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HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
*Ka 'Oihana Mālama Mo'ohelu a Kālā*  
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ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT

**TESTIMONY BY LUIS P. SALAVERIA**  
**DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE**  
**TO THE HOUSE COMMITTEE ON PUBLIC SAFETY**  
**ON**  
**HOUSE BILL NO. 1262**

**February 7, 2025**  
**9:30 a.m.**  
**Room 411 and Videoconference**

**RELATING TO EMERGENCY AND BUDGET RESERVE FUND**

The Department of Budget and Finance offers comments on this bill.

House Bill No. 1262 proposes to amend Section 328L-3, Emergency and Budget Reserve Fund (EBRF), HRS, to expand the allowable uses of the EBRF to include economic payments to certain residents who have incurred losses in a disaster for which the Governor has declared a state of emergency.

This bill would allow the EBRF to be used to provide pre-determined economic payments to Hawai'i residents that have an annual gross income below an amount to be determined and who have lost their homes, jobs, food, clothing, or transportation in a disaster for which the Governor has declared a state of emergency. The payments could be an amount equal to the lesser of: a) an amount to be set by the Governor, provided that the amount shall be no less than \$20,000; or b) the State minimum wage per hour, established pursuant to Section 387-2, HRS, multiplied by 1,333 hours.

As of January 1, 2024, the State minimum wage is \$14 per hour; however, it will increase to \$16 per hour on January 1, 2026. Thus, payments until the end of calendar year 2025 could be \$18,662 per eligible resident but could range from \$20,000 to

\$21,328 in calendar year 2026 and 2027. Depending on the number of recipients, the amount to be paid could be significant (e.g., 5,000 payments of \$20,000 would total \$100,000,000).

While we understand the impetus for this bill, we caution against expanding the use of the EBRF, which was generally intended to be used to support State operations during times of economic hardship or disaster, as the primary source of revenue - tobacco settlement moneys - declines. We were fortunate to be able to make substantial deposits to the EBRF in recent years due, in part, to the significant amount of federal funding received by the State, counties and other entities to support costs related to the COVID-19 pandemic and Hawai'i's economic recovery. In the future, however, federal funds to support such emergencies and to shore up the State's economy may be non-existent.

Thank you for your consideration of our comments.

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 HAWAII  
**DEPARTMENT OF DEFENSE**  
**KA 'OIHANA PILI KAUA**  
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STATE OF HAWAII  
DEPARTMENT OF DEFENSE  
HAWAII EMERGENCY MANAGEMENT AGENCY

TESTIMONY ON HOUSE BILL 1262,  
RELATING TO THE EMERGENCY AND BUDGET RESERVE FUND

BEFORE THE HOUSE COMMITTEE ON  
**PUBLIC SAFETY**

BY

JAMES DS. BARROS  
ADMINISTRATOR  
HAWAII EMERGENCY MANAGEMENT AGENCY

FEBRUARY 12, 2025

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

Thank you for the opportunity to submit a testimony to **SUPPORT** House Bill 1262.

The Hawaii Emergency Management Agency supports House Bill 1262, which will allow for greater flexibility in addressing the urgent needs of residents during and after disasters.

HIEMA recognizes the importance of having an adequate and accessible fund to support both immediate and long-term recovery efforts for individuals and communities affected by natural disasters, and endorses any initiative that will help strengthen the state's ability to withstand any disaster to further increase our readiness and resiliency.

The ability to quickly and decisively provide financial relief for impacted residents is crucial for mitigating the negative impacts of disasters, particularly in times of economic hardship.

Furthermore, HIEMA supports this measure because it aligns with our mission of protecting and providing for the people of Hawaii during disaster response and

recovery. The proposed changes will help streamline the process of disaster recovery, reduce delays, and enable us to allocate resources effectively to meet the needs of affected communities.

By broadening the range of uses for the Emergency and Budget Reserve Fund, the bill ensures that our state is better equipped to respond to disasters promptly and comprehensively. HIEMA is committed to working alongside state agencies and local governments to ensure that the recovery process is swift and equitable.

Thank you for your consideration of this important measure. HIEMA strongly supports House Bill 1262, with the understanding that its passage will not negatively impact the priorities outlined in the Executive Budget.

James Barros: [james.barros@hawaii.gov](mailto:james.barros@hawaii.gov); 808-733-4300



# Hawai'i Climate Advisory Team

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

From: The Climate Advisory Team

RE: **HB1262 - Relating to the Emergency and Budget Reserve Fund - In Support**  
Friday, February 7, 9:30 a.m.; Conference Room 411 & Videoconference

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

Mahalo for the opportunity to testify **in strong support** of HB1262 relating to the Emergency and Budget Reserve Fund. We, the members of the Governor's Climate Advisory Team (CAT), strongly support the use of the Emergency and Budget Reserve Fund to provide emergency economic payments to residents who have incurred losses in state-declared disasters.

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. [Please see Section 3.1.1 of our Policy Recommendations on Climate Disaster Resilience, Recovery and Funding for more details related to the CAT's position on the need for emergency economic payments to residents who have incurred losses in state-declared disasters.](#)

The increasing threat of disasters poses serious risks to Hawai'i's most vulnerable residents. The tragic 2023 Lahaina wildfires were just the most recent example of how financially devastating disasters are for working-class and low-income people in our state. Many impacted families are still without stable, affordable housing or have had to leave the islands altogether. Increasing risk from disasters will further exacerbate Hawai'i's cost-of-living crisis and make financial recovery from disasters insurmountable.

