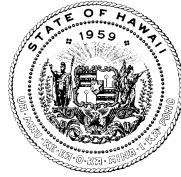


DAVID Y. IGE
GOVERNOR
STATE OF HAWAII

JOSH GREEN
LT. GOVERNOR
STATE OF HAWAII



WILLIAM J. AILA, JR.
CHAIRMAN
HAWAIIAN HOMES COMMISSION

TYLER I. GOMES
DEPUTY TO THE CHAIRMAN

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF WILLIAM J. AILA, JR, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON FINANCE
HEARING ON MARCH 1, 2022 AT 12:30PM VIA VIDEOCONFERENCE

HB 2195, HD2, RELATING TO CESSPOOLS

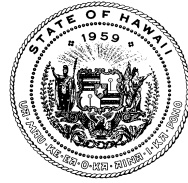
March 1, 2022

Aloha Chair Luke, Vice Chair Yamashita, and members of the Committee:

The Department of Hawaiian Home Lands (DHHL) supports this bill establishing a cesspool compliance pilot grant project to assist low- and moderate-income property owners, including lessees on Hawaiian home lands, with the costs of upgrading, converting, or connecting a cesspool identified as failing by the Department of Health.

DHHL is especially supportive of the inclusion of low- and moderate-income lessees on Hawaiian Home Lands to access funding through this pilot grant project. Lessees are experiencing increased costs because of septic system requirements and given limited financing options on Hawaiian Home Lands, this measure provides a much needed resource. The Hawaiian Homes Commission in the past two years approved a measure establishing a low-interest loan program to offer financial assistance for lessees on Hawaiian Home Lands with cesspools to be ungraded or converted to septic systems or aerobic treatment unit systems or connected to existing sewer systems or any other wastewater treatment systems approved by the Department of Health, but DHHL hasn't been able to design the appropriate mechanism to accomplish the result.

Thank you for your consideration of our testimony.



STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

**Testimony in SUPPORT of HB2195 HD2
RELATING TO CESSPOOLS**

REPRESENTATIVE SYLVIA LUKE, CHAIR
HOUSE COMMITTEE ON FINANCE

Hearing Date: 3/1/2022

Room Number: 308

1 **Fiscal Implications:** The Department of Health (Department) would need at least one full-time
2 temporary position to implement the proposed cesspool compliance pilot project. This measure
3 may impact the priorities identified in the Governor's Executive Budget Request for the
4 Department's appropriations and personnel priorities.

5 **Department Testimony:** The Department supports this measure as long as it does not impact
6 the priorities requested in the Executive Budget. The Department would also prefer that a tax
7 credit is offered instead of a grant. The Department is unsure how we would be able to
8 administer a grant program to the general public if this measure is passed.

9 Cesspools are a major source of pollution to Hawaii's waters. There are approximately
10 88,000 cesspools in the State, discharging millions of gallons of untreated sewage into the
11 groundwater every day. The sewage polluted groundwater flows into drinking water sources,
12 streams and the ocean, harming public health and the environment, including beaches and coral
13 reefs. Ninety-five percent of all drinking water in Hawaii comes from groundwater sources.
14 Cesspools should be phased out to eliminate threats to drinking water and recreational waters.

15 The Department believes the pilot project should focus on low and moderate-income
16 homeowners. The 2017 legislature report should not be referenced because the Department is
17 working on updating the report.

18 **Offered Amendments:** Revise measure to implement a tax credit program similar to HB1805
19 HD1 instead of a grant program.

- 1 Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

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

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
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 (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 2195, H.D. 2

March 1, 2022
12:30 p.m.
Room 308 and Videoconference

RELATING TO CESSPOOLS

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

House Bill No. 2195, H.D. 2:

- Establishes the cesspool compliance pilot grant project (CCPGP) in the Department of Health (DOH) to assist property owners, including lessees on Hawaiian home lands, with upgrading, converting, or connecting a cesspool that DOH has identified as failing.
- Requires DOH to adopt rules as necessary to carry out the CCPGP, provided that the rules shall include a method of calculating a sliding scale grant amount based upon the federal adjusted gross income of the owner of the property with a failing cesspool.
- Appropriates an unspecified amount of general funds in FY 23 to DOH to implement the CCPGP.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that

states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

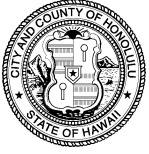
- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



KAHALU'U NEIGHBORHOOD BOARD NO. 29

(He'eia Kea. 'Āhuimanu. Kahalu'u. Waihe'e. Ka'alaea. Waiāhole. Waikāne. Hakipu'u. Kualoa)

C/o Neighborhood Commission Office ◊ 925 Dillingham Boulevard, Suite 160 ◊ Honolulu, Hawaii 96817
PHONE (808) 768-3710 ◊ FAX (808) 768-3711 ◊ INTERNET: <http://www.honolulu.gov/nco>

"LET US NOT EVER HAVE AN UNHAPPY MINORITY; RATHER, LET US BUILD A COMMUNITY CONSENSUS."

House Committee on Finance
Tuesday, March 1, 2022, at 12:30 p.m.
Via Videoconference
Conf. Rm. 308
State Capitol

RE: HB 2195, HD2, Relating to Cesspools

Aloha e ka Luna Ho'omaluku Luke, ka Hope Luna Ho'omaluku Yamashita, a me nā lālā o ke Kōmike Waiwai o ka Hale o nā Lunamaka'āinana.

