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WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
HOUSE BILL NO. 1296, H.D. 1, S.D. 1

**April 1, 2025
10:01 a.m.**

Room 211 and Videoconference

RELATING TO THE MAJOR DISASTER FUND

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill (H.B.) No. 1296, H.D. 1, S.D. 1, does the following: 1) amends Section 127A-16, HRS, to require the administrator of the Major Disaster Fund (MDF) to submit a report to the Legislature on the purpose of the allotment, transfer, or expenditure no later than 30 days after any allotment or transfer by the Governor or the expenditure of any fund moneys; 2) no later than an unspecified period, to require B&F to submit to the Legislature a detailed report containing the information on the allotment, subsequent use of the transferred funds, or the expenditure, an accounting for Federal Emergency Management Agency eligible and ineligible expenses, and interest earned on federal reimbursement moneys from August 8, 2023, through an unspecified date; and 3) no later than 30 days prior to the convening of the Regular Sessions of 2026 and 2027, to require the Governor to submit to the Legislature a summary report containing the information above for each use of this authority for the previous 12-month period from December 1 to November 30 of each year. This measure also proposes a sunset

date of June 30, 2027. It is noted that under current law, the administrator of the MDF is required to report allotments and expenditures of the MDF to the Legislature no later than 60 days thereafter.

H.B. No. 1296, H.D. 1, S.D. 1, establishes timely notice and reporting requirements to the Legislature regarding the allotment, transfer, and expenditure of appropriations for the MDF; however, it is noted that it is more appropriate for the Department of Defense to prepare the reports as the MDF account is under their program, the Hawai'i Emergency Management Agency.

B&F believes the existing requirements in Chapter 127A, HRS, provide adequate notice of actions taken to ensure that there are sufficient funds to address disasters.

Thank you for your consideration of our comments.



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

Senate Committee on Ways and Means

Tuesday, April 1, 2025

10:01 a.m.

State Capitol, Conference Room 211 and Videoconference

With Comments

House Bill No. 1296 H.D. 1, S.D. 1, Relating to the Major Disaster Fund

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Senate Committee on Ways and Means:

The Office of the Governor provides the following comments for H.B. No. 1296 H.D.1, S.D. 1, Relating to the Major Disaster Fund (MDF). This bill establishes timely notice and reporting requirements to the Legislature by the Governor regarding the transfer of appropriations to the MDF.

The Lahaina wildfires resulted in unbearable loss of lives, homes, infrastructure, and businesses. In response to this tragic event, Acting Governor Sylvia Luke signed the Emergency Proclamation (EP) on Wildfires, dated August 8, 2023. State departments responded promptly and worked with the County of Maui, various federal agencies, the Hawaii State Legislature, and private sector leaders to navigate the disaster.

The Office of the Governor finds H.B. No. 1296 H.D. 1, S.D. 1, duplicative as existing reporting requirements pursuant to HRS 127A-16(b) and Act 10, SLH 2024, are adequate. H.B. No. 1296 H.D. 1, S.D. 1, proposes requirements that could adversely impact the ability of the State to respond effectively and efficiently to future emergencies.

For example, **the thirty-day reporting time after any allotment or transfer by the governor** would be very challenging. Many allotments involve multiple departments and require time to compile, verify and reconcile financial data to ensure accuracy.

Disaster response efforts demand flexibility and agility to address rapidly evolving circumstances. The proposed reporting mandates—particularly the requirement to justify each transfer in detail, which could introduce bureaucratic delays that impede HI-EMA's ability to

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deploy critical resources in a timely manner. During emergencies, time-sensitive decisions must be made swiftly to protect lives, property, and public infrastructure. Overly rigid reporting processes could slow down response times, ultimately jeopardizing the effectiveness of relief efforts.

Mahalo for the opportunity to provide testimony on this measure.