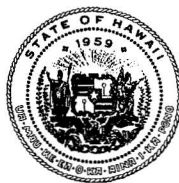


LINDA LINGLE
GOVERNOR OF HAWAII



CHIYOME LEINAALA FUKINO, M.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

HOUSE COMMITTEE ON FINANCE

HB2200, RELATING TO THE STATE BUDGET

Testimony of Chiyome Leinaala Fukino, M.D.
Director of Health

March 3, 2010
1:30 PM

1 **Department's Position:** The Department supports the Executive Supplemental Budget for FY 2011.

2 **Fiscal Implications:** The Executive Supplemental Budget for FY 2010 proposes to reduce the Department's
3 total appropriations by \$28,651,583 as compared to Act 162/SLH 2009.

4
5 As the Department of Health enters into the second half of FY 2010, it has already felt and struggled with the
6 repercussions from the State's economic downturn which is one of the biggest challenges that the Department has
7 faced in over a decade. The Department and its programs and their contracted service providers have had to make
8 many difficult decisions in order to operate with significantly less resources.

9
10 As a result, we continue to focus our efforts on maintaining and sustaining the overall health of our state in the
11 most efficient and cost-effective manner given the limited resources that we have. Programs and their staff have
12 been asked to do more with less and to look at ways of meeting objectives by refining existing procedures and
13 operations as well as seeking new and innovative ways of doing business to achieve more efficient and effective
14 outcomes.

5

16

Purpose and Justification:

The Department's Executive Supplemental Budget for FY 2011 proposes general-funded reductions totaling 339.88 permanent and 28.50 temporary positions and \$26,885,194 as follows:

- Deletion of 38.50 permanent and 13.00 temporary vacant positions totaling \$2,279,272
- Deletion of 298.38 permanent and 15.50 temporary positions resulting from the Reduction-In-Force process totaling \$13,113,766
- Reduction of \$11,492,156 to reflect the implementation of scheduled furlough days
- Deletion of 3.00 permanent position counts only in the Emergency Medical Services and Injury Prevention Systems Branch

The Department's Executive Supplemental Budget reflects the restructuring of the Community Health Division (CHD) and the Dental Health Division (DHD) to form the General Medical and Preventive Services Division (GMPSD). The CHD is being abolished and the Public Health Nursing Branch will be merged into the GMPSD which currently consists of the Hospital and Community Dental Services Branch.

The other branch currently organized under the CHD, namely the Chronic Disease Management and Control Branch (CDMCB), will be placed under the Tobacco Settlement Program (TSP). It is noted that that this restructuring of the CDMCB is in alignment with Act 162/SH 2009 which changed the means of financing for the CDMCB from general funds to the Tobacco Settlement Special Funds.

Our program reviews and prioritization are based on the core functions and services of the Department:

- All Hazards Preparedness, Surveillance and Emergency Response
- Regulatory Enforcement
- Primary Prevention
- Critical Infrastructure
- Other Health Services

- Administratively Attached Agencies

We understand that the fiscal crisis facing the state requires reevaluation of all departmental budgets.

We note that the Department of Health's total budget as submitted in the Governor's Executive Supplemental Budget is already \$28,651,583 LESS than the Act 162/2009 appropriation. We also note that we are not asking for any emergency appropriation requests for direct services. The Department is operating and will continue to operate within its allocation.

The majority of our general funds are appropriated for the Behavioral Health programs, including the Adult Mental Health Division (AMHD), Child and Adolescent Mental Health Division (CAMHD), Alcohol and Drug Abuse Division (ADAD) and Developmental Disabilities Division (DDD). Both the AMHD and CAMHD continue to review their purchase of services and make appropriate changes to stay within their allocations while ensuring that necessary client services are provided. We are ever mindful of the fact that the State only recently exited from the Federal oversight of Hawaii State Hospital and the Felix Consent Decree and do all we can to prevent reentrusion of the federal court.

