster collaboration among local agencies, improving our response efforts and resource management. I encourage you to advocate for this initiative, as investing in the long-term resiliency of our state means prioritizing in the safety and welfare of our kama'āina. This legislative initiative will help us build much stronger and more resilient communities.

Thank you for the opportunity to provide testimony on House Bill 1060.

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**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 1060, Relating to Emergency Preparedness

BEFORE THE:

House Committee on Public Safety

DATE: Wednesday, January 29, 2025

TIME: 9:00 a.m.

LOCATION: State Capitol, Room 411

Chair Belatti, Vice-Chair Iwamoto, and Members of the Committee:

The Department of Taxation ("DOTAX") offers the following comments regarding H.B. 1060, an Administration measure, for your consideration.

H.B. 1060 adds new sections to chapter 127A, Hawaii Revised Statutes (HRS), establishing a Community Readiness Centers Program and special fund for the program. The bill also renames the Environmental Response, Energy, and Food Security Tax to the Environmental Response, Energy, Food Security, and Resilience Tax and directs 5 cents of each tax on each barrel imposed under section 243-3.5(a), HRS, and 11.4 percent of the of the tax on each one million British thermal units under section 243-3.5(b), HRS, to be deposited into the Community Readiness Centers Special Fund created in section 127A-B.

DOTAX can administer this bill with the current effective date of July 1, 2025.

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



Hawai'i Climate Advisory Team

To: Representative Della Au Belatti, Chair
Representative Kim Coco Iwamoto, Vice Chair
House Committee on Public Safety

From: The Climate Advisory Team

RE: **HB1060 - Relating to Emergency Preparedness - Support Intent**
Wednesday, January 29, 9:00 a.m.; Conference Room 411 & Videoconference

Aloha Chair Au Belatti, Vice Chair Coco Iwamoto, and Members of the Committee,

Mahalo for the opportunity to testify **in support of the intent of HB1060 relating to emergency preparedness while suggesting key amendments to increase community agency and involvement.** Community readiness and localized resiliency are critically important during disasters like hurricanes, wildfires, floods, tsunamis, and earthquakes.

Community resilience is a key determining factor in how well local communities respond to disasters before state and federal support arrives. Across the islands, local community groups and residents have come together to establish "resilience hubs," or centralized locations for emergency food distribution, medicine, shelter, and communications. These hubs typically provide services before disasters that enhance the daily resilience of individuals, families, businesses, and organizations within the community, as well as provide critical support during and after emergencies.

The proposed bill would formally establish the Community Readiness Centers Program within HI-EMA and direct funds from the updated environmental response, energy, food security, and resilience tax to a special fund to sustain the program. The CAT recognizes the importance of building community resilience against disasters, which are increasing in severity and frequency due to climate change. The CAT also recommends some amendments to the bill to increase community involvement in creating and carrying out the program.

We respectfully request that the committee consider the following amendments:

- Readiness centers should be developed through the Hawaii Hazards Awareness and Resilience Program in close collaboration with existing community-based organizations.
- Readiness centers may include retrofitting existing facilities.
- The program should provide existing community-based organizations with necessary capacity-building and technical assistance resources.
- The program should include ongoing community briefings, training, and sharing of best practices for preparedness.



Hawai'i Climate Advisory Team

Please see [Section 3.4.3 of the Policy Recommendations on Climate Disaster Resilience, Recovery and Funding](#).

To establish effective readiness centers that have community trust, the state should financially support organizations and nonprofits that are already engaged in this sector. Organizations such as Vibrant Hawai'i and the Center for Resilient Neighborhoods (CERENE) can provide capacity-building support and technical training for grassroots community efforts. The CAT also finds there is an urgent need for substantial and flexible funding for communities to plan, design, and execute their own community readiness centers or resilience hubs, with the support of expert guidance from agencies like HI-EMA, that best fits their community needs, geography, and culture. Communities know their needs, vulnerabilities, and resources better than anyone. This program would provide an opportunity to direct urgently needed resources to the state's many communities to support the development of local resilience plans that reflect the realities and nuances of each community.

Thank you for the opportunity to testify before your committee regarding HB1060.

With aloha,

The Climate Advisory Team

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: FUEL, Adds Earmark to Feed New Community Readiness Centers Special Fund

BILL NUMBER: HB 1060; SB 1379

INTRODUCED BY: HB by NAKAMURA by request, SB by KOUCHI by request (Governor's Package)

EXECUTIVE SUMMARY: Establishes the Community Readiness Centers Program to be implemented and administered by the Hawai'i Emergency Management Agency. Establishes the Community Readiness Centers Special Fund to fund the Community Readiness Centers Program. Renames the Environmental Response, Energy, and Food Security Tax to the Environmental Response, Energy, Food Security, and Resilience Tax and directs a portion of the tax into the Community Readiness Centers Special Fund.

