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OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
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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. 2515, H.D. 2

**February 24, 2022**  
**2:00 p.m.**  
**Room 308 and Videoconference**

RELATING TO THE DEPARTMENT OF HEALTH

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

House Bill No. 2515, H.D. 2, amends Chapter 321, HRS, to add a new section to require the Department of Health (DOH) to establish and operate a laboratory capable of testing for diseases and air and water quality issues, and other high complexity testing; and appropriates an unspecified amount of general funds in FY 23 to DOH to establish and operate the testing laboratory.

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

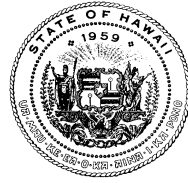
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

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.



STATE OF HAWAII  
DEPARTMENT OF HEALTH  
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**Testimony in SUPPORT of HB2515, HD2  
RELATING TO THE DEPARTMENT OF HEALTH**

REPRESENTATIVE SYLVIA LUKE, CHAIR  
HOUSE COMMITTEE ON FINANCE

Hearing Date: 2/24/2022

Room Number: Via Videoconference

- 1     • **Fiscal Implications:** A new facility constructed on the Pearl City Waimano  
2     Home Road campus to house DUI (driving under the influence), drinking  
3     water, general environmental, and infectious diseases related testing. This  
4     facility would be state of the art and constructed for withstanding and  
5     continuing to operate despite a force 3 hurricane. Solar power would be part  
6     of the design. Expected staffing would be 50 persons, but 40 of these would  
7     be current staff so only 10 would be new staff members. Cost estimates  
8     include:  
9     • \$100 million for construction plus \$10 million for equipment.  
10    • Annual costs would be:  
11        ○ \$1 million for personnel costs  
12        ○ \$250, 000 for reagents, supplies, test kits, etc.  
13        ○ \$1 million for equipment service contracts  
14        ○ \$600,000 per year for utilities costs  
15
- 16    • A new facility constructed on the Pearl City Waimano Home Road campus  
17    to house DUI, drinking water, and general environmental testing, but not  
18    infectious diseases related testing. Again, a state of the art facility able to  
19    withstand a hurricane and incorporating solar power. Expected staffing  
20    would be 25 persons, but only 10 of these would be new staff. Cost  
21    estimates would include:  
22    • \$50 million for construction plus \$5 million for equipment.

- 1           • Annual costs would be:
  - 2                 ○\$1 million for personnel costs
  - 3                 ○\$200,000 for reagents, supplies, test kits, etc.
  - 4                 ○\$500,000 for equipment service contracts
  - 5                 ○\$300,000 per year for utilities costs

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7   **Department Testimony:** The current State laboratory building is approximately 27  
8 years old. It was not designed to accommodate new/current demands for testing.  
9 It has a central heating, ventilation, and air conditioning system which due to its  
10 age can be expected to fail periodically, causing all laboratory testing to have to  
11 stop until repairs are made. The availability of a second building with separate  
12 (and more up to date) HVAC could enable testing to continue in the event of an  
13 HVAC failure in the old building.

14 When the older State laboratory building was designed, current testing needs  
15 were not envisioned and planned for. Testing of samples from drivers suspected  
16 of DUI was not envisioned. Nor was there a vision of the volumes of water testing  
17 now required for assuring safe drinking water after potential fuel contamination  
18 of an important aquifer. Infectious diseases testing was also very different at the  
19 time when the infectious diseases laboratories in the current older building were  
20 designed. There has been a move from cultures to molecular studies, requiring  
21 specialized molecular biology laboratories. Another fundamental shift in  
22 laboratory testing was based on the need to test for agents of bioterrorism post  
23 9/11. This creates demand for Biosafety level 3 and 3+ suites to enable staff to  
24 work safely without endangering the community.

25  
26 Please note that the staff working in the new building would be mostly existing  
27 staff. Additional staff would focus mainly on increased water testing required by  
28 contaminated aquifer or aquifers, plus expanded wastewater testing.

29

1 The larger building option would permit essential functions to be moved to the  
2 new building while the older building is refurbished, enabling the State laboratory  
3 to perform its critical functions uninterrupted for several decades.

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5 Thank you for the opportunity to testify on this measure.

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# BOARD OF WATER SUPPLY

CITY AND COUNTY OF HONOLULU  
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February 24, 2022

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ERNEST Y. W. LAU, P.E.  
Manager and Chief Engineer

ELLEN E. KITAMURA, P.E.  
Deputy Manager and Chief Engineer

The Honorable Sylvia Luke, Chair  
and Members  
Committee on Finance  
House of Representatives  
Hawaii State Capitol, Room 308  
Honolulu, Hawaii 96813

Dear Chair Luke and Members:

Subject: House Bill 2515, HD2: Relating to the Department of Health

The Honolulu Board of Water Supply (BWS) supports House Bill (HB) 2515, House Draft (HD) 2.

This bill directs the Department of Health (DOH) to establish and operate a laboratory capable of, among other things, high-complexity water quality testing. This testing capability should be placed within the DOH organization to support its regulatory authority to protect human health and the environment. DOH can ensure that the laboratory is capable of achieving the highest level of accreditation, detecting the lowest levels of constituents of concern, and servicing the demand of the community both in terms of volume and turnaround time.

Thank you for opportunity to testify in support of HB2515, HD2.

Very truly yours,

ERNEST Y. W. LAU, P.E.  
Manager and Chief Engineer

**HB-2515-HD-2**

Submitted on: 2/22/2022 8:49:49 PM

Testimony for FIN on 2/24/2022 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Susan Pcola_Davis	Individual	Support	Yes

Comments:

I strongly support this bill. In addition, make an allowance for future expansion of services and tests. The delays in sending tests to the mainland causes a dangerous wait time. We need a state of the art laboratory on Oahu.

Since there are civilians that have been impacted by the water contamination, it would behoove the department to also have a toxicology division for analyzing any health symptoms arising from the consumption through a variety of blood tests and other tests to ascertain a diagnosis.

This may not be the appropriate place for this comment, but it is something to think about. For those of you who are not aware of the water contamination at Camp LeJune, take some time to watch the movie "Semper Fi Always Faithful." These were all Marines and their families. We have a unique situation with civilians renting housing at Kapalina with their water supply from Red Hill. Their Landlord is offering nothing. Red Hill families are adopting civilian families to help them because they are not receiving anything. They can are bringing water, basic supplies, toiletries as good samaritan's.

I'm not sure what "Other high complexity testing" refers to, but I hope it includes testing for humans too; and