

EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

House Committee on Energy and Environmental Protection

Tuesday, February 4, 2025

9:00 a.m.

State Capitol, Conference Room 325, and Videoconference

In Support

H.B. No. 1076, Relating to State Funds

Chair Lowen, Vice Chair Perruso, and Members of the House Committee on Energy and Environmental Protection:

The Office of the Governor supports H.B. No. 1076, Relating to State Funds. H.B. No. 1076 establishes the Climate Mitigation and Resiliency Special Fund and mandates the allocation of all earned interest from the Emergency and Budget Reserve Fund to the special fund. The bill also provides an expenditure ceiling for the special fund.

Hawaii is experiencing a climate emergency. As an island chain, Hawaii is particularly susceptible to the effects of climate change, such as rising temperatures, prolonged droughts, and increasingly destructive and deadly weather events. In recognition of these impacts and their potentially life-threatening consequences, Governor Green, convened a Climate Advisory Team to develop and recommend climate-related disaster policies.

Among these policy recommendations is the establishment of a climate resilience fund to finance projects that increase Hawaii's preparedness for and mitigation of climate-related disasters. This bill establishes the Climate Mitigation and Resiliency Special Fund (CMRSF) to advance projects addressing the impacts of climate change, including projects that mitigate, adapt to, or increase resiliency against climate change. The placement of the special fund within the Department of Defense, the State's lead for hazard mitigation and disaster readiness, ensures that the fund is administered with an attentiveness to disaster preparedness and mitigation, and particularly the State's needs in these critical areas.

Given the scale of current and future climate impacts to Hawaii, the Climate Advisory Team advised allocating \$1.375 billion over the next five years to the climate resilience fund. To avoid placing an undue financial burden upon Hawaii residents, the team recommended using interest from the Emergency and Budget Reserve Fund (EBRF), also known as the "Rainy Day Fund," to finance the CMRSF. Currently, interest from the EBRF is reinvested back into the fund. This bill would redirect all generated interest from the EBRF into the CMRSF. This

Testimony of the Office of the Governor
H.B. No. 1076
February 4, 2025
Page 2

financing mechanism would not only avoid impacting taxpayers but would do so without withdrawing any of the EBRF's principal amount, ensuring the EBRF's reserves of more than \$1.5 billion remain available should the State require their use.

Climate mitigation and resiliency is essential to the health, safety, and wellbeing of Hawaii's islands and people. We must fund projects that will strengthen the State's ability to mitigate and adapt to the impacts of climate change without financially burdening Hawaii's residents. H.B. No. 1076 accomplishes these dual goals through establishing the Climate Mitigation and Resiliency Special Fund and financing it with interest from the Emergency and Budget Reserve Fund.

The Office of the Governor looks forward to continuing discussions on this bill. Thank you for the opportunity to provide testimony on this measure.



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

House Committee on Energy & Environmental Protection

Tuesday, February 04, 2025

9:00 a.m.

State Capitol, Conference Room 325 and Videoconference

In Support
H.B. No. 1076, Relating to State Funds

Chair Lowen, Vice Chair Perruso, and members of the House Committee on Energy & Environmental Protection:

The Office of the Governor Recovery and Resiliency Units supports the following comments on H.B. No. 1076, Relating to State Funds.

This measure represents a crucial step forward in strengthening our state's economic and environmental resilience. Resiliency projects play a vital role in reducing hazard vulnerability by proactively addressing risks associated with natural disasters and climate change. By implementing funds towards mitigation and resiliency efforts such as flood mitigation, hardening homes with retrofits, and infrastructure reinforcement, we can minimize the impact of severe weather incidents and other threats before they escalate into crises. These investments help protect lives, property, critical infrastructure, and the environment, ensuring that our communities are better equipped to withstand and recover from disasters.

A well-prepared community significantly reduces the time it takes to recover from disasters. By investing in proactive measures rather than reactive responses, we can minimize economic disruptions, protect jobs, and ensure that essential services are restored quickly. A shorter recovery period means less strain on government resources, a faster return to normalcy for residents, and a more resilient local economy.

There is great value in resiliency projects as these proactive investments can radically reduce risks. For instance, retrofitting homes to withstand environmental hazards are proven to be a cost-effective avenue to reduce risks. In wildfire prone areas, implementing fire mitigation strategies such as creating defensible space around properties or utilizing fire-resistant building materials can dramatically reduce the spread of wildfires.

Similarly, in flood prone regions, elevating structures above expected flood levels or strategically relocating them to safer areas can prevent devastating losses. In hurricane prone areas, retrofitting homes to withstand high winds can be a simple, yet incredibly effective upgrade through installing hurricane clips and/or larger structure envelope hardening. These measures ensure that homes remain intact and reduce costly repairs and displacement of families including short-term sheltering and long-term interim housing. As communities become more resilient, they become more attractive to businesses which foster long term economic revitalization.