The ADAD is required to maintain a minimum level of State expenditures in order to comply with federal Maintenance of Effort (MOE) requirements for the Substance Abuse Prevention and Treatment (SAPT) Block Grant, which brings in approximately \$7.1 million per year to support substance abuse prevention and treatment services statewide. The MOE requirements are based on an average of the past two years of General Fund expenses in providing substance abuse services. For FY 2011, the **Division's State MOE requirement is \$19,190,058 but the Division's current State fund base for FY 2011 is \$18,636,564** which will result in the Division being out of compliance with the MOE requirement. This would trigger federal **sanctions of \$553,494;** any further reductions in State funds would result in additional **dollar-for-dollar sanctions.**

1 The DDD is continuing to review the services and supports provided to the developmentally disabled to determine
2 whether there are additional reductions that can be made with minimal adverse impact to their clients. Any
3 reductions in waiver services to developmentally disabled clients must be in accordance with Centers for
4 Medicare and Medicaid Services (CMS) approved guidelines. It is noted that this Division just recently exited the
5 Makin Settlement.

6
7 Another integral DOH program is the Tobacco Settlement Program/Healthy Hawaii Initiative (HHI) whose
8 primary focus is health promotion and disease prevention. From its inception, HHI was designed to be an
9 outcome-based project. To further increase public health capacity, especially in the area of epidemiology, the
10 Science and Research Group (SRG) was established in HHI. The SRG is responsible for the Hawaii Health Data
11 Warehouse (HHDW) that holds the major data sets collected by DOH. The HHDW uses technology to optimize
12 and streamline access to data for research, planning, report writing, policy analysis and resource management.
13 HHDW now houses more than 300 public health survey reports. One of the HHDW websites features over 100
14 indicators of community health and well-being presented in content with news, reports, resources and best
15 practices for community programs. In addition to the HHDW, the SRG is currently building the Hawaii Health
16 Emergency Surveillance System (HHESS). The HHES will be an automated emergency surveillance tool that
17 will enhance the DOH's capability to detect disease outbreaks and other potential public health threats at the
18 earliest possible moment. The HHES will use statewide emergency department data and vog emission data on a
19 near real-time basis to detect spikes in baseline trends that may indicate an impending outbreak, such as influenza
20 or food born illness. The HHES will function as part of Hawaii's preparedness system. Besides being an early
21 warning system, HHES will increase the ability of DOH to perform situational awareness of public health events
22 and improve services across the spectrum of prevention.

23
24 In light of the significant reductions that the Department incorporated into its proposed Executive Supplemental
25 Budget for FY 2011, the Department absolutely cannot withstand an additional 20% reduction that would be

1 equivalent to approximately \$76.6 million. The Department will do all it can to safely reduce expenditures as we
2 continue to provide critical health and safety services to the people of Hawaii.

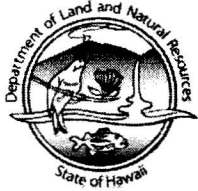
3

4 We will continue to work with your Committee during this budgetary review process to provide information that
5 will enable wise decision-making.

6

7 Thank you for the opportunity to testify on this bill.

LINDA LINGLE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
LAURA H. THIELEN
Chairperson**

**Before the House Committee on
FINANCE**

**Wednesday, March 3, 2010
1:30 PM
State Capitol, Conference Room 308**

**In consideration of
HB 2200
RELATING TO THE STATE BUDGET**

The Department of Land and Natural Resources (Department) stands on our written testimony previously submitted to the House Committee on Finance for Fiscal Year 2010, and we respectfully request you honor the Department's Budget Proposal.