In our regular board meeting on February 9, 2022, the Kahalu'u Neighborhood Board #29 voted unanimously to **support the concepts** of HB 2195, HD1, which establishes a cesspool compliance pilot grant project to assist low- and moderate-income property owners, including lessees on Hawaiian home lands, with the costs of upgrading, converting, or connecting a cesspool and also applies to cesspools identified as failing by the Department of Health. This measure also appropriates funds.

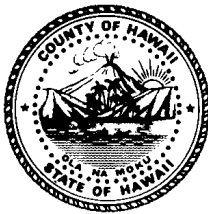
Mahalo for this opportunity to offer testimony and please do advance this measure.

Me ka ha'aha'a,

A handwritten signature in blue ink, appearing to read "Ka'ano'i Walk".

Ka'ano'i Walk, Chair
Kahalu'u Neighborhood Board #29

REBECCA VILLEGAS
Council Member
District 7, Central Kona



PHONE: (808) 323-4267
FAX: (808) 323-4786
EMAIL: Rebecca.villegas@hawaiicounty.gov

HAWAI'I COUNTY COUNCIL

West Hawai'i Civic Center, Bldg. A
74-5044 Ane Keohokalole Hwy.
Kailua-Kona, Hawai'i 96740

February 28, 2022

TESTIMONY OF REBECCA VILLEGAS
COUNCIL MEMBER, HAWAI'I COUNTY COUNCIL
ON HB 2195 HD2, RELATING TO CESSPOOLS
Committee on Finance
Tuesday, March 1, 2022 12:30P.m.

Aloha Chair Luke, and Members of the Committee:

I thank you for the opportunity to testify in SUPPORT of HB 2195 HD2.

The requirement to upgrade or convert a cesspool imposes a financial burden on low- and moderate-income families, therefore the purpose of this Act is to assist low- and moderate-income property owners, including lessees on Hawaiian home lands, with upgrading, converting, or connecting their failing cesspools to more environmentally appropriate systems or sewerage systems by creating a pilot grant project to assist with conversion costs.

Failing cesspools are contaminating the State's ground water, streams, and coastal ecosystems. Public health and the quality of drinking water, streams, ground waters, marine areas, and the ocean is being harmed by water pollution of cesspools. Without this temporary income tax credit many families will not be able to afford to convert their systems or it will cause drastic financial harm to them. By assisting with expenses related to the costs of cesspool conversion we will be able to protect our environment and provide further protection to public health

For the reasons stated above I urge the Committee on Finance to SUPPORT this measure. Should you have any questions, please feel free to contact me at (808) 323-4267.

Mahalo for your consideration.

A handwritten signature in black ink, appearing to read "Rebecca Villegas".

Rebecca Villegas
Council Member, Hawai'i County Council

Testimony in Support of HB2195 HD2 Relating to Cesspools

Aloha,

I am writing on behalf of Kauai Climate Action Coalition, a group of engaged citizens of all ages and backgrounds. We recognize the urgent need to convert cesspools especially giving the effects of climate change. We also recognize the financial burden this presents to many. We fully support the pilot grant program to help those least able to pay for the necessary conversion. Please support HB2195 HD2.

Mahalo!

Helen A. Cox, Chair

Kauai Climate Action Coalition

HB-2195-HD-2

Submitted on: 2/27/2022 3:51:14 PM

Testimony for FIN on 3/1/2022 12:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Ted Bohlen	Hawai'i Reef and Ocean Coalition	Support	No

Comments:

The Honorable Sylvia Luke, Chair, The Honorable Kyle Yamashita, Vice Chair, and Members of the House Committee on Finance

From: Hawai'i Reef and Ocean Coalition (by Ted Bohlen)

Re: Hearing **HB2195 HD2 RELATING TO CESSPOOLS.**

Hearing: Tuesday, March 1, 2022, 12:30 p.m., CR 308 and by videoconference

Aloha Chair Luke, Vice Chair Yamashita, and Members of the House Committee on Finance:

The Hawai'i Reef and Ocean Coalition is a group focused on protecting corals and other ocean species. Providing grants to low and moderate income folks who upgrade failing cesspools will help reduce marine pollution that harms corals and other ocean species. The **Hawai'i Reef and Ocean Coalition STRONGLY SUPPORTS HB2195 HD2!**

Cesspools need to be phased out in order to protect Hawaii's drinking waters, surface water quality, and coral reefs and other aquatic life!

This bill would establish a cesspool compliance pilot grant program to help some low and moderate income property owners, including some lessees on Hawaiian homelands, afford the costs of upgrading, converting or connecting a cesspool. Similar grant programs in New York and Rhode Island have increased the rate of conversions.

This bill would help remove some water pollution from the environment and help some low and moderate income property owners and Hawaiian homelands lessees financially.

Please pass this bill!

Mahalo!

Hawai'i Reef and Ocean Coalition (by Ted Bohlen)

HB-2195-HD-2

Submitted on: 2/27/2022 7:35:10 PM

Testimony for FIN on 3/1/2022 12:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Gerard Silva	Individual	Oppose	No

Comments:

The wast water system is the problem they are responsible for all the polution in the Oceans in Hawaii for Decades. END THE POLUTION END THE GOVERNMENT!!!

HB-2195-HD-2

Submitted on: 2/28/2022 5:17:02 PM

Testimony for FIN on 3/1/2022 12:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Amy Brinker	Individual	Support	No

Comments:

Support