Despite the clear benefits of these resiliency projects, funding for such initiatives has traditionally been reliant on federal sources, particularly through the Federal Emergency Management Agency (FEMA) and other partners in the federal government. These funds are often nationally competitive in nature, require various matching funds, and can take years to secure and implement and with no guarantee our partners will secure funding. House Bill 1076 takes that step in addressing this gap by establishing a dedicated state level fund for climate mitigation and resiliency efforts. This will allow for a more strategic, long-term approach to resiliency planning and implementation.

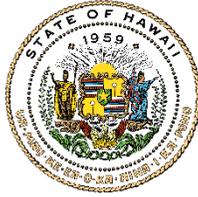
To ensure the effective implementation of these resiliency initiatives, it is essential that a primary agency be designated to oversee the administration of these funds. This agency must possess the necessary expertise, be equipped with the appropriate resources, and ensure funds are allocated efficiently.

Hawai'i Office of Recovery and Resiliency (HI-ORR) supports this legislative measure to prioritize the advance of resiliency projects that will create a safer future for the people of Hawaii. Proactive investments in resilience today will greatly benefit generations to come.

If you have any questions on this testimony please contact Luke Meyers, Branch Chief HI-ORR and State Disaster Recovery Coordinator for the Maui Wildfires. Thank you for the opportunity to provide testimony on this measure.

JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621
HONOLULU, HAWAII 96809

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT

RYAN K.P. KANAKA'OLE
FIRST DEPUTY

CIARA W.K. KAHAHANE
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES
ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**Testimony of
DAWN N.S. CHANG
Chairperson**

**Before the House Committee on
ENERGY & ENVIRONMENTAL PROTECTION**

**Tuesday, February 4, 2025
9:00 AM
State Capitol, Conference Room 325 & Videoconference**

**In consideration of
HOUSE BILL 1076
RELATING TO STATE FUNDS**

House Bill 1076 establishes the Climate Mitigation and Resiliency Special Fund, directs all earned interest from the Emergency and Budget Reserve Fund to the new special fund and appropriates funds. **The Department of Land and Natural Resources (Department) supports this measure.**

According to the Climate Advisory Team's (CAT) policy recommendations, Hawai'i's first line of defense against climate change threats is a thriving environment. The CAT report prioritizes invasive species removal to lessen wildfire risk and fortify natural protections such as native forested watersheds and wetlands against storms. Forests and wetlands dramatically reduce erosion and flooding by holding soil and increasing water infiltration. Protecting Hawai'i's native forests is a priority action to secure Hawai'i's water supplies, which are increasingly affected by drought. Forests absorb cloud moisture, increasing water capture up to 50% more than rainfall alone. These actions directly mitigate climate change impacts and improve Hawai'i's adaptation to a changing climate. A study commissioned by the Greenhouse Gas Sequestration Task Force identified forest protection as the food and land use solution with the most impactful emissions reduction.

The Department supports the establishment of the Climate Mitigation and Resiliency Special Fund to close the funding gap for managing Hawaii's natural resources. The CAT recommended that environmental investment and stewardship of public lands receive \$137.5 million per year.

Mahalo for the opportunity to testify on this measure.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



STEPHEN F. LOGAN
MAJOR GENERAL
ADJUTANT GENERAL
KA 'AKUKANA KENELALA

JAMES DS. BARROS
ADMINISTRATOR OF
EMERGENCY MANAGEMENT
KAHU HO'OMALU PŪLIA

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF DEFENSE
KA 'OIHANA PILI KAUA
HAWAI'I EMERGENCY MANAGEMENT AGENCY
4204 DIAMOND HEAD ROAD
HONOLULU, HAWAI'I 96816-4420

STATE OF HAWAI'I
DEPARTMENT OF DEFENSE
HAWAI'I EMERGENCY MANAGEMENT AGENCY

TESTIMONY ON HOUSE BILL 1076,
RELATING TO STATE FUNDS

BEFORE THE HOUSE COMMITTEE ON
ENERGY AND ENVIRONMENTAL PROTECTION

BY

JAMES DS. BARROS
ADMINISTRATOR
HAWAI'I EMERGENCY MANAGEMENT AGENCY

FEBRUARY 4, 2025

Aloha Chair Lowen, Vice-Chair Perruso, and Members of the Committee:

Thank you for the opportunity to submit testimony to **SUPPORT** House Bill 1076.

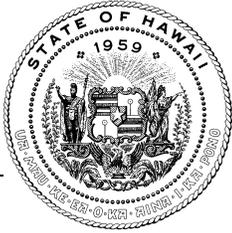
The Hawai'i Emergency Management Agency supports this legislative measure, which addresses the escalating impacts of climate change and establishes a dedicated fund – the Climate Mitigation and Resiliency Special Fund – for projects that will help to reduce risks and enhance resiliency. This initiative is crucial for further protecting Hawai'i's infrastructure, environment, and economy from future climate threats.

