



OFFICE OF THE LIEUTENANT GOVERNOR
STATE OF HAWAII
STATE CAPITOL
HONOLULU, HAWAII 96813

SHAN S. TSUTSUI
LIEUTENANT GOVERNOR

**TESTIMONY OF
THE OFFICE OF THE LIEUTENANT GOVERNOR
TO THE
SENATE COMMITTEE ON WAYS AND MEANS**

**HOUSE BILL NO. HB 500, H.D.1
Relating to the State Budget**

Chair Tokuda, Vice-Chair Kouchi and members of the Committee on Ways and Means, the Office of the Lieutenant Governor supports House Bill No. 500, H.D. 1, Relating to the State Budget. This measure appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2015-2016 and 2016-2017.

The Office of the Lieutenant Governor (LTG 100) has worked to fulfill its duties under the previous and now current Administration, including continuing to perform the statutory duties of the office, while also assuming the responsibility for several new initiatives and programs. It has been a challenge to support and staff multiple initiatives, including initiating the R.E.A.C.H. after-school initiative for intermediate and middle school students, undertaking the Sports Development Initiative, spearheading the Hawaii Presidential Center initiative, assisting the Hawaii Growth Initiative, continuing to support Asia-Pacific relations, serving as vice chair of the Aerospace States Commission, and beginning a new program, the Commissioner of Deeds, as directed by the Legislature in 2013. The increased workload has required existing staff to undertake additional responsibilities and functions. We ask for the Committee's favorable consideration of our additional budget requests to ensure that the Office of the Lieutenant Governor can continue to ably serve the public and support current programs and responsibilities:

1. Commissioner of Deeds position and administrative costs- The Office is seeking to properly implement the program and requires appropriate staffing and support resources to ensure success. Under Act 277, SLH 2013, the Legislature appropriated \$60,000 for FY14 and FY15; however, no position was provided nor future funding to support the program. During the Regular Session of 2014, the Office requested the \$60,000 appropriation be added to the LTG100 budget, rather than exist outside of the budget and in a bill, to ensure proper implementation of the program. Pursuant to Act 134, SLH 2013, as amended by Act 122, SLH 2014, a Commissioner of Deeds position was authorized in the LTG100 budget, but no associated funding was also provided. In the meantime, the Office had sought leave from the Governor to establish an unauthorized, unbudgeted position to administer this program. An employee was hired in early 2014, following the lifting of a hiring freeze, which delayed implementation of the program, and began work immediately, as provided above. The level of detail and understanding of the Commissioner of Deeds program, process, working group discussions, and

administrative rules process has and will continue to be instrumental in the initial phases of this program.

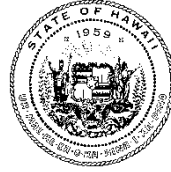
The Legislature determined the need for enacting the law to establish the Commissioner of Deeds program, yet the Office of the Lieutenant Governor is committed to following through with implementation. We believe it is important to continue to maintain a position to work on the program and work on implementation, administration and maintenance, as well as corrective or modifying action. The position is necessary to fulfill the requirements of the law and providing stability in the position's funding and existence is key to retaining qualified staff. Lack of a dedicated individual to work on the program will curtail implementation, monitoring, and oversight of the program going forward. Workload would likely taper off as the program is fully implemented, tested, altered and amended, as necessary. However, we believe that it will require some time to ensure proper and successful implementation and administration, which will not be sufficiently completed when the funding runs out at the close of FY15 or even FY16, as the H.D. 1 provides. Instead, we would suggest that perhaps at the end of the Lieutenant Governor's current term, ending of FY18, the program and the position could be revisited and reevaluated to determine future need.

2. Governor's Message No. 207- \$50,000 for protocol fund and travel expenses of the Office of the Lieutenant Governor. Funds will enable the Lieutenant Governor to represent the State appropriately, be that through receiving visiting dignitaries, conducting meetings or traveling to meet with other dignitaries, tour facilities or conduct meetings with governmental or private business parties, among other things. The nature of the executive office requires flexibility in that the needs of the office in this area in particular are very dynamic, depending upon not only the initiatives and programs assigned to the Office, but also the current economic and political needs of the State. The Lieutenant Governor is often asked to take the place of the Governor in conducting meetings, within the State or a neighbor island, outside of the State or abroad, and it is difficult to predict the precise course of events. Additionally, travel/protocol expenses may be incidental to the work of the Office and its initiatives/programs.

To ensure savings, the office has foregone certain opportunities/expenses, including, among other things, converting to a VOIP phone system, as the Legislature has and the Governor's office plans to, because we do not want to incur additional expenses and have to take money away from positions or other operating costs. The impact on the office without these funds will be negative and may require reducing other expenses or delaying hiring, where necessary, and/or foregoing engaging visitors and other travel opportunities that would otherwise benefit the State.

The additional House additions and reductions to the LTG100 budget are unclear, as they do not provide specifics or appropriate corresponding funding amounts. Aside from the aforementioned requested amounts, no additional changes to the budget are requested by this office at this time.

DAVID Y. IGE
GOVERNOR



DOUGLAS MURDOCK
Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

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

TESTIMONY
OF
DOUGLAS MURDOCK, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEE
ON
WAYS AND MEANS
ON
APRIL 1, 2015

H.B. 500, H.D. 1

RELATING TO THE STATE BUDGET

Chair Tokuda and members of the Committee, thank you for the opportunity to testify on H.B. 500, H.D. 1. The Department of Accounting and General Services supports H.B. 500, H.D. 1.

We support H.B. 500, H.D. 1 as it includes our executive budget requests, items contained in Governor's Message No. 207, salary adjustments for our Deputy Comptroller, and a new position in the Office of Elections. The measure addresses the funding requirements which are crucial for our programs to achieve their mission critical objectives.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
Governor

SHAN S. TSUTSUI
Lt. Governor



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SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson

**TESTIMONY OF SCOTT ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE SENATE COMMITTEE WAYS AND MEANS
APRIL 1, 2015
9:10 A.M.**

**HOUSE BILL NO. 500, H.D.1
RELATING TO THE STATE BUDGET**

Chairperson Tokuda and Members of the Committee:

Thank you for this opportunity to provide testimony on House Bill 500 H.D.1, Relating to the State Budget. This bill provides operating and capital improvement appropriations and authorizations for Executive Branch agencies and programs in Fiscal Biennium (FB) 2016-2017.

The House draft of the budget makes numerous changes to the Executive budget request. Many of the changes concern the utilization of the Agricultural Development and Food Security special fund. This fund provides essential funding for various initiatives that aid in attaining food security goals for the State including vital positions, many of which are currently filled.

We realize the budget will still undergo further iterations before reaching its final form and look forward to working with the committees to craft a budget that is amenable to all those involved.

The continued support of the Legislature in the budget and other legislation is appreciated.

Thank you for the opportunity to present testimony.



TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
HOUSE BILL NO. 500, H.D.1

April 1, 2015

RELATING TO THE STATE BUDGET

House Bill No. 500, H.D. 1, appropriates funds for the operating and capital improvement budget for the Executive Branch for the Fiscal Biennium 2015 to 2017.

The Department of Budget and Finance (Department) strongly supports the Executive Budget submittal and the Governor's Messages submittals to the 2015 State Legislature. The Department stands by its impact statements and the concerns that were transmitted to both the Senate Ways and Means Committee and the House Committee on Finance dated March 23, 2015 as it pertains to the budget adjustments which are contained in H.B. 500 H.D.1.

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



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

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Statement of
LUIS P. SALAVERIA
Director

Department of Business, Economic Development & Tourism
before

SENATE COMMITTEE ON WAYS AND MEANS

Wednesday, April 1, 2015

9:10 AM

State Capitol, Room 211

HB 500, HD 1 **RELATING TO THE STATE BUDGET.**

Chair Tokuda, Vice Chair Kouchi, and Members of the Committee. Thank you for the opportunity to testify on the Department of Business, Economic Development & Tourism's (DBEDT) budget.

DBEDT will be at the forefront of developing and executing a strategy to strengthen our existing economic engines and diversify our economic base. There is no other department with such a wide and diverse scope of responsibility as DBEDT. My vision for the department focuses its efforts and expertise on three foundational pillars: **Growing Jobs, Raising Income, and Cultivating Innovation.**

We will accomplish this by engaging in efforts that create infrastructure, produce talent, and attract capital. Some of the initiatives that the department will undertake include expanding the State's broadband capacity; increasing the availability of affordable housing units; establishing higher goals for renewable energy penetration; attracting outside capital to Hawaii's startup community; establishing new tech parks and innovation clusters; enhancing the State's economic reporting capabilities; and promoting the workforce of the future.

DBEDT has sought to focus attention on sectors where investment and development potential is the highest and that promote the growth of a vibrant innovation sector. The innovation sector is the best opportunity to create a vibrant, sustainable economic future for Hawaii's citizens and provide an opportunity for Hawaii's young people to pursue a productive career here in Hawaii.

DBEDT's divisions and attached agencies have organized and aligned their programs under the banner of the "HI Growth Initiative." The HI Growth Initiative implements programs and investments that support the establishment and growth of entrepreneurial companies with rapid growth potential. These firms also have the potential to form strong industry clusters that

will give rise to globally relevant businesses. In addition, through its attached agencies, DBEDT fosters planned community development, creating affordable workforce housing units in high-quality living environments.

Hawaii's economy is currently running strong. We are experiencing positive economic trends in employment and income, with inflation remaining low. Two of our major economic engines, tourism and the military, are at peak levels, and our real estate and construction sectors are poised for further gains in the coming years.

In conclusion, you and I know the economic cycle will inevitably begin to contract. We have the opportunity now to make wise investments and sound policy decisions to help diversify our economy in order to lengthen the “expansion” periods and shorten the “contraction” periods. Let us work collaboratively to ensure we have the absolute best plan for Hawaii's future.

The Department strongly supports the budget requests which were included in the Governor's Executive Budget and Governor's Message 207. The items of which are attached to this testimony.

Thank you for the opportunity to provide testimony in support of our budget.

BUSINESS DEVELOPMENT & SUPPORT DIVISION – BED 100

BED 100 Executive Budget Adjustment:

- **\$250,000 in FY 16 and FY 17 to Fund Overseas Offices. (BED 100/SM); MOF: A)**
Operating and promotional funds for the State of Hawaii Offices in Taiwan and Beijing to further develop the Education Hawaii USA service centers situated within the offices, and to conduct activities to attract and recruit international students to study in Hawaii. The offices serve as a one-stop center for information and contacts on studying at Hawaii's colleges, universities and schools. The offices are also in-country resources for trade promotion with and investment attraction into Hawaii. As the offices are sanctioned and supported by the overseas governments in which they reside, the offices also serve to maintain bi-lateral relations.
- **\$1,000,000 reduction of federal funds ceiling in FY 16 and FY 17. (BED 100/SM; MOF: P)** The adjustment is a result of the US Small Business Administration termination of the State Trade Export Program grant.