LAURA H. THIELEN
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

RUSSELL Y. TSUJI
FIRST DEPUTY

KEN C. KAWAHARA
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Linda Lingle
Governor



Vanelle Maunalei Love
Executive Director

Charter School Administrative Office

1111 Bishop Street, Suite 516
Honolulu, Hawaii 96813
Tel: 586-3775 Fax: 586-3776

FOR: HB2200 Relating to the State Budget
DATE: Wednesday, March 3, 2010
TIME: 1:30 p.m.
COMMITTEE(S): Committee on Finance
ROOM: Conference Room 308
FROM: Maunalei Love, Executive Director

Written Comments on H.B. No. 2200

Chair Oshiro, Vice Chair Lee, and Members of the Committee:

Aloha, I am Maunalei Love, executive director of the Charter School Administrative Office ("CSAO"). I want to thank the chair and the entire committee for the time and effort being spent on funding the public charter schools. The requests submitted by the charter schools were accurate and appropriate per the charter school statute. We must emphasize that the following are absolutely critical to public education and charters in Hawaii.

In the current draft of the supplemental budget, overall **funding for charter schools will decrease** while projected **enrollments will increase** from the current level of 8,098 to 9,668 an increase of 1,570 students. The money must follow the child and **charter school funding must provide for all the students enrolled** in the charter schools.

Future federal funding support for education will be dependent on the equity between the funding for all public school students. Under the U.S. Department of Education's Race to the Top application, competitive points are dependent on the state demonstrating that the State's charter schools receive equitable funding compared to traditional public schools, and a commensurate share of local, State, and Federal revenues. These issues need to be addressed to provide charter students with adequate support and to make Hawaii more competitive in the Race to the Top and for other Federal Grants. For example, Hawaii's State Charter School Facilities Incentive Grant Program was not funded last year. The criticisms in the technical review of our application included:

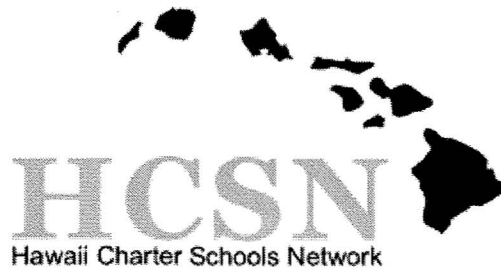
1. That, despite the change in the law, no funding for facilities had been provided on a per-pupil basis to date.
2. That the State Budget Request for CIP was not funded.
3. That there has been an overall decline in per-pupil state support over the last few years.

Last year, this legislature amended the charter law to provide CIP and per pupil facilities support for charter schools. **Funding for facilities and for CIP are necessary** for the State to show that it provides charter schools with facilities support.

In order to **ensure accountability in the charter school system**, it is imperative that the entire system is properly funded. The CSAO, the Charter School Review Panel and the charter schools need to be funded adequately. We agree that accountability and transparency are necessary. We also believe that funding which follows the child and is properly appropriated is an integral part of accountability and positive outcomes.

I continue to support the proper funding of the public charter schools and commend the committee for its attention and support to ensuring the funding of public education. The CSAO is ready, willing, and able to help.

Thank you for this opportunity to testify.



March 2, 2010

Honorable Chair Marcus R. Oshiro
Honorable Vice-Chair Marilyn B. Lee
Esteemed Members of the House Committee on Finance

Aloha Chair Oshiro, Vice-Chair Lee and members of the House Committee on Finance,

The Hawaii Charter Schools Network (HCSN) represents the unified voice of all 31 public charter schools in our state. We thank the Finance Committee for this opportunity to speak on their behalf. We support equitable funding for Hawaii's public charter school students in EDN 600, HB 2200 Relating to the State Budget.

HCSN believes strongly in equitable funding and access to facilities funds for Hawaii's charter school system. Equitable funding and facilities funds are consistent with the expectations of the Obama Administration's Race to the Top (RTT) program. With continued work, legislative actions this session could better position Hawaii to successfully secure an expected \$75million dollars in federal education support.

RTT validates what charters have been saying for years: Provide equitable resources, including facilities support, and in return charter schools must provide accountable and transparent governance and academic success benefiting kids.

Sincerely,

Alapaki Nahale-a
Executive Director
Hawaii Charter Schools Network

Curtis Muraoka
VP of Legislative Affairs
Hawaii Charter Schools Network

Community ♦ Choice ♦ Quality

Hawaii Charter Schools Network PO Box 1689 Hilo, Hawaii 96720
Tel. 808-640-4642/ www.hawaiiarterschools.com

HB2200 RELATING TO STATE BUDGET To adjust and request appropriations for Fiscal Biennium 2009-11 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs.

