

**SYLVIA LUKE**  
LIEUTENANT GOVERNOR  
*Ke Ke'ena O Ka Hope Kia'āina*

The 33<sup>rd</sup> Legislature, State of Hawaii  
House Committee on Finance  
February 24, 2025

Testimony on  
**H.B. 934 - RELATING TO THE HAWAII BROADBAND AND  
DIGITAL EQUITY OFFICE**

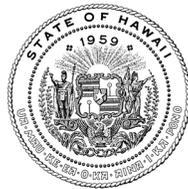
Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

Thank you for the opportunity to provide testimony in **support of H.B. 934, H.D. 1** which transfers the Hawaii Broadband Office from the Department of Business, Economic Development, and Tourism (DBEDT) to the Office of Enterprise Technology Services (ETS) in the Department of Accounting and General Services, establishes the Hawaii Broadband and Digital Equity Special Fund, and appropriates additional funding.

Reliable, affordable high speed internet access is essential for ensuring greater educational, economic, and social opportunities for all. The federal and state governments have committed over \$400 million to modernize our subsea and terrestrial infrastructure and equip residents with the tools and knowledge to safely navigate the internet. With the construction of new subsea broadband infrastructure, our state anticipates generating revenue from negotiated lease agreements and the creation of a special fund will ensure these funds are used to reduce the cost of internet services, provide technical assistance to communities, and support broadband projects.

Given the increasingly vital role of broadband in our daily lives, the transfer of the Hawaii Broadband Office from DBEDT to ETS provides an opportunity to consolidate and centralize broadband responsibilities currently dispersed across state government, including those of the Hawaii Broadband Assistance Advisory Council and other reporting requirements. Our office will work closely with the relevant departments to compile all broadband functions for the Legislature's consideration.

Thank you for the opportunity to provide testimony in support of H.B. 934, H.D. 1.



JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LIEUTENANT GOVERNOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

LUIS P. SALAVERIA  
DIRECTOR

SABRINA NASIR  
DEPUTY DIRECTOR

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
*Ka 'Oihana Mālama Mo'ohelu a Kālā*  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT

**WRITTEN ONLY**  
TESTIMONY BY LUIS P. SALAVERIA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
HOUSE BILL NO. 934, H.D. 1

**February 24, 2025**  
**10:00 a.m.**  
**Room 308 and Videoconference**

RELATING TO THE HAWAII BROADBAND AND DIGITAL EQUITY OFFICE

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

House Bill (H.B.) No. 934, H.D. 1: 1) transfers the Hawai'i Broadband and Digital Equity Office (HBDEO) from the Department of Business, Economic Development and Tourism to the Office of Enterprise Technology Services in the Department of Accounting and General Services by repealing Chapter 206S, HRS, and adding a new part in Chapter 27, HRS; 2) establishes the Broadband and Digital Equity Special Fund (BDESF) to be administered by HBDEO for the purposes of supporting broadband projects, defraying the cost of internet services, and funding positions for personnel to provide technical assistance for the community; 3) appropriates an unspecified amount in general funds for FY 26 to be deposited into the BDESF; and 4) appropriates an unspecified amount in special fund ceiling for the BDESF for FY 26.

As a matter of general policy, B&F does not support the creation of any special fund, which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work, and an

explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding H.B. No. 934, H.D. 1, it is difficult to determine whether the BDESf would be self-sustaining.

Thank you for your consideration of our comments.



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**  
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI  
A HO'OMĀKA'IKĀ'I

**JOSH GREEN, M.D.**  
GOVERNOR

**SYLVIA LUKE**  
LT. GOVERNOR

**JAMES KUNANE TOKIOKA**  
DIRECTOR

**DANE K. WICKER**  
DEPUTY DIRECTOR

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Statement of  
**JAMES KUNANE TOKIOKA**  
**Director**  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON FINANCE**

Monday, February 24, 2025  
Time 10:00AM  
State Capitol, Conference Room #308

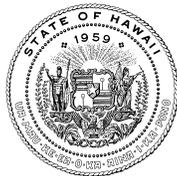
In consideration of  
**HB934 HD1**  
**RELATING TO THE HAWAII BROADBAND AND DIGITAL EQUITY OFFICE.**

Chair Yamashita, Vice Chair Takenouchi and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) provides the following comments on HB934 HD1 that transfers the Hawaii Broadband and Digital Equity Office (HBDEO) to the Office of Enterprise Technology Services in the Department of Accounting and General Services.

HBDEO has provided steady leadership in state broadband and digital equity. I am confident that regardless of where the Office resides in state government, the Office will continue to provide the necessary leadership and accountability in carrying out its statutory responsibilities and in deployment and management of federal funds. DBEDT will continue to collaborate with the Office as it is an important piece to the future of digital workforce and economic development.

Thank you for the opportunity to testify.