CREATIVE INDUSTRIES – BED 105

BED 105 Executive Budget Adjustment:

- **\$100,000 in FY 16 and FY 17 federal funds match. (BED 105/CI; MOF: A)** The Division won \$400,000 in the form of a matching federal grant, U.S. Department of Commerce / EDA FY15-16, and an additional request for follow-on funding from the EDA will be submitted this fiscal year for an additional \$400,000 for FY17-18. Requesting FY16-17 funding of \$100,000, as well as a ceiling increase of \$400,000 per FY16-17 for a Federal match. FY 16-17 \$100,000 supports expansion to the neighbor islands.
- **\$35,000 in FY 16 and \$40,000 in FY 17 personnel shortfall. (BED 105/CI; MOF: A)** Additional funding to cover personnel costs.

FOREIGN TRADE ZONE – BED 107

BED 107 Executive Budget Adjustment:

- **\$850,000 in FY 16 for CIP for Elevator Replacement (BED 107; MOF: C)** for the older portion of the FTZ Pier 2 facility. The current elevator, installed in 1982, is 32 years old and at the end of its useful life and many of the original component parts are becoming harder to replace as this model of elevator is considered obsolete. Emergency service calls over the past few years have become more frequent with the elevator out of order for up to two weeks at a time as parts must be shipped from the mainland. The extended down times have also caused issues with those tenants and guests with disabilities as it is the only elevator servicing the original wing of the FTZ building. The upgrade would also bring the elevator up to current ADA codes and make safety and structural changes to the elevator shaft, bringing it up to code as well.
- **\$1,320,000 in FY 16 for CIP for Facility Improvements and Restroom, Walkway and Office Area Retrofits to Meet ADA Requirements. (BED 107; MOF: C)**

Existing restrooms and common areas are original to the facility when it was constructed in 1954. These areas were built before the Americans With Disabilities Act (ADA), and although the FTZ has worked to keep these areas up to code, they are sorely out of date and need extensive renovations to be considered ADA compliant. Additionally, although maintenance has been on-going to the building's exterior and grounds, they are original to the facility. The intense sun and salt air of the pier area have begun to show their effects. The building paint has faded and is peeling and the landscape has become overgrown. Due to the age of the facility, there is the possibility the original paint may contain lead and would require mitigation prior to any façade improvements. This CIP request would assure the FTZ ADA compliancy and bring the facility up to par with other recent harbor area improvements.

STATE ENERGY OFFICE - BED 120

BED 120 Executive Budget Adjustment:

- **\$250,000 reduction in FY 16 and \$1,750,000 reduction in FY 17. (BED 120/SI; MOF: N)** Adjustment for the State Energy Program (SEP) federal grant to reflect the formula allocation amount for a 3-year award beginning in FY16 and anticipated rollover amounts to subsequent years.
- **\$1,514,192 reduction in FY 16 and FY 17. (BED 120/SI; MOF: P)** Adjustment is for federal grants based on the FY15 appropriation amount and anticipated rollover from current year to subsequent years.
- **\$320,000 reduction in FY 16 and FY 17. (BED 120/SI; MOF: V)** Adjustment to remove appropriation due to closeout of remaining federal ARRA grant in FY15.

OFFICE OF AEROSPACE DEVELOPMENT- BED 128

BED 128 Executive Budget Adjustment:

- **\$16,188 and (\$16,188) tradeoff request each year to reappropriate General Funds to Personal Services from Other Current Expenses (BED 128/OA; MOF: A)** to cover budgeted salaries and higher fringe benefits costs.

RESEARCH & ECONOMIC ANALYSIS DIVISION – BED 130

BED 130 Executive Budget Adjustment:

- **\$55,449 in FY 16 and FY 17 to cover salary shortfalls. (BED 130/FA; MOF: A)**

HAWAII GREEN INFRASTRUCTURE AUTHORITY – BED 138

BED 138 Executive Budget Adjustment:

- **\$1,000,000 each year from the Hawaii Green Infrastructure Special Fund for Operating Expenses of the Hawaii Green Infrastructure Authority. (BED 138/GI; MOF: B)** Included are 5.0 FTE (T) exempt positions and funds for operational expenses.

OFFICE OF THE DIRECTOR & ADMINISTRATIVE SERVICES OFFICE – BED 142

BED 142 Executive Budget Adjustment:

- **Adds a permanent position and \$47,400 in FY 16 and \$49,056 in FY 17 to establish a Personnel Management Specialist IV position. (BED 142/AA; MOF: A)** The request will restore the abolished position as a result of the reduction in force of FY 10.

HIGH TECHNOLOGY DEVELOPMENT CORPORATION – BED 143

BED 143 Executive Budget Adjustment:

- **\$32,500 in FY 16 and FY 17 to restore the Economic Development Specialist position (0.5 FTE). (BED 143/TE; MOF: A)** HTDC has been operating with a 50% reduction in its tech-based economic development office yet working beyond capacity with the existing staff. The incubator programs have suffered extensively. HTDC is the State's lead organization as the Technology-Based Economic Development driver for the State having functions which includes retention, expansion, and startup company creation. The restoration of the general funded portion of the position is critical in supporting HTDC's efforts to grow and diversify Hawaii's tech economy and to accomplish HTDC's goal in creating 80,000 new jobs in Hawaii by 2030.
- **\$47,500 in FY 16 and FY 17 to restore the Chief Operating Officer and Innovation Program Development Manager position (0.5 FTE). (BED 143/TE; MOF: A)** This position would oversee the day-to-day operations of HTDC and be in charge of developing new programs and projects. This will free up time for the Executive Director to pursue larger strategic partnerships and opportunities that align with HTDC's longer term plans. HTDC is the State's lead organization as the Technology-Based Economic Development driver for the State having functions which include retention, expansion, and startup company creation. The restoration of the general funded portion of the position is critical in supporting HTDC's efforts to grow and diversify Hawaii's tech economy and to accomplish HTDC's goal of creating 80,000 new jobs in Hawaii by 2030.
- **\$67,763 and (\$67,763) tradeoff request each year to reappropriate special funds to Personal Services from Other Current Expenses (BED 143/TE; MOF: B)** to cover budgeted salaries of staff currently in the positions and higher fringe benefits costs.

- **\$67,241 and (\$67,241) tradeoff request each year to reappropriate federal funds to Personal Services from Other Current Expenses (BED 143/TE; MOF: P)** to cover budgeted salaries of staff currently in the positions and higher fringe benefits costs.

OFFICE OF PLANNING – BED 144

BED 144 Executive Budget Adjustment:

- **Reduction of \$51,312 Federal Funds and the Planner VI Position (BED 144/PL; MOF: N)** (A correction needs to be made due to error during budget preparation, which reduces Federal Funds and eliminates an existing position.) DBEDT supports the retention of the Planner VI position (Position No. 26624) and Federal funds for the Planner VI position. The Planner VI position is currently funded by Federal funds. The executive base budget request erroneously cuts both the position and Federal funding for the position. This reduction means that there will not be a Planner to oversee and administer Federal Economic Development Administration (EDA) grants for economic planning projects. The reduction of Federal funds should only occur if general funds are appropriated for the Planner VI position.
- **Reduction of \$8,840 in FY 16 and \$12,737 in FY 17 Federal Funds (BED 144/PL; MOF: N)** due to collective bargaining.
- **Reduction of \$118,104 in FY 16 and \$170,157 in FY 17 in Federal Funds (BED 144/PZ; MOF: N)** due to collective bargaining.
- **\$58,728 in FY 16 and \$60,780 in FY17 for a full-time Planner position to review Transit Oriented Development plans. (BED 144/PL; MOF: A)** Within the State Administration, OP has been assigned the lead for Transit Oriented Development (TOD) planning, and has been conducting TOD planning and coordination with state and county agencies.

HAWAII STRATEGIC DEVELOPMENT CORPORATION – BED 145

BED 145 Executive Budget Adjustment:

- **\$10,000,000 in FY 16 in CIP and \$10,000,000 Ceiling Increase for the Hawaii Strategic Development Corporation Revolving Fund to Support the HI Growth Initiative. (BED 145/VC; MOF: C and W)** The requested infusion of capital will be a continuation of the successfully launched HI Growth Initiative Investment program. So far, HSDC investments have supported the launch of two new accelerator programs, and helped to capitalize five new Hawaii-based investment funds that provide access to a continuum of capital for startups and companies looking to grow and scale their businesses. These efforts have attracted a significant amount of private sector co-investment. The HI Growth Initiative has also launched the Connect and Network program to support entrepreneurial events like investor summits, Startup Weekends, and pitch workshops and events on Oahu, Maui and Hawaii Island. It has also supported the Business Roundtable's efforts to produce an innovation report for the State. Additional funds are requested to continue support for these existing programs to maintain this

momentum, and to focus on new investment programs to support industry sectors such as healthcare, advanced manufacturing, value-added agriculture and the creative sector.

- **\$500,000 to fund broadband sites for one year. (BED 145/VC; MOF: A)** Requesting general funds for broadband pilot program to deploy high speed connectivity to startup innovation businesses across the State. Requesting increase in HSDC's Revolving Fund ceiling to take into account expanded investing capacity by HSDC.

NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY – BED 146

BED 146 Executive Budget Adjustment:

- **\$330,000 Improvements to the Research Campus. (BED 146; MOF: C)** These funds will allow NELHA to complete Phase II of the Research Campus upgrade. To date, we have either raised or obligated \$4.7 million of our own funds for Phase I.
- **\$1,000,000 CIP funding for Grading of Land for Small Business Development. (BED 146; MOF: D)** HOST Park has been developed on an 1801 lava flow and has run out of graded land to offer potential clients. At \$50,000/acre, grading costs to level land at NELHA is amongst the highest in the State. This presents a significant barrier to small businesses that would otherwise be able to establish themselves at NELHA. Small business compounds provide a needed transition space for businesses graduating out of the NELHA incubation/research campus and into the technical park. It is NELHA's experience that graded land is leased out very quickly after it has been graded. In the 90's, CIP funds were allocated to develop NELHA's first small business compound. That compound was fully leased within two years. More recently, NELHA reprocessed six acres of graded land, half of which has already been approved for a new project. NELHA has run out of graded land to offer potential clients. Two areas at NELHA are slated for grading: a 7-acre parcel at low elevation and a 13-acre parcel at higher elevation, each to provide two to four lots for lease. This would allow for a total of four to eight new small businesses being established in West Hawaii and further diversify the visitor industry related economy.