Any initiative that addresses the growing impacts of climate change, HIEMA is in full support of. The creation of this special fund facilitates a coordinated approach across government agencies, ensuring the state can expeditiously and effectively manage long-term impacts of climate change.

HIEMA supports this measure, with the understanding that its passage will not negatively impact the priorities outlined in the Executive Budget.

Thank you for the opportunity to provide testimony on House Bill 1076.

James Barros: james.barros@hawaii.gov; 808-733-4300



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARK B. GLICK
CHIEF ENERGY OFFICER

(808) 451-6648
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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Tuesday, February 4, 2025
9:00 AM
State Capitol, Conference Room 325 and Videoconference

In SUPPORT of
HB 1076

RELATING TO STATE FUNDS.

Chair Lowen, Vice Chair Perruso, and members of the Committee, the Hawai'i State Energy Office (HSEO) supports HB 1076, an Administration measure, which establishes the Climate Mitigation and Resiliency Special Fund (CMRSF), mandates the allocation of all earned interest from the Emergency and Budget Reserve Fund (EBRF) to the newly established special fund, and appropriates funds.

A stark lesson of the Maui Wildfires, as noted by the Legislature, is that immediate investments are needed to protect Hawai'i's economy, environment, and people from the escalating severity of climate change. This requires collective action on mitigation, adaptation, and resiliency measures on all hazards affecting critical infrastructure, including those to safeguard energy systems vital to the public interest from the ill effects of climate change. That we must act on wildfire mitigation is clear, and HSEO is keeping an open mind on how to best fund it. Empowering the Hawai'i Department of Defense with funding accrued by dedicating interest earned from the EBRF is one way to effectuate and deploy the full scope of the highly impactful mitigation, adaptation and resiliency measures in an impartial way. The proposed means and source of funds is an appropriate and effective way to fund such

investments consistent with EBRF's purpose to support the State during times of emergency, severe economic downturn, or unforeseen reduction in revenues.

HSEO stands ready to support the agencies tasked with administration of the CMRSF and EBRF and if this measure were to pass, including providing analysis and recommendations on CMRSF investments for the measures affecting the energy and transportation sectors contemplated by HB 1076. HSEO defers to the Department of Budget and Finance on the fiscal impacts of the bill.

Thank you for the opportunity to testify.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT GOVERNOR



Hawaii Green Infrastructure Authority

An Agency of the State of Hawaii

JAMES KUNANE TOKIOKA
CHAIR

GWEN S YAMAMOTO LAU
EXECUTIVE DIRECTOR

Testimony of
Gwen Yamamoto Lau
Executive Director
Hawaii Green Infrastructure Authority
before the
House Committee on Energy & Environmental Protection
Tuesday, February 4, 2025, 9:00 AM
State Capitol, Conference Room 325
in consideration of
House Bill No. 1076
RELATING TO STATE FUNDS

Chair Lowen, Vice Chair Perruso and Members of the Committee:

Thank you for the opportunity to testify in **strong support** of HB1076, which addresses the impacts of climate change through a Climate Mitigation and Resiliency Special Fund.

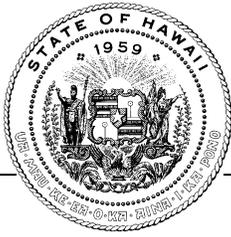
Serving as a member of the Climate Advisory Team over the past six months has heightened my awareness of the devastating impacts of disasters and underscored the importance of investing in pre-disaster preparedness to mitigate future losses and long-term recovery.

As an island state, we are at ground-zero for climate related disasters. Adding to our vulnerabilities are islanded grids, with the next closest land mass that will be able to provide much needed resources over 2,300 miles away.

The Climate Mitigation and Resiliency Special Fund will provide ongoing funding to (1) ensure a thriving environment by removing invasive plants that provide fuel for wildfires and fortify natural protections against hurricane and storm surges; and (2) increase resilience in our communities by fortifying homes susceptible to hurricanes and ensuring our communities are provided necessary resources and technical assistance through community based organizations to provide pre-disaster education (e.g., Hawaii Hazards Awareness and Resilience Program; Hawaii Wildfire Management Organization, etc.), planning and coordination to increase a community's readiness, in collaboration with local, state and federal agencies.

Funding this important work through the interest earned on the Emergency and Budget Reserve Fund (EBRF) is an elegant solution which does not negatively impact any existing program, while implementing timely, proactive and preventative solutions for which EBRF was established.

Thank you for this opportunity to testify in strong support of HB 1076.



**STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT**

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARY ALICE EVANS
DIRECTOR

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Written Testimony Only

Written Statement of
MARY ALICE EVANS, Director

before the
HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION
Tuesday, February 04, 2025, 9:00 AM
State Capitol, Conference Room 325

in consideration of
HB 1076
RELATING TO STATE FUNDS.