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



KEITH A. REGAN  
COMPTROLLER  
KA LUNA HO'OMALU HANA LAULĀ

CHRISTINE M. SAKUDA  
CHIEF INFORMATION OFFICER  
LUNA 'ENEHANA

**STATE OF HAWAII' | KA MOKU'ĀINA O HAWAII'**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWE LAULĀ**

**OFFICE OF ENTERPRISE TECHNOLOGY SERVICES | KE'ENA HO'OLANA 'ENEHANA**

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

Testimony of  
CHRISTINE M. SAKUDA  
Chief Information Officer  
Office of Enterprise Technology Services

Before the

HOUSE COMMITTEE ON FINANCE  
Monday, February 24, 2025

HOUSE BILL NO. 934 HD1  
RELATING TO THE HAWAII' BROADBAND AND DIGITAL EQUITY OFFICE

Dear Chair Yamashita, Vice Chair Takenouchi, and members of the committee:

The Office of Enterprise Technology Services (ETS) humbly offers **comments** on this bill that transfers the Hawai'i Broadband and Digital Equity Office (HBDEO) from the Department of Business, Economic Development, and Tourism to the Office of Enterprise Technology Services in the Department of Accounting and General Services, establishes the Hawai'i Broadband and Digital Equity Special Fund, and appropriates funds.

ETS strongly supports Connect Kākou, led by Governor Josh Green and Lieutenant Governor Sylvia Luke, to ensure that every resident of Hawai'i has access to broadband Internet – plus the skills and devices they need to use the Internet.

Taking over the responsibility of running and managing the Hawai'i Broadband and Digital Equity Office will be a huge endeavor for ETS. To be successful in this transfer we would ask to be funded appropriately from both state and federal sources.

According to the HBDEO's Form A request for Fiscal Year 25-27: *"With the current budget of \$360,000 to fund four staff and operating expenses, HBDEO has been operating with essentially no operating expenses for the past two fiscal years. Proper funding will enable the office to meet its objectives, especially in community outreach to rural, non-Oahu areas of the state."*

The HBDEO had asked for \$777,090 for FY 26 with \$452,302 for personal services, and \$324,788 for other expenses.

ETS believes that these figures provide for a sound budget, and we ask that this funding be included in the bill. We believe that, without proper funding for both salaries and operations, moving the

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HBDEO to DAGS-ETS would not improve the functioning of the HBDEO but would in fact negatively impact critical services delivered through our existing program.

Pursuant to [Section 27-43, Hawaii Revised Statutes](#) ETS provides governance and strategic planning for executive branch IT projects and we believe managing the infrastructure operations of broadband fall within the purview of this office. Our statutory responsibilities are focused on the State's enterprise IT infrastructure which has supported departments directly. We have concerns that this shift may dilute this internal focus by diverting resources needed for this public outreach.

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



# UNIVERSITY OF HAWAII SYSTEM

## ‘ŌNAEHANA KULANUI O HAWAII

### Legislative Testimony

### Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the  
House Committee on Finance  
Monday, February 24, 2025 at 10:00 a.m.

By

Garret T. Yoshimi, Vice President for Information Technology/Chief Information Officer  
University of Hawai'i System

### HB 934 HD1 – RELATING TO THE HAWAII BROADBAND AND DIGITAL EQUITY OFFICE

Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

The University of Hawai'i, representing the interests of the State in the implementation of federally funded broadband investments, supports HB 934 HD1 which transfers the Hawai'i Broadband and Digital Equity Office (HBDEO) from the Department of Business, Economic Development, and Tourism (DBEDT) to the Office of Enterprise Technology Services (ETS) in the Department of Accounting and General Services, and establishes the Hawai'i Broadband and Digital Equity Special Fund. Transfer of the HBDEO under ETS, would place it within the management and oversight of the State Chief Information Officer, and will properly align the functions of the HBDEO together with other statewide technology infrastructure oversight, management and operations. The measure additionally provides for suitable governance under the statutorily established Information Technology Steering Committee.

Establishment of the Hawai'i Broadband and Digital Equity Special Fund provides for the ability to collect and expend funds received as a beneficial outcome of the public investment in broadband infrastructure assets; and to ensure the funds are used to support long term sustainability of the state's broadband infrastructure assets and the ability of our community to benefit from those infrastructure assets. Placing the ownership of the assets resulting from the federal broadband investments under the State Chief Information Officer, together with the Information Technology Steering Committee, will help to ensure the public's interest is protected and the benefits to Hawai'i maximized over the lifetime of these assets. To help provide clarity over the intent of the use of the funds, we suggest the fund be titled the Hawai'i Broadband Special Fund.

Thank you for the opportunity to provide testimony in support of HB 934 HD1.