HAWAII COMMUNITY DEVELOPMENT AUTHORITY – BED 150

BED 150 Executive Budget Adjustments:

- **\$1,855,000 in FY 16 and FY 17 CIP funding for HCDA Community Development Districts (BED 150; MOF: C)** to pay the wages and fringe benefits for permanent and non-permanent project-funded staff positions for all HCDA community development districts.
- **\$4,000,000 in FY 16 CIP funding to plan and design a Parking Structure in Kakaako Makai. (BED 150/KA; MOF: D)** It is anticipated that a public parking garage on Kakaako Makai lot, identified as Lot C, would provide parking for the John A. Burns School of Medicine and the Cancer Center of Hawaii, other new developments on Lot C, as well as serving regional parking needs. Lot C is also designated for a collaborative project that would be utilized by the High Technology Development Corporation.

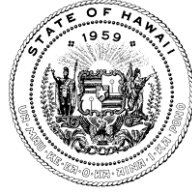
- **\$55,184 in FY 16 and \$59,475 in FY 17 to increase the personnel services staff. (BED 150/KA; MOF: W)** Request increase in expenditure ceiling for personal services of the HCDA revolving fund to finance Board authorized salary increase and associated fringe benefits for the HCDA Executive Director and Private Secretary.
- **\$21,990 in FY 16 and \$26,752 in FY 17 to increase staff for Kalaeloa development. (BED 150/KL; MOF: W)** Request increase in expenditure ceiling for personal services of the Kalaeloa Community Development District to finance increased salaries and associated fringe benefits.

HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION - BED 160

BED 160 Executive Budget Adjustment:

- **Federal fund ceiling increases for the federal HOME Investments Partnerships Program of \$100,000 in FY16 and \$200,000 in FY17. (BED 160/HF; MOF: N)** The requested increase is intended to accommodate expected increases to the State of Hawaii's HOME award in FY16 and FY17. Federal HOME funds are allocated on an annual rotating basis to the Counties of Hawaii, Kauai and Maui to expand the supply of decent, safe, affordable and sanitary housing, through a variety of activities, including tenant-based rental assistance; down payment loans for first-time homebuyers; rehabilitation loans for existing homeowners; property acquisition; new construction, reconstruction, moderate or substantial rehabilitation; site improvements; demolition; relocation expenses; loan guarantees; and other reasonable and necessary expenses related to the development of affordable housing.
- **\$100,000,000 in FY 16 in CIP and \$100,000,000 Ceiling Increase in FY 16 and FY 17 for Rental Housing Trust Fund (RHTF). (BED 160/HF; MOF: C and T)** To provide additional resources to finance the development of affordable rental housing. There is a substantial need for affordable rental housing throughout the State of Hawaii. A critical barrier to increasing the inventory of affordable rental units is the financing gap between the costs of developing an affordable project and the amount of rental income that a project serving very-low and low-income households can expect to generate over the useful life of the structures. RHTF was created to fill that financing gap by providing loans or grants to projects that set aside units affordable to very-low and low-income families.
- **\$1,403,260 in FY 16 and \$1,893,771 in FY 17 for Personnel Services, Audit and Office Rent Adjustments. (BED 160/HA; MOF: W)** Rental of Land and Building, which covers office rent, is included in the current budget at a fixed amount. The increase will accommodate the approximately 5% annual increases in base rent and escalation charges pursuant to the terms of the existing lease agreement.
- **\$445,518 in FY 16 and \$593,887 in FY 17 for Personnel Services. (BED 160/HD; MOF: W)** Payroll adjustments are based on Article 51 of the BU13 Tentative Agreement dated October, 2013, as adjusted by the CB allocation. Fringe Benefits are calculated at 42% of total estimated salaries, per Finance Memorandum 14-02. OPEB Contribution has been calculated pursuant to Act 268, SLH 2013.

- **\$656,565 in FY 16 and \$849,626 in FY 17 for Consultant Services. (BED 160/HF; MOF W)** HHFDC administers various rental assistance and financing programs that assist in the development of preservation of affordable rental housing projects including HOME Investment Partnerships, Hula Mae Multi-Family, Low Income Housing Tax Credit, Neighborhood Stabilization Program, Rental Assistance Program, Rental Assistance Revolving Fund, and Rental Housing Trust Fund. The cost of services to monitor the rental housing projects for compliance with rules and regulations of the various financing programs is currently unbudgeted. The requested amount is based on an existing contract.
- **\$104,337 in FY 16 and \$80,012 in FY 17 for computer hardware and software upgrades. (BED 160/HA; MOF: W)**



DAVID Y. IGE
GOVERNOR
SHAN S. TSUTSUI
LT. GOVERNOR

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JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

**PRESENTATION OF THE
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

TO THE SENATE COMMITTEE ON
WAYS AND MEANS

TWENTY-EIGHTH LEGISLATURE
Regular Session of 2015
Wednesday, April 1, 2015
9:10 a.m.

**TESTIMONY ON HOUSE BILL NO. 500, H.D. 1, RELATING TO THE STATE
BUDGET.**

TO THE HONORABLE JILL N. TOKUDA, CHAIR,
AND MEMBERS OF THE COMMITTEE:

My name is Catherine Awakuni Colón, Director of the Department of Commerce and Consumer Affairs (“DCCA” or the “Department”). The Department appreciates the opportunity to provide testimony in support of House Bill No. 500, H.D. 1 and requests adjustments to provide adequate funding for the Department to operate during the 2015-2017 fiscal biennium (“FB”). Specifically, the Department respectfully requests this Committee adjust House Bill No. 500, H.D. 1 to 1) restore appropriation amounts for the Department to those included in the original version of House Bill No. 500, and 2) incorporate in full each of the requested budget adjustments for DCCA included in Governor’s Message No. 207.

DCCA is the state agency responsible for promoting a strong and healthy business environment by upholding fairness and public confidence in the marketplace, and by increasing knowledge and opportunity for Hawaii's businesses and citizens. The Department is supported almost exclusively by special funds assessed on those individuals and entities regulated by the Department's multiple divisions and programs. As such, the adjustments to House Bill No. 500, H.D. 1 noted above are requested so that the Department will have the necessary resources to effectively and efficiently carryout its broad set of responsibilities and to administer its various supporting programs during FB 2015-2017.

The Department would appreciate the opportunity to continue to work with the Committee in reviewing the specifics of the adjustments requested by DCCA, and lists here, in order of program I.D. number, a few of the items not included in House Bill No. 500, H.D. 1 for the Committee's consideration:

- CCA104, Seq. No. 5-001 - Mortgage Loan Recovery Fund ("MLRF") Claims: Instead of a non-recurring increase, providing for a permanent increase of the expenditure ceiling for the MLRF in order to adequately fund court-ordered payment of claims;
- CCA 104, Seq. No. 210-001 - Mortgage Loan and Servicing Positions in the Division of Financial Institutions ("DFI"): Providing the full request of five positions and related funding to support DFI's mortgage loan and servicing oversight operations;

- CCA105, Seq. No. 210-001; CCA112, Seq. No. 210-001 - DCCA Information Technology Systems Development to Support Regulatory Functions: Appropriating funds needed for DCCA-specific information systems – the Applicant/Licensee Integrated Automated System or “ALIAS”, and the Complaints Management System or “CMS” – that will support the Department’s regulatory activities; and
- CCA901, Seq. No. 210-002, 210-003, and 1000-001 - Public Utilities Commission (“PUC”) Administrative Support: Increasing the PUC Special Fund appropriations ceiling to cover administrative support services provided by DCCA pursuant to Section 36-30, Hawaii Revised Statutes, and to fully fund three administrative positions required under Act 108, Session Laws of Hawaii 2014.

Thank you for the opportunity to provide testimony on this measure. I will be happy to answer any questions the members of the Committee may have.

STATE OF HAWAII
DEPARTMENT OF DEFENSE

TESTIMONY ON HOUSE BILL 500 HD1
A BILL RELATING TO THE STATE BUDGET

PRESENTATION TO
THE SENATE COMMITTEE ON WAYS AND MEANS

BY

BRIGADIER GENERAL ARTHUR LOGAN
ADJUTANT GENERAL
AND DIRECTOR OF STATE EMERGENCY MANAGEMENT AGENCY
April 1, 2015

Chair Tokuda, Vice Chair Kouchi and the members of the Senate Committee on Ways and Means:

I am Brigadier General Arthur Logan, Adjutant General and Director of the State Emergency Management Agency. I am providing written testimony in **SUPPORT** of House Bill 500 HD1.

Funding from House Bill 500 HD1 will allow the State Department of Defense to continue restoration of needed services to the general public, provide more timely services to our veterans, and improved facilities for our at-risk youth.

The department's operating budget request is \$1,249,154 in State funds. The matching federal funds will be \$2,189,085. This operating budget adjustment to non-recurring items and additional resources ensure the department's continued drive to restore and increase services curtailed in the past few years.

The FY2016/17 capital improvement project (CIP) requests for State general obligation bond funds (C) are \$6,000,000 in FY16 and \$30,384,000 in FY17. Approval of this request will bring in federal funds in the amount of \$4,670,000 (N) in FY16 and \$40,135,000 (N) in FY17 for a total of \$44,805,000 (N). This capital improvement project funding will support initiatives that are needed to upgrade and provide health and safety improvements to our state military facilities, state emergency operating center and department headquarters, as well as support at-risk youth through our Youth Challenge Academy program. Additionally, funding will also support a new VA Long Term Care Home for Hawaii veterans.

Thank you for the opportunity to provide written testimony that to **SUPPORT** of House Bill 500 HD1.



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 04/01/2015
Time: 09:10 AM
Location: 211
Committee: Senate Ways and Means

Department: Education

Person Testifying: Kathryn S. Matayoshi, Superintendent of Education

Title of Bill: HB 0500, HD1 RELATING TO THE STATE BUDGET.

Purpose of Bill: Appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2015-2016 and 2016-2017.

Department's Position:

The Department of Education (Department) supports the passage of this measure and appreciates the Legislature's continued support for education.

After many years of working with a flat general fund operating budget and having to find funds from within to address workload and cost increases, a number of operating budget requests for additional support were made by the Department and Board of Education (Board). The Department's requests total \$73.8 million in FY 16 and \$85.1 million in FY 17. The Governor's Executive Budget requests total \$35.3 million in FY 16 and \$31.2 million in FY 17. The House Draft provides \$24 million in FY 16 and \$12.8 million in FY 17.

Operating Budget (General Funds)	FY 16	FY 17
Board/Department of Education	\$ 73,811,270	\$ 85,124,529
Governor's Executive Budget	\$ 35,252,528	\$ 31,237,386
House Draft	\$ 23,998,228	\$ 12,832,479

The Department is particularly appreciative of the full funding of requests for student information system (SIS) replacement, teacher recruitment/retention incentives, and workers' compensation benefits as these programs and services will assure the appropriate tools and resources are available to provide continued support for the Department's students and staff for the SIS, teacher recruitment, and workers' compensation programs.