Chair Lowen, Vice Chair Perruso, and Members of the Committee on Energy and Environmental Protection:

The purpose of HB 1076 is to appropriate funds to establish the Climate Mitigation and Resiliency Special Fund and mandates the allocation of all earned interest from the Emergency and Budget Reserve Fund to the newly established special fund.

The Office of Planning and Sustainable Development (OPSD) **supports** HB 1076. The OPSD understands the long-term risks to the State's economy, sustainability, environment, culture, and way of life impacted by climate change. The creation of the special fund would provide a needed funding source to help address the costs of climate change.

Thank you for the opportunity to testify on this measure.



Hawai'i Climate Advisory Team

To: Representative Nicole Lowen, Chair
Representative Amy Perruso, Vice Chair
House Committee on Energy & Environmental Protection

From: The Climate Advisory Team

RE: **HB1076 - Relating to State Funds - In Support**
Tuesday, February 4, 2025, 9 am, Conference Room 325, State Capitol

Aloha Chair Lowen, Vice Chair Perruso, and Members of the Committee on Energy and Environmental Protection,

Mahalo for the opportunity to testify **in strong support** of HB1076 relating to the Climate Mitigation and Resiliency Special Fund. We, the undersigned representatives of the Climate Advisory Team (CAT), believe establishing this fund is vital to helping Hawai'i proactively prepare for and mitigate the adverse impacts of climate-related disasters. Such disasters are happening with increasing frequency and severity, and the state must act now to fund environmental, residential, and community resilience initiatives that strengthen our ability to withstand catastrophic events.

The CAT is a volunteer group, convened by Governor Green to develop community-informed policy recommendations to help make Hawai'i more resilient to natural disasters. The CAT published its findings and recommendations in a policy paper in January 2025, which provides detailed context for the measures we are supporting this legislative session.

The magnitude of financial risk Hawai'i faces from potential disasters cannot be overstated. The ongoing expected loss to all properties in Hawai'i due to disasters is \$14 billion over the next 10 years, according to an actuarial analysis of disaster risk commissioned by the CAT. If no new resilience measures are implemented, losses are expected to increase roughly 25 percent over the next 25 years because of continued climate change. These forecasted losses are strictly financial and do not begin to cover the impact of lives lost, community hardship, or irreparable damage done to Hawai'i's unique cultural fabric. More information about this analysis is available in [Section 3.1 of our Policy Recommendations on Climate Disaster Resilience, Recovery and Funding](#).

Investing in Hawai'i's environmental, residential, and community resilience now can significantly reduce expected losses from disasters like hurricanes, wildfires, and floods. FEMA estimates that for every dollar invested, an average of \$6 can be averted in disaster costs. A California study similarly finds that every \$1 million spent annually on vegetation management, a form of environmental resilience work,



Hawai'i Climate Advisory Team

can save roughly \$3.7 million in costs. Funding efforts that make our land, public infrastructure, residential homes, and communities more capable of weathering future disasters is a sound investment.

HB1076 proposes allocating all earned interest from the Emergency and Budget Reserve Fund, also known as the "Rainy Day Fund" to the newly established Climate Mitigation and Resiliency Special Fund. Importantly, this approach would not place added financial burden on Hawai'i's residents while still providing the needed funding source to address the costs of climate change we face. Achieving robust resilience to disasters will be a long-term, expensive proposition for Hawai'i; creating the Climate Mitigation and Resiliency Special Fund is a critical, bold step we must take to ensure coordinated and consistent resilience work is conducted statewide.

Thank you for the opportunity to testify before your committee in support of HB1076.

With aloha,

The Climate Advisory Team

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TRANSIENT ACCOMMODATIONS TAX; Climate Mitigation and Resiliency Special Fund; Economic Development and Revitalization Special Fund

BILL NUMBER: HB 1076, SB 1395

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

EXECUTIVE SUMMARY: Establishes the Climate Mitigation and Resiliency Special Fund. Mandates the allocation of all earned interest from the Emergency and Budget Reserve Fund to the newly established special fund.

SYNOPSIS: Adds a new chapter to the HRS to establish the climate mitigation and resiliency special fund. Moneys in the climate mitigation and resiliency special fund shall be used to advance projects addressing climate change impacts, including projects that mitigate, adapt to, or increase resiliency against climate change. Moneys may also be used for consultant, personnel, and administrative costs required to develop and implement the aforementioned projects.

Amends section 328L-3, HRS, to redirect the interest earned from moneys in the emergency and budget reserve fund to the newly established fund.

EFFECTIVE DATE: July 1, 2025.

STAFF COMMENTS: This is an Administration bill sponsored by the Office of the Governor and designated GOV-01 (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.