**STATE OF HAWAII**  
**KA MOKU'ĀINA O HAWAII**  
**STATE COUNCIL ON DEVELOPMENTAL DISABILITIES**  
**'A'UNIKE MOKU'ĀPUNI NO KA NĀ KĀWAI KULA**

PRINCESS VICTORIA KAMĀMALU BUILDING  
1010 RICHARDS STREET, Room 122  
HONOLULU, HAWAII 96813  
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543

February 24, 2025

The Honorable Representative Kyle T. Yamashita, Chair  
House Committee on Finance  
The Thirty-Third Legislature  
State Capitol  
State of Hawai'i  
Honolulu, Hawai'i 96813

Dear Representative Yamashita, and Committee members

SUBJECT: HB934 HD1 Relating to the Hawai'i Broadband and Digital Equity Office

The Hawai'i State Council on Developmental Disabilities **SUPPORTS HB934 HD1**, which transfers the Hawai'i Broadband and Digital Equity Office from the Department of Business, Economic Development, and Tourism to the Office of Enterprise Technology Services in the Department of Accounting and General Services. Establishes the Broadband and Digital Equity Special Fund. Appropriates funds. Effective 7/1/3000. (HD1)

Access to broadband and digital technology is critical for individuals with intellectual and developmental disabilities (I/DD) to fully participate in society. Reliable internet connectivity and digital literacy are essential for accessing telehealth services, engaging in educational opportunities, securing employment, and participating in community life. HB934 HD1 strengthens the State's infrastructure to ensure digital equity, especially for underserved and vulnerable populations.

The proposed restructuring and the establishment of the special fund will enhance the State's ability to develop and implement strategies to improve broadband access and affordability. The emphasis on supporting broadband projects, and funding positions for technical assistance aligns with the needs of the I/DD community, which often faces significant barriers to digital inclusion.

Thank you for the opportunity to submit testimony in **support of HB934 HD1**.

Sincerely,

A handwritten signature in blue ink that reads "Daintry Bartoldus".

Daintry Bartoldus  
Executive Administrator

Written Statement of  
**Jeannine Souki**  
**Sr. Manager – Government & Regulatory Affairs**

**HOUSE COMMITTEE ON FINANCE**

February 24, 2025, 10:00 AM  
State Capitol, Conference Room 308, Videoconference

**COMMENTS FOR:**  
**H.B. 934, H.D. 1 – RELATING TO BROADBAND AND DIGITAL EQUITY OFFICE**

To: Chair Yamashita, Vice-Chair Takenouchi, and Members of the Committee

Re: Testimony providing comments for HB 934, HD1

Aloha Honorable Chair, Vice-Chair, and Committee Members:

Thank you for this opportunity to provide comments on House Bill 934, HD1, to transfer the Hawai‘i Broadband and Digital Equity Office (“HBDEO”) from the Department of Business, Economic Development, and Tourism (“DBEDT”) to the Office of Enterprise Technology Services (“ETS”) in the Department of Accounting and General Services (“DAGS”) establishes the Hawai‘i Broadband and Digital Equity Special Fund and appropriates additional funds.

Hawaiian Telcom supports the intent of this bill, which consolidates broadband planning, coordination, and operations duties currently disbursed across multiple agencies under one umbrella to leverage resources and promote efficiency and efficacy.

As the State and broadband service providers navigate the evolving landscape of broadband infrastructure and funding with the new federal administration, we must consider strategic approaches that maximize efficiency and align with federal initiatives. The Broadband Equity, Access, and Deployment (“BEAD”) Program, which allocates \$42.45 billion to expand high-speed internet access, presents a unique opportunity for our state to enhance its broadband capabilities. The State share of BEAD funding is \$149.5M plus \$46M in state matching funds to increase broadband infrastructure and promote digital literacy services. Additionally, as a broadband service provider, Hawaiian Telcom continues to invest hundreds of millions of dollars annually to expand broadband infrastructure across the State to deliver high-speed internet services to rural and urban areas. Hawaiian Telcom’s historic \$1.7B investment aims to meet the rapidly evolving technology needs of families and businesses across the state, ensuring Hawai‘i remains at the forefront of broadband innovation and provides a once-in-a-generation opportunity to ensure that access to broadband services is available to all households.

In closing, Hawaiian Telcom supports the intent of this bill and the appropriation of general funds to match federal funds for broadband programs and services funded through BEAD programs. We appreciate the opportunity to offer comments for HB 934, HD1.

1961 Aamaka Pl.  
Pearl City, HI 96782  
808-462-8356, [dancsmith@rocketmail.com](mailto:dancsmith@rocketmail.com)

February 23, 2025

Committee on Finance  
House of Representatives  
Capitol  
Honolulu, Hawaii

Aloha Committee Members:

I write in support of HB934 HD1 and the funding level recommended by the Committee on Economic Development & Technology but with one amendment.

At page Page 6, Line 9, please restore the original bill's language, specifically to say:

(1) Supporting broadband projects;

Because it involves the use of money, I respectfully suggest that the change is within your purview.

The change in HD1, prohibiting the provision of retail service, was made at the request of Charter Communications. Possible interpretations of Charter's language could prevent even small, innovative projects in unserved or underserved communities. It could even prevent cooperation with Charter!

Please pass HB934 with the recommended restored language.

Sincerely,

A handwritten signature in black ink that reads "Daniel C. Smith". The signature is written in a cursive, flowing style.

Daniel C. Smith