The Department appreciates the full funding in FY 16 but has concerns with the reduced level of funding in FY 17 for the following requests:

Request Title	Department of Education		House Draft	
	FY 16	FY 17	FY 16	FY 17
Weighted Student Formula	2,401,808	8,051,060	2,401,808	2,401,808
Student Transportation	7,403,261	10,676,641	7,403,261	-

The Department is particularly concerned with the reduced levels and/or lack of funding for the following priority items:

Request Title	Department of Education		House Draft	
	FY 16	FY 17	FY 16	FY 17
School Food Services	9,117,093	9,281,513	2,929,146	2,496,292
Utilities	12,770,406	12,900,047	1	1
Civil Rights Compliance	91,908	91,908	-	-
Strategy, Innovation, and Performance Operations	1,902,060	1,902,060	-	-
Advanced Placement	498,120	498,120	-	-
School Improvement Process	127,056	127,056	-	-
Support for Schools	2,700,375	2,700,375	-	-
BlackBoard	300,000	300,000	-	-
Access Learning	376,893	376,893	-	-
Text books and Equipment for New Facilities	1,902,400	328,600	-	-

In addition, the Department has concerns with the transfer of \$62 million in general funds for the Utilities budget from EDN 400 to EDN 100. If such a transfer is made, the Department asks that the transfer amount be limited to the \$49.5 million base appropriation plus any additional funds approved by the Legislature for Utilities. Transferring more than appropriated for the Utilities would require the Department to reduce funds from one or more of the other school support programs in EDN 400. Additional comments on this measure are provided in the attached Impact Statement that was previously submitted to the House Committee on Finance and Senate Ways and Means Committee.

Again, the Department appreciates the Legislature's continued support of public schools. Any additional assistance that can be accommodated within available general fund resources is greatly appreciated.

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

**DEPARTMENT OF EDUCATION
IMPACT STATEMENT: H.B. 500, H.D. 1**

Attachment

OPERATING BUDGET

The Department of Education (Department) submitted a request to the Governor to increase the Department's general fund operating budget (includes EDN 700) by \$73,811,270 in fiscal year (FY) 16 and \$85,124,529 in FY 17. The Governor's total general fund operating budget request for the Department is \$35,252,528 in FY 16 and \$31,237,386 in FY 17. The House Draft provides \$23,998,228 in FY 16 and \$12,832,479 in FY 17. A summary of the various proposed adjustments to the Department's general fund operating budget are shown in the table to follow.

Prog ID	Department of Education		Governor's Decisions		House Draft	
	FY 2015-16	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16	FY 2016-17
EDN100	10,398,659	14,473,963	7,398,139	7,397,991	8,998,139	70,051,040
EDN150	3,396,603	3,396,603	1,996,603	1,996,603	(192,651)	(192,651)
EDN200	18,190,557	24,190,557	-	-	-	-
EDN300	7,699,691	5,370,205	-	-	4,860,332	2,530,846
EDN400	32,440,760	36,008,201	25,520,354	21,500,000	10,332,408	(59,556,756)
EDN700	1,685,000	1,685,000	337,432	342,792	-	-
TOTAL	73,811,270	85,124,529	35,252,528	31,237,386	23,998,228	12,832,479

COMMENTS

Trade-off Transfers:

The Department is very appreciative of the House's attention to and full support of the trade-off/transfer of current service positions and funds to align the budget with planned program expenditures. The House Draft will provide the Department with a good foundation that aligns funds within the appropriate programs to position students, educators and support staff for success.

New Position FTEs Only:

The Department is very appreciative for the House's support for new position full-time equivalent (FTE) counts for positions funded with current service funds, including:

Program Description	Perm FTE	Temp FTE
Olomana Hale Hoomalu		2.00
Lahainaluna Boarding	1.00	
Hawaii School for the Deaf and the Blind	2.00	1.00
CSSS Support		1.00
Accounting - Leave Management	5.00	
OITS*	8.00	
*House also agreed to convert 2.0 FTEs in OITS from temp to perm		

Additions:Utilities

The Department has significant concerns regarding the reduced level of funding to cover the projected shortfall in the Utilities budget. Act 122, Session Laws of Hawaii (SLH) 2014 appropriated \$58.5 million for the Utilities program, of which \$9 million was designated as non-recurring beginning in FB 2015-17. The Department has projected requirements for FB 2015-17 of \$62,298,623 in FY 16 and \$62,428,264 in FY 17. These projections incorporate anticipated savings due to the Department's efforts to lower energy expenses using energy efficiency measures and clean energy generation (including installation of photovoltaic [(PV)] systems on schools). The Department is concerned that the House Draft appropriated over 20% less than our anticipated requirements. Such a dramatic reduction in available resources will result in the Department's inability to pay all of its utility bills in FY 16. If unaddressed, unpaid balances carried over will snowball in FY 17, leading to an early exhaustion of program funds and negatively impact future Department budgets. In addition, the department will incur interest penalties for non-payment of bill balances. Other alternatives would be to reduce spending in other areas to make up the budget shortfall at the expense of existing programs, or to bill schools for any utility budget shortfall. The Department requests that consideration of a minimum of \$9 million be restored to the base budget as we continue to implement additional energy savings measures through Ka Hei.

Utilities	FY 16	FY 17
FY 15 Appropriation	58,528,217	58,528,217
*Non-Recurring	(9,000,000)	(9,000,000)
FB 15-17 Biennium Base	49,528,217	49,528,217
FB 15-17 Request – DOE	12,770,406	12,900,047
FB 15-17 Budget: DOE	62,298,623	62,428,264
House Draft line item	1	1
FB 15-17 Budget: House	49,528,218	49,528,218
Shortfall (House - DOE)	(12,770,405)	(12,900,046)

Food Services

The Department's anticipated level of additional general funds needed for the Food Services program was \$7.3 million in FY 16 and \$6.9 million in FY 17. The Department is concerned about the reduced level of funding in the House Draft to \$2.9 million in FY 16 and \$2.5 million in FY 17. It appears the \$4.5 million decrease was based on the presumption of a \$0.50 lunch price increase beginning in FY 16. The Department does not anticipate a lunch price increase of \$0.50, but has recommended to the Board of Education (Board) a student lunch price increase of \$0.25 beginning in FY 16, which we anticipate would generate additional revenue of nearly \$2.2 million in each year for the Food Services program. This increase was approved by the Finance and Infrastructure Committee of the Board and will be up for Board action on April 7, 2015. To this end, the Department respectfully requests consideration of an increased general fund appropriation of \$5.1 million in FY 16 and \$4.7 million in FY 17 to support the Food Services program funding requirement assuming Board approval of a \$0.25 student lunch price increase in FY 16 through FY 17.

Food Services	FY 16	FY 17
FB 15-17 Biennium Base	20,908,560	21,507,443
Transfer-In to Food Services	3,647,425	3,647,425
FB 15-17 Revised Base	24,555,985	25,154,868
FB 15-17 Request – DOE	7,318,306	6,885,452
\$0.25 student lunch price increase	(2,194,580)	(2,194,580)
FB 15-17 Revised Request – DOE	5,123,726	4,690,872
FB 15-17 Budget: DOE	29,679,711	29,845,740
House Draft line item	2,929,146	2,496,292
FB 15-17 Budget: House	27,485,131	27,651,160
Shortfall (House - DOE)	(2,194,580)	(2,194,580)

Student Transportation

The Department appreciates House support for the Student Transportation program in FY 16 to ensure uninterrupted school transportation services at current levels for both regular education and special education public school students. The Department has significant concerns that the support was scaled back in FY 17, possibly due to optimistic estimates for the potential of Medicaid reimbursements to fund student transportation services for eligible medically fragile students. At this time it is unclear if, when, and at what level the Department will receive Medicaid reimbursements for transportation services. To this end, the Department respectfully requests consideration of funding in FY 17 to support the cost of anticipated Student Transportation program requirements while efforts to secure additional Medicaid reimbursements are on-going.

The Department has been and will continue to assess areas in which to streamline services and implement solutions (e.g., Get on Board program) to reduce student transportation services costs while ensuring we provide timely and safe transportation services at current levels for all eligible students.

Student Transportation	FY 16	FY 17
FB 15-17 Biennium Base	54,287,517	54,313,204
Transfer-Out of Student Trans	(26,700)	(26,700)
FB 15-17 Revised Base	54,260,817	54,286,504
FB 15-17 Request – DOE	7,403,261	10,676,641
FB 15-17 Budget: DOE	61,664,078	64,963,145
House Draft line item	7,403,261	-
FB 15-17 Budget: House	61,664,078	54,286,504
Shortfall (House - DOE)	-	(10,676,641)

Weighted Student Formula (WSF)

The Department appreciates support for an increase in funding to WSF for projected enrollment increases, but is particularly concerned with the reduced level of funding in FY 17. The additional \$2.4 million in the first year of the biennium will help schools maintain the purchasing power they have this year (although not adjusted for non-wage inflation). Unfortunately, if no additional resources are provided in response to the additional 1,125 students projected to enroll in school year 2016-2017 (as compared to school year 2015-2016), schools can anticipate a reduced level of purchasing power as their budgets will need to be stretched to serve the additional students. The program's anticipated level of funding for schools to maintain purchasing power for WSF in FY 17 was \$8 million.

The Department's request to increase WSF funds is based on FY 15 WSF appropriation, plus collective bargaining, divided by school year 2014-2015 projected enrollment, multiplied by the projected change in enrollment from school year 2014-2015. Details on the WSF calculation are provided in the following table:

Col	Weighted Student Formula	FY 16	FY 17
A	FY 15 WSF appropriation + C/B	826,542,225	846,583,911
B	SY 2014-2015 Projected Enrollment*	170,346	170,346
C=A/B	Average per pupil amount	4,852	4,970
D	Projected change in enrollment vs FY 15	495	1,620
E=C*D	FB 15-17 Budget: DOE	2,401,808	8,051,060
F	House Draft line item	2,401,808	2,401,808
G=F-E	Shortfall (House - DOE)		(5,659,252)

**Does not include projected student enrollment for Hawaii School for the Deaf and the Blind, Olomana, and Niihau schools as these schools do not receive WSF funding.*

Skilled Nursing Services

The Department appreciates the House's attention to and support of an increased appropriation for Skilled Nursing Services for FY 16 and FY 17. Our Skilled Nursing Services program requires at least \$3.4 million more each year to meet the continuous increases in public school students requiring nursing care as a Related Service and the upward trend in health services costs. The House Draft provides a \$1 placeholder for each year.