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.

Here, there is no indication that the proposed fund can be financially self-sustaining. Establishing this special fund is thus inappropriate, as is the proposed method of financing the fund.



Testimony Before The
House Committee on Energy & Environmental Protection (EEP)
IN SUPPORT OF HB1076
February 4, 2025, 9:00 a.m., Room 325 Via Videoconference

We are Olan Leimomi Fisher and Kevin Chang, Kua'āina Advocate and Executive Director, respectively, testifying on behalf of [Kua'āina Ulu 'Auamo \(or KUA\)](#). "Kua'āina Ulu 'Auamo" stands for "grassroots growing through shared responsibility," and our acronym "KUA" means "backbone." **Our mission is to connect and empower communities to improve their quality of life through the collective care for their biocultural (natural and cultural) heritage, serving as a "backbone organization" that supports creative, community-driven solutions to problems stemming from environmental degradation.** Hawai'i's biocultural resources continue to be negatively impacted by political, economic, and social changes, and the increasing dangers of climate change make fostering and empowering resilient communities acutely critical.

Currently KUA supports three major networks of: (1) over 40 mālama 'āina (caring for our 'āina or "that which feeds") community groups collectively referred to as E Alu Pū (moving forward together); (2) over 60 loko i'a (fishpond aquaculture systems unique to Hawai'i) and wai 'ōpae (anchialine pool systems) sites in varying stages of restoration and development, with numerous caretakers, stakeholders, and volunteers known as the Hui Mālama Loko I'a ("caretakers of fishponds"); and (3) the Limu Hui made up of over 50 loea (traditional experts) and practitioners in all things "limu" or locally-grown "seaweed." **Our shared vision is to once again experience what our kūpuna (ancestors) referred to as 'ĀINA MOMONA – abundant and healthy ecological systems that sustain our community resilience and well-being.**

KUA supports HB1076 with amendments, as a step towards 'āina momona.

This bill would allocate interest earned through the Emergency and Budget Reserve Fund to a newly established Climate Mitigation and Resiliency Special Fund.

Although we support the overall intent, what is missing from HB1076 is the understanding and recognition that Native Hawaiian cultural values and stewardship practices already hold many of the solutions to prevent and mitigate the climate crisis. Engaging our local communities in direct environmental management and governance, often in collaboration with state agencies, is key to overcoming the many challenges of our changing climate. As such, **if this measure is passed, we strongly urge that a dedicated portion of funding specifically support and empower community-based individuals, groups, and organizations as essential partners with governmental agencies and/or private businesses in restoring, protecting, and caring for our shared biocultural resources.**

We suggest amendments to SECTION 2. as follows:

§ -2 **Uses.** Moneys in the climate mitigation and resiliency special fund shall be used to advance projects addressing climate change impacts, ~~including projects that mitigate, adapt to, or increase resilience against climate change.~~, including but not limited to, community-led projects utilizing traditional Native Hawaiian protocols and practices that mitigate, adapt to, or increase resilience against climate change.

We appreciate the necessary, creative, and collaborative approaches our state supports that build up our incoming generations with intention, and in a way that benefits ongoing community efforts to support ecosystem regeneration.

The communities we work with are committed to ensuring the long-term health of our biocultural resources. They have depended on them for generations. **We believe our environment, the foundation of our very existence, is about long-term investment and a vision of ‘āina momona.** To get there it requires greater self-sufficiency including development of innovative and sustainable career pathways, mindsets, relationships, and resource flows for mālama ‘āina efforts led by the communities doing the work on the ground. Passing this bill out of your Committee will open an essential ‘auwai system toward reaching this vision.

Mahalo for considering our testimony. Please **PASS** HB1076 with our suggested amendments.

Aloha ‘Āina Momona no nā kau ā kau.



HAWAI'I LAND TRUST

House Committee on Energy & Environmental Protection

Date: Tuesday, February 4, 2025

Time: 9:00 AM

Place: Via Videoconference & Conference Room 325

Re: **SUPPORT – HB1076, Relating to State Funds**

Aloha e Luna Ho'omalua Lowen, Hope Luna Ho'omalua Perruso, a me nā Lālā o ke Kōmike:

Hawai'i Land Trust **SUPPORTS** HB1076, which establishes the Climate Mitigation and Resiliency Special Fund to address the impacts of climate change. This measure provides critical tools and funding to help Hawai'i adapt to and mitigate the growing threats of climate change while building resilience for our future.

Hawai'i's communities, ecosystems, and cultural resources are already feeling the effects of climate change, from rising sea levels to extreme weather events and ecosystem disruptions. These challenges jeopardize the well-being of our people, our 'āina, and the sustainability of our economy. HB 1076 recognizes the urgency of this crisis by creating a dedicated funding source to support projects that mitigate and adapt to climate impacts.