After disasters, the State needs to be able to rapidly disperse relief funds to our most vulnerable residents to allow for immediate recovery and healing. Using existing measures like the ALICE (Asset Limited, Income Constrained, Employed) threshold and census data, the state can identify in advance the population that would most benefit from emergency disaster recovery funds, ensuring relief funds are targeted to those who need them most.

The availability of emergency payments from the Emergency and Budget Reserve Fund would not replace the need for individual insurance. The reality is that many Hawai'i residents are uninsured or



# Hawai'i Climate Advisory Team

underinsured, and even for homeowners and renters who do have insurance, payments can be slow, complicated, inadequate, and unduly add to the stress of recovery. Hawai'i needs a safety net for its people suffering from disasters, and this bill would allow the State the flexibility needed to care for its most vulnerable residents in times of crisis.

Hawai'i's most vulnerable residents cannot afford the financial burden of another extreme disaster like the Lahaina wildfire. This bill would take meaningful steps toward easing the financial hardship of disasters.

Thank you for the opportunity to testify before your committee in support of HB1262.

With aloha,

The Climate Advisory Team

# TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

**SUBJECT:** MISCELLANEOUS; Allow Emergency and Budget Reserve Fund to Be Used for Flat Rate Individual Assistance to Disaster Victims

**BILL NUMBER:** HB 1262

**INTRODUCED BY:** HUSSEY, COCHRAN, IWAMOTO, PERRUSO

**EXECUTIVE SUMMARY:** Adds, as an allowable use of the Emergency and Budget Reserve Fund, economic payments to certain residents who have incurred losses in a disaster for which the Governor has declared a state of emergency.

**SYNOPSIS:** Amends section 328L-3, HRS, to allow appropriations for predetermined economic payments to individuals affected by a disaster. The amounts would go to “certain individuals” who are Hawaii residents that have an annual gross income below \$\_\_\_\_\_ and who have lost their homes, jobs, food, clothing, or transportation in a disaster for which the governor has declared a state of emergency. The amounts per person would be the lesser of:

(A) An amount to be set by the governor; provided that the amount shall be no less than \$20,000; or

(B) The state minimum wage per hour, established pursuant to section 387-2, HRS, multiplied by 1,333 hours.

**EFFECTIVE DATE:** Upon approval.

**STAFF COMMENTS:** Article VIII, Section 4 of the Hawaii Constitution provides that any appropriation of money shall be for a public purpose, and that no grant of public money or property shall be made except pursuant to standards provided by law.

We understand that payments for individual disaster assistance are for a public purpose. We do have an issue with the criteria to determine the payment, which do not appear to be need-based.

Suppose a Maui resident meeting the income criterion (assuming that the blank is filled in and the individual qualifies as a “certain individual” under the statute) has a mango tree in his back yard when a hurricane hits the Island of Hawaii, and the Governor declares a state of emergency as a result of the hurricane. The hurricane causes higher than normal winds on Maui and a few mangoes are blown off his tree. Does the State now have to give the resident a \$20,000 award in this situation because he meets the criteria (lost food in a disaster for which the Governor has declared a state of emergency)?

The criteria need to be tightened up to meet constitutional requirements and to better align with common sense.

Re: HB 1262

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Also, the blank needs to be filled in and “certain individuals” in the amendment need to be clarified.

Digested: 2/5/2025



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**The State Legislature  
House Committee on Public Safety  
Friday, February 7, 2025  
Conference Room 411, 9:30 a.m.**

TO: The Honorable Della Au Belatti, Chair  
FROM: Keali'i S. López, State Director  
RE: Support for H.B. 1262 Relating to Emergency and Budget Reserve Fund

Aloha Chair Au Belatti and Members of the Committee:

My name is Keali'i Lopez and I am the State Director for AARP Hawai'i. AARP is a nonprofit, nonpartisan, social impact organization dedicated to empowering people 50 and older to choose how they live as they age. We advocate at the state and federal level for the issues that matter most to older adults and their families. On behalf of our nearly 135,000 members statewide, thank you for the opportunity to share our testimony.

**AARP is in strong support of the intent of H.B. 1262, which adds, as an allowable use of the Emergency and Budget Reserve Fund, economic payments to certain residents who have incurred losses in a disaster for which the Governor has declared a state of emergency.** This bill is an important step in addressing post-disaster recovery efforts that affect all populations, including older adults, people with disabilities, and those with limited financial means.

As proposed, H.B. 1262 would ensure disaster relief assistance and funding is distributed expeditiously for those impacted by a disaster for which the Governor declares a state of emergency. This makes it possible for those who are displaced after a natural disaster to obtain access to safe housing and critical stability in a timelier manner. The long-term effects of disasters can harm the financial and emotional well-being of kūpuna and others in the community, especially those who are already struggling because of limited financial means.

We look forward to more details being developed regarding the necessary financial support to be provided as H.B. 1262 moves through the legislature.

Thank you for the opportunity to testify on H.B. 1262.