The Department is diligently addressing the many factors associated with the process for Medicaid reimbursement in this area. Our goal is to stand up the data collection process, develop and deliver statewide training of vendor(s) and schools, assess the necessary manpower and operational costs to carry out this provision, and collaboratively work within the interagency health task force to improve our work in this area during school year 2015-2016. The collected data will assist the Department in formulating our projected reimbursements in this area for future years. To this end, the Department asks for consideration for funding to address the anticipated shortfall in FY 16 and FY 17.

EDN 700 – Early Learning

The Department’s request included an increase of 49.0 perm FTEs and \$1.7 million for the Early Learning program. The House Draft did not include any additional positions or funds which would have provided resources to support administration of the Early Learning program.

Early Learning	FY 16	FY 17
FY 15 Appropriation	3,255,152	3,255,152
*Non-Recurring	(491,152)	(491,152)
FB 15-17 Biennium Base	2,764,000	2,764,000
FB 15-17 Request - DOE-EOEL	1,685,000	1,685,000
FB 15-17 Budget: DOE-EOEL	4,449,000	4,449,000
House Draft line item	-	-
FB 15-17 Budget: House	2,764,000	2,764,000
Shortfall (House - DOE)	(1,685,000)	(1,685,000)

Reductions:

While some of the Department’s budget requests for funding above were partially funded in the House Draft of the budget, there were also reductions made to the base budget.

A reduction of \$189,255 was made to the Hawaii School for the Deaf and Blind (HSDB) to reduce contract funds for interpreter services. The funds reduced for HSDB would otherwise be available to provide direct service to students.

In addition, there is a \$1 placeholder reduction included in EDN300 to reduce temporary positions in State Administration adjacent to a \$1 placeholder addition for vacation payout. If the implication is that the Department actively holds specific positions vacant in order to meet vacation payout requirements as smaller Departments or programs may need to, that is not the case for the Department.

House Adjustments to Support Department Requests not included in Executive Request:

Despite the concerns previously mentioned, the Department is very grateful for the tremendous support for education as contained in the House Draft of the budget including the House’s recognition of the need to provide funding for:

- 1) Student information system (SIS) replacement, the system used to house student information and improve data quality to help manage essential school processes;
- 2) Teacher recruitment/retention incentives as provided in the Hawaii State Teacher’s Association (HSTA) contract provision; and
- 3) Workers’ compensation (WC) benefits program to ensure the Department is able to assist claimants and pay for WC related costs as required by the Hawaii WC Law.

Funding for these programs and services will assure the appropriate tools and resources are available to provide continued support for the Department's students and staff for the SIS, teacher recruitment, and workers' compensation programs.

Additional Department/Board Biennium Requests not funded in the House Draft:

The Department would be appreciative of support for additional priority items not included in the House Draft as provided in the table to follow.

Priority Rank**	Prog ID	Request Title	Department of Education Request					
			FY 16			FY 17		
			Perm (FTE)	Temp (FTE)	\$ Amount	Perm (FTE)	Temp (FTE)	\$ Amount
1	EDN300	Civil Rights Compliance	2.00	(1.00)	91,908	2.00	(1.00)	91,908
2	EDN300	Strategy, Innovation, and Performance Operations	22.00	-	1,902,060	22.00	-	1,902,060
3	EDN100	Advanced Placement	-	-	498,120	-	-	498,120
4	EDN200	School Improvement Process	2.00	-	127,056	2.00	-	127,056
5	EDN200	Support for Schools	-	-	2,700,375	-	-	2,700,375
6	EDN200	BlackBoard	-	-	300,000	-	-	300,000
7	EDN200	Access Learning	-	7.00	376,893	-	7.00	376,893
8	EDN100	Text books and Equipment for New Facilities	-	-	1,902,400	-	-	328,600

***The priority ranking in the table above is not a complete representation of the Department's priorities for all Department budget requests. The priority ranking only relates to the next few priority requests that were not included in the House Draft.*

OPERATING BUDGET PROVISOS

SECTION 6. Provided that of the general fund appropriation for school based budgeting (EDN100), the sum of \$1,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 shall be expended for student travel support for national competitions; provided further that any funds not expended for this purpose shall not lapse to the general fund at the end of the fiscal year appropriated but shall be carried forward into subsequent years for the same purpose; and provided further that any unexpended funds shall lapse to the general fund on June 30, 2018.

COMMENT:

Proviso relates to House Adjustment line item EDN 100 1000-003. The Department appreciates the intent to reduce the burden on families for out of pocket expenses and/or to fundraise to send Department students to national competitions.

In recent years there are many competitions that Department students participated in, including: JROTC's cyber defense competition, White House Science Fair, National Youth Science Camp, National SeaPerch Challenge, JROTC Academic Bowl, National Geographic Bee, and We the People: The Citizen and the Constitution.

The Department appreciates the recognition of student efforts and achievements.

SECTION 7. Provided that of the general fund appropriation for school-based budgeting (EDN100), the sum of \$62,053,049 shall be expended for utility costs in fiscal year 2016-2017; provided further the department of education shall develop a formula for the distribution of utility monies to each school based on historical utility consumption at that school; provided further that any utility savings realized at each school for fiscal year 2016-2017 shall be expended at the discretion of the principal of the school in compliance with chapter 302A, part V, Hawaii Revised Statutes; and provided further the department shall submit a report to the legislature detailing the methodology by which the funds will be distributed to each school no later than twenty days prior to the convening of the regular session of 2016.

COMMENT:

Proviso relates to the House Adjustment line items EDN400 1000-001 and EDN100 1000-004 to transfer \$62,053,049. As mentioned in the comments on the Utilities budget, the House Draft funding level falls significantly short of this amount by over \$12 million.

In addition, Section 302A-1303.5 of the Hawaii Revised Statutes (HRS) establishes the Committee on Weights (Committee), and requires that the Committee meet no less than every odd-numbered year to review the WSF and the general funds distributed by the formula. The Committee's deliberations review of all categorical programs to determine if it is deemed appropriate to shift funds into the WSF or amend the formula. The Committee may propose such a recommendation for adoption by the Board.

The Committee is made up of a broad cross section (by geographic location, school size, and school type) of the school community and includes principals, teachers, classified staff, a community member, and is chaired by the Superintendent's designee (a complex area superintendent). In past years the Committee has reviewed all general fund programs for possible distribution via the EDN100 WSF program. Each meeting of the Committee is a public meeting and testimony is both encouraged and taken, including testimony on what programs should or should not be moved into the WSF.

The current Committee, COW IX, held its first meeting on March 6, 2015. Several sub-committees were formed that will take three months to evaluate the pros, cons, and feasibility of moving various programs into the amount that are distributed by the WSF. These programs include the Utilities program. The next Committee meeting is scheduled for June 8, 2015. The sub-committees will be reporting findings in their program review. The Committee will use this information in making their recommendation to the Board for action.

SECTION 8. Provided that the department of education shall pursue all avenues of Medicaid reimbursement to at least include:

- (1) Reimbursement for qualifying transportation services;*
- (2) Reimbursement for qualifying skilled nursing*

services;

and provided further that the department of education shall develop a plan to maximize Medicaid enrollment for qualifying individuals; and provided further, the department shall submit a report detailing its progress in pursuing Medicaid reimbursement and Medicaid enrollment to the legislature not later than twenty days prior to the convening of the regular session of 2016.

COMMENT:

Proviso appears to relate to Governor's Message (2/10/15) line items EDN 150 210-003 and EDN 400 210-008. The Department concurs with the call for the pursuit of all avenues for Medicaid reimbursement, including qualifying transportation services and skilled nursing services, but has serious concerns about the likelihood of securing federal fund reimbursements at the level of the amounts not approved for the Skilled Nursing and Student Transportation program. The Department will need to ensure data is reliably captured to submit for reimbursement and seek parental consent to file claims.

Skilled nursing service is already an eligible service that may be claimed for qualified students with parental consent. The Department has been working on modifications to the student information systems to capture data required to claim Medicaid reimbursements for qualified students with parental consent.

Transportation service is not an eligible service under the current State's Plan that has been approved by the federal Centers for Medicare & Medicaid Services (CMS). The Department has been working with and understands the state Department of Human Services has requested an amendment that would expand eligible services to include transportation services for the medically fragile population.

SECTION 9. Provided that of the general fund appropriation for instructional support (EDN200), the sum of \$592,000 or so much thereof as may be necessary for fiscal biennium 2015-2017 shall be expended for the purpose of sabbatical leave for teachers; and provided further that any funds not expended for this purpose shall lapse to the general fund at the end of the fiscal year for which the appropriation was made.

COMMENT:

This proviso limits the use of the \$592,000 included in the EDN200 appropriation for teacher sabbatical leave for only that purpose or else the funds are to lapse. The House Draft includes \$592,000 in the base budget for this purpose. The Department does not have concerns with this proviso.

SECTION 84. Provided that the director of finance shall ensure that non-facility per-pupil general fund amounts allocated for department of education and charter school students are equal on an annualized fiscal year basis; provided further that, for the purposes of this section, all general fund appropriations, except grants issued pursuant to chapter 42F, for school-based budgeting (EDN 100), instructional support (EDN 200), state administration (EDN 300), school support (EDN 400), and early learning (EDN 700), shall be considered non-facility appropriations for the department of education; and provided further that, notwithstanding any other law to the contrary, for fiscal year 2015-2016 and fiscal year 2016-2017, the director of finance shall:

- (1) Determine the sum of general fund appropriations made for the department of education and charter school student non-facility costs;*
- (2) Determine the sum of department of education and charter school student enrollment based upon verified actual student enrollment counts;*
- (3) Determine a per-pupil amount by dividing the sum of general fund appropriations determined under paragraph (1) by the sum of student enrollment determined under paragraph (2);*
- (4) Transfer a general fund amount between the department of education and charter schools prior to November 1, 2015, and November 1, 2016, respectively, that will provide each with a per-pupil allocation equal to the amount determined on an annualized fiscal year basis under paragraph (3); and*
- (5) Account for all calculations and transfers made pursuant to this section in a report to the legislature, governor, department of education, and charter schools within ten days of any transfer made pursuant to this section.*

COMMENT:

This proviso is similar, but not exactly the same as Section 302D-28, which says:

- (c) Notwithstanding any law to the contrary, to ensure non-facility per-pupil general fund amounts allocated for the department and charter school students are equal on an annualized fiscal year basis, each year the director of finance shall:**
 - (1) Determine the sum of general fund appropriations made for department and charter school student non-facility costs described in subsections (a) and (b);**
 - (2) Determine the sum of department and charter school student enrollment based on reviewed and verified student enrollment counts as of October 15;**
 - (3) Determine a per-pupil amount by dividing the sum of general fund appropriations determined under paragraph (1) by the sum of student enrollment determined under paragraph (2);**
 - (4) Transfer a general fund amount between the department and charter schools that will provide each with a per-pupil allocation equal to the amount determined on an annualized fiscal year basis under paragraph (3); and**

- (5) Annually account for all calculations and transfers made pursuant to this subsection in a report to the legislature, governor, department, and charter schools.