The Climate Mitigation and Resiliency Special Fund ensures that Hawai'i can take meaningful action now to address climate challenges through investments in projects that protect our natural and cultural resources, enhance disaster preparedness, and support vulnerable communities.

I ola ka 'āina, ola kākou nei. Healthy lands support thriving communities. HB 1076 is essential to safeguard Hawai'i's future and ensure that our communities and 'āina can thrive in the face of climate change.

Mahalo for this opportunity to testify,

'Olu Campbell

President and Chief Executive Officer



February 2, 2025

To: Chair Nicole Lowen, Vice Chair Amy Perruso, and the House Energy and Environmental Protection

Subject: **HB1076**, Relating to State Funds

Aloha,

I am writing in **support** of **HB1076**, which asks to establish the Climate Mitigation and Resiliency Special Fund. The measure states that the monies be utilized to forward climate mitigation and adaptation projects, as well as initiatives that increase resilience against climate change. It is pertinent that we act now to reduce future costs of the climate emergency that threaten the State's economy, environmental sustainability, and agriculture sector.

Even if we act now, some impacts of climate change are unavoidable. As outlined in [Climate Ready O'ahu](#), there are actions that we can take not just at a city level, but also at a state level, to help mitigate future hazards and adapt to the impacts of climate change that we are both currently and expected to experience. The caveat is that financial support, education, and resource sharing is necessary to pilot such initiatives.

The threats of climate change are already impacting Hawai'i, especially the State's farmers, ranchers, and aquaculturists. Seasonal weather patterns are changing which put these vital components of our communities at risk of severe drought, harder to predict fires, intense storms and floods, and other extreme weather events. According to the [NOAA National Centers for Environmental Information State Climate Summary](#) for Hawai'i, temperatures have increased across the island chain by 2°F since 1950, with significant warming over the last decade. Unprecedented warming is projected for the next century, especially if greenhouse gas emissions aren't reduced. Warming temperatures coupled with reduced rainfall pose a particular danger for native plant and animal ecosystems including risk of extinction and frequency of wildfires. The future of Hawai'i agriculture depends on investments in research about crops that can withstand the projected increase in temperature and droughts.

Additionally, the [State Climate Summary](#) states that since 1900, rates of sea level rise ranged from 0.6 inches to 1.6 inches per decade for the Hawaiian Islands which has caused severe

The Food+ Policy internship develops student advocates who learn work skills while increasing civic engagement to become emerging leaders. We focus on good food systems policy because we see the importance and potential of the food system in combating climate change and increasing the health, equity, and resiliency of Hawai'i communities.

In 2025, the cohort of interns are undergraduate and graduate students and young professionals working in the food system. They are a mix of traditional and nontraditional students, including parents and veterans, who have backgrounds in education, farming, public health, nutrition, and Hawaiian culture.



HAWAI'I FOOD+ POLICY

Honolulu, HI 96813
food@purplemaia.org

coastal erosion and increased risk of tidal floods. Over the last century, at least 70% of Hawai'i's beaches have been eroded and shoreline recession is projected to double by 2050. These historically unprecedented rates will negatively affect agriculture, coastal ecosystems and management systems, and tourism which will cause considerable economic damage.

Until recent years, there have been few systemic efforts to advance climate change mitigation, adaptation, and resiliency projects in Hawai'i. It is critical to appropriate funds for climate-smart initiatives which benefit our economy, ecosystems, and communities. It is our kuleana to invest in mitigation efforts as soon as possible to protect our resources mauka to makai, and protect the generations to come from unnecessary climate-related suffering.

I urge the committee to **pass** this measure. Thank you for the opportunity to testify on this issue.

Mahalo,
Lea iaea & the Food+ Policy Team
#fixourfoodsystem

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HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

FEBRUARY 4th, 2025

HB 1076, RELATING TO STATE FUNDS

POSITION: SUPPORT

Coalition Earth **supports** HB 1076, relating to state funds, which establishes the Climate Mitigation and Resiliency Special Fund and mandates the allocation of all earned interest from the Emergency and Budget Reserve Fund to the newly established special fund.

According to a report produced by the Hawai'i Climate Change Mitigation and Adaptation Commission, global sea levels could rise more than three feet by 2100, with more recent projections showing this occurring as early as 2060. In turn, over the next 30 to 70 years, approximately 6,500 structures and 19,800 people statewide will be exposed to chronic flooding. Additionally, an estimated \$19 billion in economic loss would result from chronic flooding of land and structures located in exposure areas. Finally, approximately 38 miles of coastal roads and 550 cultural sites would be chronically flooded, on top of the 13 miles of beaches that have already been lost on Kaua'i, O'ahu, and Maui to erosion fronting shoreline armoring.