HOUSE COMMITTEE ON FINANCE: Rep. Marcus R. Oshiro, Chair; Rep. Marilyn B. Lee, Vice Chair

Time and Place: Wednesday, March 3, 2010, 1:30 pm at Room 308

Hawaii Substance Abuse Coalition (HSAC)

Aloha, Chair Oshiro, Vice Chair Lee and Distinguished Members. My name is Alan Johnson, Chairperson of the Hawaii Substance Abuse Coalition, which is a hui of 20 treatment agencies throughout the state.

HSAC provides information that treatment saves dollars in the current year.

As treatment has evolved over the last few years to treat criminality as well as addiction from alcohol and substance use disorders, licensed treatment centers are front line providers that divert offenders from incurring expensive jail or prison incarceration.

As an example of one treatment agency, Hina Mauka, provides treatment to about 840 adult offenders per year. Over 60% or over 500 of them are successful outcomes. The ball park cost of treating 500 offenders successfully is around \$3.5 million dollars. The cost of incarceration in Hawaii for 500 offenders is estimated at \$9 million – we estimated 6 months incarceration for all 500 given that some would start early in the year and some later.

500 Offenders: Successful Treatment

Cost of treatment	\$3,512,880
Cost of Incarceration for 6 months in Hawaii*	\$9,324,000
Cost Savings (Incarceration less treatment)	\$5,811,120

* Cost of Incarceration for 6 months on mainland is \$6,804,000 and savings is \$3,291,120

The cost savings per year are close to 6 million per year for an investment of \$3.5 million. While Hina Mauka is a large agency, there are other large agencies such as Salvation Army ATS, Sand Island, Aloha House and BISAC that provide extensive treatment for large numbers of offenders.

Treatment in Hawaii for Offenders saves dollars in the current year, not just future years. Treatment saves about \$2.00 to \$2.65 for every \$1.00 spent on treatment in the current year – and the savings are much larger when considering subsequent years.

Total savings, including current year, are reported to be up to \$7 dollars per \$1 dollar spent on treatment according to independently federally funded studies.

The Department of Health: Alcohol and Drug Abuse Division (ADAD) is less than \$18 million, which is tiny compared to the total DOH budget. Further ADAD is preparing and reporting positive outcomes that correlate to current year savings. Not helping offenders stop re-offending due to drug addiction will cost the State more money in the current year, not just future years.

We recommend that strategically we consider safety, crime and cost as they correlate to outcomes to not reduce ADAD's budget. While we must reduce to survive, we want to strategically not reduce those who are doing the heavy lifting with cost cutting results.

We appreciate the opportunity to provide testimony and are available for questions.

FINTestimony

From: threestars@hawaii.rr.com
Sent: Tuesday, March 02, 2010 5:23 PM
To: FINTestimony
Subject: Re: CORRECTED Testimony for HB2200 on 3/3/2010 1:30:00 PM

Correction to testimony previously submitted: BOE Report referred to is DOE Reductions.

----- mailinglist@capitol.hawaii.gov wrote:
Testimony for FIN 3/3/2010 1:30:00 PM HB2200

Conference room: 308
Testifier position: comments only
Testifier will be present: No
Submitted by: Linda Elento
Organization: Individual
Address:
Phone:
E-mail: threestars@hawaii.rr.com
Submitted on: 3/2/2010

Comments:

Regarding Board of Education website: Feb. 24, 2010 special meeting report DOE Reductions

Take away Jr. Kindergarten, but keep the Department of Education's Families for REAL (FFR) program which was established by the State Legislature back in the '80s to prepare our keiki and families for school, YES THIS PROGRAM CAN DO IT!--

EDN100 Prog ID 46447, proposed (\$378,969), 6 FTE, #of students 850 (information from BOE report)

Do not delete funding for this program as it is vital to our keiki and families, as it is also the only educational and community program that does not require a low income or particular nationality to participate, and therefore not appropriate to be placed within the Department of Human Services. The DOE claims FFR is a parent training class, but it is also a preschool-like program for babies through preschool ages, families/children meet together once/week for about 6-8 weeks at 3 schools across the state (lack of funding has limited previous plans for extending to other schools). The program serves purposes that other programs cannot/do not provide: early developmental screening, and families continue to meet on their own after their FFR session ends.