In addition, this proviso does not include guidance on how the Director of Finance is to consider the newly created EDN612 Charter Schools Commission and Administration in the per-pupil calculations.

CIP BUDGET

The Department appreciates the support in the House Draft for its CIP request. In particular, the Department appreciates that the House Finance Committee funded fully, the Condition request of \$134 million. However, the Department has serious concerns about the lack of funding for the Capacity request. The Department continues to face serious issues in the Ewa area as new housing units continue to bring increasing population growth. Our most critical need in this area is the fact that Campbell High School recently surpassed 3,000 students and is critically short of space. Restoring funding to the Capacity request will enable the Department to bring relief to this situation. Finally, the Department very much appreciates the support of its request for additional CIP funding for staff positions. These positions will enable our Facilities Development Branch to complete projects more effectively and reduce the need for overtime.

CIP	FY 16	FY 17
Lump Sum - Project Positions (EDN 400)	6,500,000	6,500,000
Lump Sum - Condition	134,000,000	129,000,000
Lump Sum - Program Support	28,700,000	35,200,000
Lump Sum - Equity	91,000,000	84,000,000
Lump Sum - Capacity	144,000,000	162,800,000
Lump Sum - Project Adjustment Fund	2,000,000	2,000,000
FB 15-17 Budget: DOE	406,200,000	419,500,000
Lump Sum - Project Positions (EDN 400)	6,500,000	6,500,000
Lump Sum - Condition	134,000,000	129,000,000
Lump Sum - Program Support	6,000,000	1,000,000
Lump Sum - Equity	15,313,000	20,955,000
Other	91,062,000	10,575,000
FB 15-17 Budget: House	252,875,000	150,030,000
Lump Sum - Project Positions (EDN 400)	-	-
Lump Sum - Condition	-	-
Lump Sum - Program Support	(22,700,000)	(34,200,000)
Lump Sum - Equity	(75,687,000)	(81,045,000)
Lump Sum - Capacity	(144,000,000)	(162,800,000)
Lump Sum - Project Adjustment Fund	(2,000,000)	(2,000,000)
Other	91,062,000	10,575,000
Shortfall (House - DOE)	(153,325,000)	(269,470,000)

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII



JOBIE M. K. MASAGATANI
CHAIRMAN
HAWAIIAN HOMES COMMISSION

SHAN S. TSUTSUI
LT. GOVERNOR
STATE OF HAWAII

WILLIAM J. AILA, JR.
DEPUTY TO THE CHAIRMAN

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

P. O. BOX 1879
HONOLULU, HAWAII 96805

COMMENTS OF JOBIE M. K. MASAGATANI, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE SENATE COMMITTEE ON WAYS & MEANS

HB 500 HD 1, RELATING TO THE STATE BUDGET

April 1, 2015

Aloha Chair Tokuda, Vice-Chair Kouchi, and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) submits the following comments for the Committee's consideration. DHHL respectfully urges this Committee to fulfill its constitutional obligation to appropriate sufficient funding to DHHL. The amounts identified as sufficient by DHHL to meet the four constitutional purposes of the program were outlined in our earlier testimony provided to this Committee at its January 7, 2015 hearing. At a minimum we would ask concurrence with the Governor's Executive Budget request for our program, HHL 602 - Planning and Development for Hawaiian Homesteads. HB 500, as introduced, included \$9.6 million in general funds to cover a portion of our department's existing personnel and other current expenses. While this sum is not sufficient to cover all administrative and operating costs, the \$9.6 million represents the same amount of general funding allocated to DHHL for each of the last two fiscal years. The current version of the State Budget bill includes just \$6.3 million in general funds for these

costs, and this will force either an additional allocation of trust fund resources or other general lease revenues to cover the shortfall, or a reduction in services hindering our ability to meet the mission of DHHL.

As you are aware, the Hawaii Supreme Court ruling on March 9, 2012, on *Nelson v. Hawaiian Homes Commission* had a significant impact on our budget request for FY 2016 and FY 2017. Article XII, Section 1 of the State Constitution requires that the Legislature make sufficient sums available for development of homestead lots, homestead loans, rehabilitation projects and DHHL's administrative and operating expenses. The recent ruling affirms that the courts can determine what constitutes "sufficient sums" for the DHHL's administrative and operating expenses to carry out the purposes of the Hawaiian Homes Commissions Act, 1920, as amended. This determination from the courts is still forthcoming. Further, the ruling makes clear that the 1978 constitutional amendment requiring the appropriation of "sufficient sums" was intended to relieve DHHL of the burden of general leasing its lands to generate administrative and operating funds.

With regard to capital improvement projects (CIP) on Hawaiian home lands, the projects identified by DHHL represent several high priority repair and maintenance of existing infrastructure projects across the state. Given that the amounts identified in HB 500 for DHHL's capital improvements projects represents a fraction of what is required, we respectfully urge the Committee to consider increasing the amounts of general obligation bond financing appropriated to DHHL.

Department of Hawaiian Home Lands

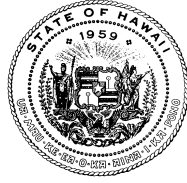
HB 500 HD 1

WAM, 4-01-2015

Page 2

The department administers one (1) program, HHL 602, Planning and Development for Hawaiian Homesteads. The objectives of the program are to develop and manage designated Hawaiian home lands to create more homesteads for native Hawaiians (as defined by the Act), and generate revenues to address program needs. At the present time the Department must use its special and trust funds to finance any of its administrative and operating costs not funded with general funds. These resources could have otherwise be used for direct benefits to our beneficiaries

Thank you for the opportunity to provide these comments for your Committee's consideration.



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

**Testimony in SUPPORT of HB500, HD1
RELATING TO THE STATE BUDGET**

SENATOR JILL TOKUDA, CHAIR
SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date: April 1, 2015

Room Number: 211

1 **Fiscal Implications:** \$13,890,946 for FY16 and \$16,662,128 for FY17 in additional general
2 fund appropriation.

3 **Department Testimony:** The Department of Health (DOH) supports the priorities submitted in
4 the Governor's Executive Biennium Requests, and provides additional information for HB500
5 HD1 to better align with the Governor's priorities.

6 **Offered Amendments:** The Department respectfully requests the following amendments:

7 Developmental Disabilities Division

8 Request for an additional \$2,293,143 for Compact of Free Association adults and children
9 beneficiaries, of which \$779,559 for FY 2016 and \$772,217 for FY 2017 are required as the
10 State's share to meet the federal mandate to serve intellectually and developmentally disabled
11 children pursuant to the federal Children's Health Insurance program and mandate to receive the
12 Medicaid-funded Home and Community Based Waiver Services implemented through the
13 department.

14 Hawaii State Hospital

15 Request for \$1,752,000 in each year of the biennium for security guard presence to address
16 patient and employee safety, as recommended by the Senate Special Investigative Committee on
17 the Hawaii State Hospital.

18

1 Child & Adolescent Mental Health Division

2 Reconsideration of full funding of 1.0 Clinical Psychologist VI, approved in Act 122, SLH 2014,
3 to serve youth located in Ka'u, Puna, Hilo and Laupahoehoe areas of the Big Island which
4 represents approximately 30% of the total clients receiving services from the CAMHD.

5 General Administration

6 Reconsideration of full funding for 1.0 Information Technology Specialist IV for the Maui
7 District Health Office, which does not currently have local technical support.

8 General Administration and Environmental Health Administration

9 Reconsideration of funds for lease rent and moving costs to relocate several programs and staff
10 from 919 Ala Moana Boulevard (AAFES Building), including the Environmental Health
11 Administration offices, Developmental Disabilities Council, and Disability & Communication
12 Access Board in FY17, as follows:

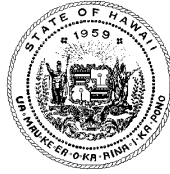
- 13 • General fund appropriation for estimated relocation costs of \$350,000 in FY16 and
14 \$207,115 in FY17, plus an increase in the special fund ceiling of \$104,811
- 15 • General fund appropriation for estimated annual rent costs of \$2,409,800, per estimations
16 by the Department of Accounting and General Services in current negotiations with the
17 Office of Hawaiian Affairs to determine lease rent effective July 2016
- 18 • Tentative completion date for construction renovations for new space at Waimano Ridge
19 in Pearl City and the Kamamalu building is early 2017

20 Chronic Disease Prevention & Health Promotion Division

21 Reconsideration of request to increase the ceiling for the Tobacco Settlement Special Fund. The
22 increased ceiling is needed to disburse Master Settlement funds which have been carrying over
23 since 2014, and amounts to \$4,922,000 in FY16 and \$1,343,000 in FY17.

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

DAVID Y. IGE
GOVERNOR



JAMES K. NISHIMOTO
DIRECTOR

RANDY BALDEMOR
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES
DEVELOPMENT
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

March 30, 2015

TESTIMONY TO THE
SENATE COMMITTEE ON WAYS AND MEANS

For Hearing on Wednesday, April 1, 2015
9:10 a.m., Conference Room 211

BY

JAMES NISHIMOTO
DIRECTOR

House Bill No. 500 H.D. 1
Relating to the State Budget

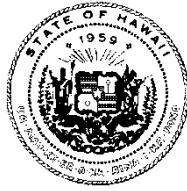
TO CHAIRPERSON JILL TOKUDA AND MEMBERS OF THE SENATE COMMITTEE
ON WAYS AND MEANS:

The purpose of House Bill No. 500, H. D. 1 is to appropriate funds for the operating and capital improvement costs for agencies in the Executive Branch for the fiscal biennium 2015-2017.

The Department of Human Resources Development (DHRD) strongly supports this measure as it relates to DHRD's budget request and we appreciate the adjustment for in-service training for State employees.

We are aware of the challenges ahead and remain committed to work with the Legislature to seek solutions that effectively balance short and long term priorities.

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



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

March 31, 2015

TO: The Honorable Jill N. Tokuda, Chair
Senate Committee on Ways and Means

FROM: Rachael Wong, DrPH, Director

SUBJECT: **H.B. 500 HD1 - RELATING TO THE STATE BUDGET**

Hearing: Wednesday, April 1, 2015; 9:10 a.m.
Conference Room 211, State Capitol

PURPOSE: The purpose of the measure is to appropriate funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2015-2016 and 2016-2017.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this measure.

The Department of Human Services (DHS) supports the State budget for the fiscal biennium 2016-2017 as proposed by Governor Ige. We respectfully request the Ways and Means Committee and the Legislature approve the Governor's recommendations for the Executive Biennium Budget. These requests align with the mission of DHS to empower Hawaii's most vulnerable residents to achieve self-sufficiency by ending the cycle of poverty, to nurture and sustain physical and social health, and to improve the quality of life by addressing the physical and social barriers facing the disabled, the homeless, and the poor. The implementation of the Governor's biennium budget will improve access to services, better integrate existing services, enhance the quality of services, and make efficient use of tax dollars through improved systems.