As we work to reduce carbon emissions and stave off the worst consequences of climate change, we must begin preparing for the adverse impact of sea level rise on our shores. We are now quantifying the speed at which we must act. We cannot continue to develop the 25,800-acre statewide sea level rise exposure area—one-third of which is designated for urban use—without risking massive structural damage and, potentially, great loss of life.

Just two years ago, we witnessed the impact of the climate emergency on our shores. On August 8, 2023, wildfires swept across Maui and killed at least 100 people, making it one of the nation's deadliest natural disasters. The spread of the fires has been attributed to climate change conditions, such as unusually dry landscapes and the confluence of a strong high-pressure system to the north and Hurricane Dora to the south. The wildfires destroyed over 2,200 structures, including numerous residential buildings, historic landmarks, and school facilities. In September

2023, a report from the United States Department of Commerce estimated the total economic damage of the wildfires to be roughly \$5.5 billion. Investing in renewable energy generation could not be more urgent, given the growing threat of climate catastrophes to our island home.

Therefore, **our state should take steps to accelerate our transition to a clean energy economy and continue our fight against climate change, including by increasing investments in the climate mitigation and adaptation strategies necessary to protect our society and our shores.** In 2019, Conservation International published a report on our need to boost funding to defend our islands' natural resources. Entitled "Green Passport: Innovation Financing Solutions for Conservation In Hawai'i," the report concluded that the state has an annual spending gap of \$358 million to sufficiently manage its natural environment.

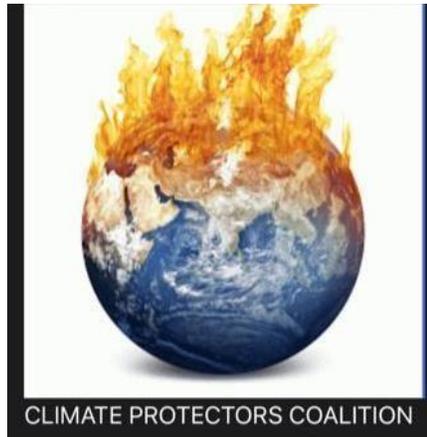
We are facing a similar gap when it comes to generating sustainable revenue to combat the worst effects of the climate emergency. In June of last year, the state reached a settlement agreement in the landmark case of *Navahine v. Hawai'i Department of Transportation*, in which Gov. Josh Green acknowledged the constitutional rights of Hawai'i's youth to a life-sustaining climate and confirmed the commitment by HDOT to plan and implement transformative changes to Hawai'i's transportation system to achieve the state's goal of net-negative emissions by 2045. The agreement included numerous provisions for climate action, such as:

- Establishing a Greenhouse Gas Reduction Plan within one year of the agreement, laying the foundation and roadmap to decarbonize Hawai'i's transportation system within the next 20 years;
- Creating a lead unit and responsible positions within HDOT to coordinate the mission of GHG reduction throughout the agency; oversee climate change mitigation and adaptation for the highways program; and ensure implementation of the Complete Streets policy of building and upgrading public highways for all users, ages, and abilities;
- Establishing a volunteer youth council to advise on HDOT mitigation and adaptation commitments in the years to come;
- Improving the state transportation infrastructure budgeting process to prioritize reduction of GHG and vehicles miles traveled (VMT) and transparently analyze and disclose the GHG and VMT impacts of each project and the overall program; and
- Making immediate investments in clean transportation infrastructure, including completing the pedestrian, bicycle, and transit networks in five years, and dedicating a minimum of \$40 million to expanding the electric vehicle charging network by 2030.

On January 28th, Gov. Green issued an executive order to promote and expedite the development of renewable energy in our state. Amidst uncertainty regarding renewable energy policy created by the Trump administration and concerns over grid stability across the state, the order accelerates renewable development for neighbor island communities to hit 100 percent renewable portfolio standards from 2045 to 2035, sets a statewide goal of 50,000 distributed renewable energy installations (such as rooftop solar and battery systems) by 2030, and directs state departments to streamline the permitting of renewable developments to reduce energy costs and project development timelines.

These ambitious actions are essential to the preservation of our state's and our keiki's future. We must ensure that funding is available to meet our obligation to safeguard our planet from the climate catastrophe for generations to come.

Coalition Earth is a nongovernmental organization that works to preserve the well-being of people and our planet. We champion policies that advance climate resilience, clean energy, public health, and economic fairness for working families. Contact us at info@coalitionearth.org.



To: The Honorable Representative Nicole Lowen, Chair, the Honorable Amy Perruso, Vice Chair, and Members of the Committee on Energy and Environmental Protection.

From: Climate Protectors Hawai'i (by Ted Bohlen)

Re: Hearing HB1076 RELATING TO STATE FUNDS

Hearing: Tuesday February 4, 2025 9:00 a.m.

Aloha Chair Lowen, Vice Chair Perruso, and Energy and Environmental Protection Committee Members:

The mission of the Climate Protectors Hawai'i is to educate and engage the local community in climate change action, to help Hawai'i show the world the way back to a safe and stable climate.