Thank you for your consideration of this testimony.

FINTestimony

From: Curtis Muraoka [director@whea.net]
Sent: Wednesday, March 03, 2010 1:04 AM
To: FINTestimony
Subject: HB2200 Comments

March 2, 2010

Testimony for FIN 3/3/2010 1:30:00 PM

HB2200

Conference room: 308
Testifier position: comments only
Testifier will be present: No

A joint statement of:
West Hawaii Explorations Academy (Kona)
Innovations (Kona)
Connections (Hilo)
Hawaii Academy of Arts and Science (Pahoa) Kona Pacific (Kealahou) Voyager (Honolulu)
Volcano School of Arts and Science (Volcano) Kihei (South Maui)

Honorable members of the House Committee on Finance:

Your above listed high performing bricks-and-mortar start-up charter schools have been damaged by budget cuts far and away more than the rest of all public schools across the state, including department schools.

Here is an example of budgeting for a public charter school of about 170 students:

- * In 2007-08, the general operating budget would have been \$1,385,330.
- * For SY2010-11, it is projected to be just \$853,131A funds.
- * The budget contraction of 37% (-\$517,434) in just three years is untenable. Translated into position cuts, it's eight (or more) teachers, which can decimate an entire program.
- * Put into school operations, it's a 114 day school year, where the school year ends by about March 15.
- * HB2200 shows that EDN600A funds are only \$48,518,087 after being reduced from \$52,764,554 by furlough savings (-\$4,246,467). Divided by the projected enrollment of 9,668 students in 2010-11 it comes to \$5018.42 per student.
- * Our V funds or ARRA Part A funds are \$2,835,696 which is \$293.31 per student. The total per pupil expected is \$5311.73.

If no other funding like a facilities allowance (as is practiced in Washington, DC) is established, your public charter school children will be left behind receiving only about \$5,000 in general fund support for the foreseeable future. We have a difficult time believing this could possibly align apples-to-apples with resource allocation in traditional bricks-and-mortar public schools. I am sure you are aware that facilities costs are currently paid out of our per pupil allocations.

Please consider that much attention has been paid of late to KSBE and OHA partnerships, but none of us receives such support. Also, we frequently hear complaints related to transparency and accountability, yet we are among the most transparent and accountable.

We wish to further point out that we are all high performing "academic model" charters, but like canaries in a coal mine, will be the first expire because funding has reached toxic levels.

Under the terms of President Obama's Race to the Top, which rewards removal of limits to high performing charter schools and equitable funding, we believe Hawaii will be hard pressed to compete if eight very good start-up charter schools are left to so visibly wither on the vine.

Finally, we note that there is \$10million of bond-backed CIP specifically for public charters on state land. We strongly encourage your Committee to preserve that support. Start-up public charters have not previously had any such access in the last 10 years, and we see this an an encouraging sign of tangible will to improve education for all keiki.

In particular, West Hawaii Explorations Academy faces an uncertain future due to the expansion of the Kona International Airport slated for 2012. Access to CIP support would allow us to enter a planning phase to relocate out of the detrimental airport noise impact zone, to a suitably quiet site near the Gateway Energy Center in the Natural Energy Laboratory-Hawaii.

Thank you for your consideration.

Curtis Muraoka, Co-Director

West Hawaii Explorations Academy Public Charter School On Behalf of:

Innovations (Kona)

Connections (Hilo)

Hawaii Academy of Arts and Science (Pahoa) Kona Pacific (Kealahou) Voyager (Honolulu)

Volcano School of Arts and Science (Volcano) Kihei (South Maui)