To better address the needs of Hawai'i's vulnerable families, the DHS is actively engaged and seeking additional federal resources to maintain information technology resources that will transform the DHS eligibility systems and maintain the Kauhale On Line Eligibility Assistance (KOLEA) investment. Currently insuring over 310,000 Hawaii residents, or 1 in 4 residing in our state, Medicaid continues to respond to a changing landscape by seeking funding to provide Behavioral Health, Autism and Hepatitis C treatment to members.

We are committed to achieving long-term solutions to homelessness through Housing First.

Department's response to HB500 HD1:

- **HMS 220 HPHA** (General funds)

Hawaii Revised Statutes, Chapter 356D mandates that the State low-income public housing program must be self-supporting, but the rental income at the state housing facilities is insufficient. These funds requested will be used to pay for service contracts such as trash removal, security services, management contracts, tree removal and other similar types of annual services contracts. Without these funds the agency will be forced to raise rents in both state family and state elderly housing. State elderly housing represents 576 units out of a total of 864 units or approximately 80% of the total state units. This population is particularly vulnerable to rent increases as their income is generally fixed. These funds will also provide the agency with the ability to develop long-term state housing plans. HB500 HD1 (HD1) did not fund this request of \$3,000,000A for each year.

- **HMS 224 Housing First** (\$1,500,000A FY16 only)

The Housing First (HF) Pilot project was implemented from (June, 2012-June 2013) and was able to serve 60 homeless households (a total of 71 individuals). Outcomes from the HF pilot show that funding on a year to year basis made it very challenging for providers to execute a continuum of services, and for clients to maintain stability in housing, the primary focus of the

HF model. The provision of uninterrupted housing assistance and support services is critical to stabilizing this vulnerable population. Without stable funding, those housed, even if on a year to year basis, will be at risk to a return to homeless conditions.

Of the clients housed during the pilot project, 37 (52.1%) were moved into permanent housing, 16 (22.5%) remained in the pilot program with housing and service cost paid by other sources, and 18 clients (25.3%) left the program without achieving permanent housing. Of the \$1 million appropriated for the HF pilot, 97.4%, or \$974,314 was expended. Sixty-Six percent of the funds were used for rental costs and other client assistance; 27.3% of the total award went to social and supportive services, and only 6.5% for administrative costs. The average cost per person was approximately \$13,723 for the year.

Lessons learned from the HF pilot were fully operationalized and additional measures were taken to ensure that the HF program maintained a high level of fidelity to the evidence-based practices of the HF model. We ask the funding be made recurring in order to stabilize the program's services and the population served.

- **HMS 903 TANF Work Program** (\$3,878,000N FY16/\$2,474,000N FY17)

This request is to fund the increased minimum wage in work program contracts due to the State's Minimum Wage increase. The federal Temporary Assistance for Needy Families (TANF) block grant is fixed at \$98.9 million thereby restricting our ability to increase allocations for cash assistance, child care subsidies (through Child Care and Development Fund [CCDF] transfer), social services (through Social Services Block Grant [SSBG] transfer), supportive benefits, and other programs/services that target children and needy families. The block grant can also be reduced if the State fails to meet specific TANF requirements, and to ensure funds are spent for children and families that maintain the expenditures at a specified level. We are unable to shift all of this cost from general funds to N funds, as HD1 appropriates.

- **HMS 903 Medical Assessments**

The current deficit of general funding for medical evaluations is \$4 million. The \$1 million in this request reduces the deficit which BESSD currently is addressing through reprioritizing TANF Maintenance of Effort (MOE) funds and leveraging TANF Contingency funding to back fill the TANF MOE costs. However, TANF Contingency funding is limited and is not certain to be appropriated every year by the federal government. This strategy is only a stop gap and cannot be a permanent solution.

- **HMS 501 REACH**

HD1 did not concur with the Governor's Message (GM) (2/10/15) which adds (\$1,312,250A/\$1,347,750A) for the resources for enrichment, athletic, culture and health initiative. Prevention is a critical component in the juvenile justice service continuum and our state's prevention efforts will be adversely affected if this program is not funded. The common denominators in the lives of our at-risk youth are failure in school, a lack of connectedness and a sense of not belonging. Given the high arrest numbers of middle school aged youth, and the vulnerability of this age group, this is a critical program to ensure youth develop competencies that foster resiliency and success in school, thereby enabling them to achieve a positive transition to young adulthood.

- **HMS 501 WRAP Services; (\$164,268A/\$164,268A)**

WRAP is a youth and family guided team-based planning process that develops an individualized plan of care based on the youth and family's needs as well as strategies that effectively address the youth and family's situation so that the at-risk youth remains at home. This process can help shorten lengths of stay in correctional facilities, detention or other out-of-home placements for at-risk youth or avoid them entirely. It will help youth at-risk remain at home or in homelike environments, attend and succeed at school and be contributing members of their community and family. It helps the parents or caregivers care for the youth so the family

can move from high-cost professional interventions and rely more on the natural supports of their family, friends and community.

- **HMS 503 reduce 3 positions and funds (-3/164,268A/-3/164,268A)**

The House Adjustment reduces 3 positions from the Hawaii Youth Correctional Facility (HYCF). The deletion of 3 positions will not have an adverse effect on the staffing patterns at HYCF as the remaining 73 officer positions are appropriate to safely staff a 24/7 facility. The savings will enable the purchase of WRAP services as outlined in HMS 501.

- **HMS 401 Autism**

The request for Autism treatment coverage for children ages 1-21 under Medicaid was not funded by HD1. The Department of the Attorney General has advised the DHS that should the state not provide autism coverage under Medicaid, we are certain to be at risk. The request for (\$5,574,900A/\$6,425,100N FY16/ \$5,522,400A/\$6,477,600N FY17) was not approved by HD1, and the DHS is unable to provide autism services without this additional funding.

- **HMS 401 Sovaldi Hepatitis C Treatment**

The request for (\$13,008,100A/\$14,991,900N FY16/ \$12,885,600A/\$15,114,400N FY17) to provide treatment for Medicaid members diagnosed with Hepatitis C was not funded by HD1. The Department of the Attorney General has advised the DHS that should the state not provide this coverage under Medicaid, we are certain to be at risk. HMS 401 is unable to provide treatment services without this additional funding.

- **HMS 401 Behavioral Health Capitation Payments**

(\$34,938,060N/\$35,108,421N)

Additional funds were requested due to the transition of 3,500 recipients previously served by Department of Health (DOH)-Adult Mental Health Division (AMHD) into the DHS-MQD Medicaid Community Care Services (CCS) program to allow for more efficient and coordinated provision of services for seriously mentally ill recipients. In addition, recipients who

were receiving services via the QUEST medical plans were also transitioned to the carved out CCS program. The cost associated with the transition of the behavioral health services was taken out from QUEST and included in the CCS capitation rate. The request also reflects the adjustment in FMAP rates from 52.23% to 53.98% through federal fiscal year 2017. This request for funds is to serve enrollment increases; originally 700 recipients, enrollment is approaching 6,000, due to the addition of the 3,500 AMHD clients, and QUEST clients (1,500). There were also indications the AMHD population was underserved prior to being transferred to DHS-MQD. HD1 did not provide general funds of (\$18,901,335/\$18,402,472), without which we are not able to draw down federal funds, and the cost for which cannot be absorbed by MQD.

- **HMS 902 IT Security Monitoring**

Information security is an ongoing effort, and this request is for continued regular support of the Med-QUEST security and DHS risk management plans. DHS is currently in compliance with federally mandated security and risk management requirements. This request assures continued compliance and protects sensitive information. HD1 did not fund this request of (\$100,000A/\$300,000N each year).

- **HMS 902 Maintenance of KOLEA**

This request is for the on-going maintenance and operations of the KOLEA system. This statewide online system supports the eligibility determination process of the Medical assistance program. The request of (\$2,480,481A/\$7,441,443N FY16/\$4,960,962A/\$14,882,886N FY17) was not approved by HD1. Without this funding, the \$100,000,000 investment in KOLEA, 90% of which was provided by federal funds, cannot continue to improve and system maintenance will be compromised. Med-QUEST Division cannot absorb this expense, and the 75/25 match with federal dollars available for ongoing maintenance will be lost without this appropriation.

- **HMS 902 Hawaii Health Connector costs**

This request is to fund the allocated cost from the Hawaii Health Connector for components that are owned by them but provide a benefit to the Medicaid program. These benefits include customer call center and marketplace assistors program. This allocation methodology has been approved by the Centers for Medicare & Medicaid Services (CMS). HD1 did not allocate the request for (\$1,710,133A/\$1,736,619N each year), and HMS902 cannot absorb this cost with its current level of funding.

The DHS stands in full support of the Executive Biennium Budget as proposed by Governor Ige. The Governor's budget will enable the DHS to provide timely, efficient, and effective programs, services, and benefits to empower those who are the most vulnerable in our State to expand their capacity for self-sufficiency, self-determination, independence, healthy choices, and personal dignity.

Thank you for the opportunity to submit testimony.

DAVID Y. IGE
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
CARTY S. CHANG
Interim Chairperson**

**Before the Senate Committee on
WAYS AND MEANS**

**Wednesday, April 1, 2015
9:10 AM
State Capitol, Conference Room 211**

**In consideration of
HOUSE BILL 500, HOUSE DRAFT 1
RELATING TO THE STATE BUDGET**

House Bill 500 (HB 500), House Draft 1 (HD1) proposes to appropriate funds for the operating and capital improvement budgets of the Executive Branch for Fiscal Years (FY) 2015-2016 and 2016-2017. **The Department of Land and Natural Resources (Department) supports this measure but respectfully asks for your favorable consideration of the Department's recommendation in regards to the following HD1 adjustments.**

Operating Budget:

LNR 101:

- HD1 did not incorporate the Administration's request to raise the Land Conservation Fund expenditure ceiling increase by \$1,700,000 for each year of the fiscal biennium: The State's funding mechanism will lose pace with rising property values and will miss opportunities to acquire and protect undeveloped lands for their associated health and economic benefits (e.g. water supply, food supply, ecosystem services cultural and natural tourism). The Department respectfully asks that this request be incorporated in Senate Draft (SD) 1 to HB 500.
- HD1 reduces the Land Conservation Fund expenditure ceiling by \$5,100,000: Zero funding for the Legacy Land Program would result in the loss of 2.0 FTE civil service positions, and shutdown or delays in administrative processing and finalization of current and prior year acquisitions; loss of opportunity to benefit from federal, county, and private conservation land acquisition programs. The Department respectfully asks that this House adjustment be removed in SD1 to HB 500.