The Climate Protectors Hawai'i STRONGLY SUPPORTS HB1076!

Hawai'i is experiencing a **climate emergency! The effects of climate warming are here now and will increase in the future!** From the April 2018 rain bomb in Kauai to the catastrophic August 2023 fire in Lahaina, to droughts, floods, and more intense storms and more invasive species, **climate warming will necessitate greater reserves for the increased level of disasters. We need to invest now in efforts to limit and adapt to climate effects and become more resilient against both current and future climate impacts.**

This bill would establish the Climate Mitigation and Resiliency Special Fund. All earned interest from the Emergency and Budget Reserve Fund would be allocated to the Climate Mitigation and Resiliency Special Fund. Funds from the Climate Mitigation and Resiliency Special Fund shall be allocated for projects that address climate change impacts through mitigation or adaptation, or enhance overall resiliency. The bill appropriates up to \$60 million in fiscal year 2025-2026 and \$60 million in fiscal year 2026-2027.

Climate Protectors Hawaii also supports the funding in HB1077 through the Transient Accommodation Tax.

Please pass this bill to provide critical funding to mitigate the impacts and costs of climate warming and make Hawaii more resilient against climate warming.

Mahalo!

Climate Protectors Hawai'i (by Ted Bohlen)



Care for 'Āina Now Coalition

February 4, 2025

House Energy and Environmental Protection Committee
Chair Lowen
Vice Chair Perruso
Members of the Committee

Re: The Imperative of Allocating Adequate Funding to Protect Natural Resources
Support HB 1076, Relating to State Funds

Aloha!

Thank you for the opportunity to support HB 1076, relating to State Funds.

At its core, our recommendation is for Hawai'i to significantly increase funding for natural resource management and restoration. How we protect and manage our natural resources will determine whether our children and future generations inherit a healthy, safe, and sustainable environment. An additional \$560 million annually is needed to close the current budget shortfall in protecting our islands against climate threats, wildfires, and the impacts of over-tourism. We support this measure for its potential to help close that gap.

Natural resources are the lifeblood of our pae 'āina, providing us with the essentials for survival and the foundation for Hawaii's economy, our very society. These resources include clean air and water, fertile soil, living coral reefs, stable coastlines and beaches, biodiversity and healthy forests. We commend the legislature, cognizant of the local and global threats to these riches, for declaring Hawaii to be the first state in the nation to declare a climate emergency. Protecting and restoring these resources is a moral, economic, and ecological imperative.

We are a coalition of individuals and organizations committed to supporting better management of the state's natural resources for the protection of our communities, our water supplies, our economy, and our environment. Legislators have a unique role in shaping policies that reflect our ethical obligation to safeguard the environment for all living beings.

Please support this measure.

HB-1076

Submitted on: 1/29/2025 3:56:25 PM

Testimony for EEP on 2/4/2025 9:00:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Douglas Perrine | Individual | Support | Written Testimony Only |

Comments:

Climate change is already eating away our shorelines and causing other problems. Building new roads away from the shoreline and condemning private properties subject to sea level rise and erosion will not come cheap. Now is the time to start building a fund to address these and many more issues which will appear.

HB-1076

Submitted on: 1/31/2025 1:44:39 PM

Testimony for EEP on 2/4/2025 9:00:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Victor K. Ramos | Individual | Oppose | Written Testimony Only |

Comments:

I OPPOSE this measure. This is just another scheme to unwisely acquire taxpayers money.

HB-1076

Submitted on: 2/3/2025 8:18:08 AM

Testimony for EEP on 2/4/2025 9:00:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Paul Bernstein | Individual | Support | Written Testimony Only |

Comments:

Aloha Chair Lowen and members of the EEP committee,

I'm submitting testimony in support of HB1076. Our climate is clearly changing and wreaking havoc on our environment from wildfires in Maui to flooding in Waikiki, which is compromising the structural integrity of buildings. There are clearly more disasters on the horizon for which we must prepare. One of the resources that will be needed is money; therefore, I encourage the legislature to look for the necessary funds that the CAT identified.

Please pass this bill out of your committee.

Mahalo,

Paul Bernstein

TO: Members of the Committee on Energy & Environmental Protection

FROM: Natalie Iwasa
808-395-3233

HEARING: 9 a.m. Tuesday, February 4, 2025

SUBJECT: HB1076, State Funds - **OPPOSED**

Aloha Chair Lowen and Committee Members,

Thank you for this opportunity to provide testimony on HB1076, which would create a climate mitigation and resiliency special fund.

Special funds reduce the flexibility of the budgeting process.

In addition, some funds build up over time thereby tying up resources.

Rather than create another a new fund, please repeal funds that are not used or are accumulating money.

Please vote “no” on HB1076.