SYNOPSIS: Adds two new sections to chapter 127A, HRS. One would establish a "Community readiness centers program" to be implemented and administered by the Hawaii Emergency Management Agency ("Agency"). The program will set up community readiness centers in various communities to ensure emergency preparedness by providing training and emergency information, supplies, and basic medical care during and after an emergency event, store and refrigerate medical supplies and provide a place for residents to charge electrical devices and access the internet.

The Agency shall:

- 1) Identify potential sites for the establishment of community readiness center facilities,
- 2) Negotiate and arrange for purchase or lease of suitable sites,
- 3) Contract to design and construct facilities,
- 4) Install a solar and back-up battery storage system, multiple electrical charging stations, internet access, and the capability to refrigerate medical supplies at each site; and
- 5) Obtain suitable emergency supplies, including non-perishable food.

The other new section would establish a community readiness centers special fund. The monies in the fund shall be used for:

- 1) Purchase or lease of suitable community readiness centers sites,
- 2) Design and construction of community readiness centers facilities,
- 3) Installation of solar panels and back-up battery storage systems,
- 4) Installation of electrical charging stations, internet access, and capability to refrigerate medical supplies,
- 5) Purchase of suitable emergency supplies, and
- 6) administration and maintenance of community readiness centers.

Amends section 243-3.5, HRS, by adding “resilience” to the title of the Environmental response, energy and food security tax. Makes conforming changes to section 128D-2(a), 201-12.8(a), and 304A-2169.1(b), HRS.

Amends section 243-3.5(a)(6), HRS, to deposit 5 cents of the \$1.10 per barrel petroleum product tax to be deposited into the community readiness centers special fund.

Amends section 243-3.5(b)(4), HRS, to deposit 11.4 percent of the 19 cents on each one million British thermal units of fossil fuel sold by fossil fuel distributors to the community readiness centers special fund.

EFFECTIVE DATE: July 1, 2025.

STAFF COMMENTS: This is an Administration bill sponsored by the Department of Defense and designated DEF-03 (25).

The 1989 Tax Review Commission noted that use of special fund financing is a “departure from Hawaii’s sound fiscal policies and should be avoided.” It also noted that special funds are appropriate where the revenues to the funds maintain some direct connection between a public service and the beneficiary of that service. The Commission found that special funds which merely set aside general funds cannot be justified as such actions restrict budget flexibility, create inefficiencies, and lessen accountability. It recommended that such programs can be given priority under the normal budget process without having to resort to this type of financing.

This bill creates a new special fund to implement and administer a new Community Readiness Centers program. The fund is fed by new earmarks on the barrel tax (HRS section 243-3.5). The program is to be administered by the Hawaii Emergency Management Agency.

Special funds are pots of money that exist for a specific purpose and largely bypass the legislative appropriation process. The existence of hundreds of these special funds has often confounded those who seek answers to simple questions like “How much money does the State have?”

Our Legislature is supposed to be the steward of all state moneys, but special funds make it very easy to lose track of where the money is and how it is being spent. Departments are supposed to tell the Legislature if they have special funds and how much is in them, but let’s just say they don’t always. Recently, in Report No. 20-01, the State Auditor took DBEDT to task for failing to report \$6.5 million in non-general fund moneys. DBEDT’s response? Just that they’ll “take corrective action.” Not even a “Whoops! We screwed up and promise to do better next time!” This followed closely on the heels of Report No. 19-16, where the Auditor found that \$1.04 million in non-general fund moneys administered by the Attorney General wasn’t reported. That department responded that they “shall establish procedures to assure required reports are issued.” Is it any wonder that it’s getting harder and harder to follow the money and rein in government spending?

Perhaps as the result of the foregoing concerns, the Legislature has itself established criteria for when a special fund may be maintained (HRS section 37-52.3). Those criteria are that the special fund:

- (1) Serves a need, as demonstrated by:
 - (A) The purpose of the program to be supported by the fund;
 - (B) The scope of the program, including financial information on fees to be charged, sources of projected revenue, and costs; and
 - (C) An explanation of why the program cannot be implemented successfully under the general fund appropriation process;
- (2) Reflects a clear nexus between the benefits sought and charges made upon the program users or beneficiaries or a clear link between the program and the sources of revenue, as opposed to serving primarily as a means to provide the program or users with an automatic means of support that is removed from the normal budget and appropriation process;
- (3) Provides an appropriate means of financing for the program or activity that is used only when essential to the successful operation of the program or activity; and
- (4) Demonstrates the capacity to be financially self-sustaining.

Of these, at least two of the criteria are violated because there is no nexus between the program (community resilience centers) and the source of revenue (tax on fossil fuel consumption), and because there is no indication that the proposed fund can be financially self-sustaining. Establishing this special fund is inappropriate, as is the proposed method of financing the fund.

Digested: 1/26/2025