CARTY S. CHANG
INTERIM CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

DANIEL S. QUINN
INTERIM FIRST DEPUTY

W. ROY HARDY
ACTING 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

LNR 172:

- HD1 did not incorporate the Administration's request to raise the Forest Stewardship Fund expenditure ceiling by \$1,300,000 for each year of the fiscal biennium for the State Landowner Assistance Programs for Forest Stewardship: This adjustment will negatively impact the following Forest Watershed Protection Projects: \$1,000,000 would have been used across the State for management of the Forest Reserve System encompassing over 650,000 acres of watershed forest lands. These lands are critical to the health of Hawaii's watersheds, wildlife habitat, recreation lands, hunting areas, carbon sequestration and open space; \$200,000 would have been used in support of landowner assistance programs, such as Forest Stewardship, that are matched dollar for dollar by federal funds; \$100,000 would have used to improve state forest nursery facilities and to facilitate timber harvests on Hawaii and Kauai islands that provide significant revenue generation. The Department respectfully asks that this request be incorporated in SD1 to HB 500.

LNR 402:

- HD1 did not incorporate \$750,000 requested in Fiscal Year 2015-2016 by the Administration for the equipment for fire, natural disaster and emergency responses: The Division of Forestry and Wildlife is the primary wildland firefighting agency on state lands. This adjustment will result in the inability to purchase much needed fire-fighting equipment. The funds were to be used to purchase brush trucks to replace equipment that is past its intended life. Many of these models are discontinued, making repairs difficult and costly. Lack of equipment will prevent a timely and effective fire control, leading to larger, more expensive fires, threatening the health and safety of firefighters and the communities they assist in protecting. The Department acknowledges HB 440, HD1, which proposes to appropriate unspecified funds to the Department for, among other items, equipment for fire. The Department respectfully asks that this request be incorporated in SD1 to HB 500.
- HD1 did not incorporate \$4,000,000 requested in each year of the fiscal biennium by the Administration to maintain existing funding for interagency invasive species prevention, control projects: This adjustment will result in the complete loss of approximately 40 interagency invasive species projects, including the loss of roughly 85 research and field jobs supported partially by the Hawaii Invasive Species Committee funds at the Invasive Species Committees and Hawaii Ant Lab (HAL). The adjustment will result in the closure of the HAL, the lead research and management entity for fire ant responses statewide. Ongoing responses to the little fire ant, coqui frog, coconut rhinoceros beetle, miconia and many other pests will be abandoned, wasting years of hard-earned progress and millions of dollars by allowing these species that are under control programs to freely reproduce and spread across the State. The Department respectfully asks that this request be incorporated in SD1 to HB 500.

LNR 405:

- HD 1 did not approve the Administration's request to convert 12 positions from temporary to permanent for the Statewide Community Fisheries Enforcement Units (CFEU): This adjustment negatively impacts continuation of the Maui CFEU pilot as well as expansion and creation of the same program for the rest of the major Hawaiian Islands. The Division of Conservation and Resources Enforcement (DOCARE) has found it extremely difficult to recruit enforcement officers at temporary status as they seek more secure and long term

employment opportunity. Without the permanent positions needed for the program, the Maui CFEU program will be terminated and programs for the other islands cannot be initiated. The Department respectfully asks that this request be incorporated in SD1 to HB 500.

LNR 407:

- HD1 did not incorporate the Administration's request to increase the Natural Area Reserve Special Fund (NARF) expenditure by \$5,000,000: The \$5,000,000 ceiling increase for NARF is primarily a substitute for the general and CIP funds that were provided in Fiscal Biennium 2013-2015 for watershed protection. Without this ceiling request, watershed funding will be greatly reduced compared to previous years, impacting the 11 statewide watershed partnerships. The Natural Area Reserves System, and many other programs depend on these core funds. The Department acknowledges HB 440, HD1, which proposes to appropriate unspecified funds to the Department for, among other items, land and natural resource projects related to watershed management plans. The Department respectfully asks that this request be incorporated in SD1 to HB 500.
- HD1 reduces the NARF expenditure ceiling by \$8,150,574 in Fiscal Year (FY) 2015-2016 and by \$8,199,427 in FY 2016-2017 : The reduction in the availability of NARS special funds would result in the following: 1) Loss of 49.5 civil service positions, as well as over 146 jobs of contractors and partners funded by the NARF; 2) Breach of contract and termination for 9 multi-year natural area partnership agreements, resulting in potential forfeiture of conservation easements that prevent development of 32,520 acres; 3) Inability to provide required match for grants; 4) Elimination of management for the Natural Area Reserves System and for the Natural Area Partnerships Program. Investments in natural areas have protected Hawaii's most intact native ecosystem and unique geological features. Without management, Hawaii's irreplaceable natural and cultural heritage will be lost; and 5) Elimination of the watershed partnership program. In addition to keeping water affordable, this program greatly reduces erosion that muddies coral reefs and beaches. The Department respectfully asks that this House adjustment be removed in SD1 to HB 500.

LNR 801:

- HD1 did not include the Administration's request of a Planner IV position for a Day Use Mooring Program: This position will provide a mechanism for the Division of Boating and Ocean Recreation (DOBOR) to proactively work with communities. It will also be responsible for DOBOR's mooring buoy program. Without this position, DOBOR has been unable to document oversight and maintenance. Planner IV position will bolster the state's contention that it has exercised due care, as this position will create and implement a uniform system of clean, industry-standard buoys that puts Hawaii's system on par with other well-run programs. It would also ensure that all buoys statewide receive equal treatment. Through these efforts, the position will reduce liability through documented monitoring and maintenance. The Department respectfully asks that this request be incorporated in SD1 to HB 500.

LNR 802:

- HD1 did not include the Administration's initial request of an Office Assistant III for Kauai in the State Historic Preservation Division (SHPD): SHPD currently has two Office

Assistants to support a staff of 31. Critical administrative and clerical tasks will either not be done at all or done by professional staff, taking them from their technical duties. The Department respectfully asks that this request be incorporated in SD1 to HB 500.

- HD1 did not include the Administration's request for three additional general-funded Office Assistant III positions (One for Hawaii and two for Oahu) and associated office furniture and equipment for SHPD: Critical administrative and clerical tasks will not be done or professional staff will have to do the task, taking time from their essential duties. The Department respectfully asks that this request be incorporated in SD1 to HB 500.
- HD1 includes special funds for two Archaeologist and one Burial Specialist positions and equipment: Proposed increase in the special fund ceiling is \$210,000; the total position proposed for the special fund will require approximately \$240,000. Current revenue projection for FY16 is \$210,000. The Department respectfully asks that the method of financing for this request be changed from special funds to general funds in SD1 to HB 500.

LNR 906:

- HD1 did not include the Administration's request of \$1,000,000 in general funds for Kaho'olawe Island Reserve Commission (KIRC) payroll and operating expenses: The KIRC will not have sufficient funds within the Kaho'olawe Rehabilitation Trust Fund to continue operations beyond end of year 2015. The impact of this adjustment will require the KIRC to complete any current grant obligations to our funders prior to releasing the majority of its employees, securing daily operations on island and demobilizing any salvable material, equipment and supplies from the Honokanaia Base Camp for release and return to the trust fund. This will halt the decades invested in the environmental restoration of Kaho'olawe and mostly likely terminate or severely reduce public access to the island. The Department acknowledges HB 438, HD1, SD1, which proposes to appropriate unspecified funds to KIRC for restoration and preservation projects. The Department respectfully asks that this request be incorporated in SD1 to HB 500.
- HD1 did not include the Administration's request of \$164,404 in general funds for the Aha Moku Advisory Council (AMAC): The Legislature created AMAC in 2012 but has not appropriated funds for its ongoing operations. Funding must come from general funds or the program is in danger of not existing. The Department respectfully asks that this request be incorporated in SD1 to HB 500.
- HD1 includes funding AMAC with donations, gifts, and grants: OHA has helped to fund this program but will no longer do so. Funding must come from general funds because there are no options for funding otherwise. The Department acknowledges Senate Bill (SB) 786, SD2, HD1, which proposes to appropriate unspecified funds to the Department for administration and operation of AMAC. The Department respectfully asks that this request be incorporated in SD1 to HB 500.

The Department note that there are also funding bills which the Department supports, related to: LNR 401, Hawaii Islands Humpback Whale National Marine Sanctuary that proposes to establish a sanctuary co-manager position and appropriates funds (HB 1478, HD1, SD1); LNR 405, DOCARE that proposes to appropriate unspecified funds for personnel services, current expenses, equipment,

and motor vehicles (SB 502 SD2); and LNR 802, SHPD that proposes to appropriate funds for the digitization of historic preservation records and positions (HB 611, HD2, SD1).

Capital Improvement Project (CIP) Budget:

LNR 101:

- Waimea River Crossing, Kauai: The Department is not responsible for the crossing or public road. The Department respectfully asks that this House adjustment be removed in SD 1 to HB 500, or that the appropriation be made to the County of Kauai.

LNR 405:

- Hanahanapuni Firing Range Project, Kauai: The Department supports this addition provided it does not impact the Administration's objectives as indicated in the Executive Budget.

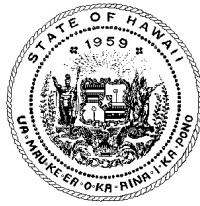
LNR 806:

- State Parks hazard mitigation: The deletion of the requested funding will limit our ability to implement measures to ensure the safety of all users, visitors and residents, in our parks and public areas. The Department respectfully asks that this request be incorporated in SD1 to HB 500.
- Central Maui Regional Park, Maui: This add-on will help with ongoing construction of recreational facilities at this park.

LNR 906:

- West Hawaii Administrative Facility, Hawaii: Funding is needed for infrastructure development to support the new facility, currently under design. Delays in funding will cause a corresponding delay in the completion and availability of the community center and consolidated facility to support various departmental programs and divisions. The Department respectfully asks that this request be incorporated in SD1 to HB 500.
- Waiakea Uka Community Center, Hawaii: Inclusion of this project adversely affects the Department's priorities as indicated in the Executive CIP Budget request. The Department is unable to determine if or how this project will complement the Department's mandates and duties. This project may be more appropriate under the Department of Accounting and General Services or some other community development / support agency.

Thank you very much for the opportunity to testify on this measure.



STATE OF HAWAII
DEPARTMENT OF PUBLIC SAFETY
919 Ala Moana Boulevard, 4th Floor
Honolulu, Hawaii 96814

Cathy Ross
Deputy Director
Administration
Deputy Director
Corrections

Shawn Tsuha
Deputy Director
Law Enforcement

TESTIMONY ON HOUSE BILL 500, HOUSE DRAFT 1
RELATING TO THE STATE BUDGET

By

Nolan P. Espinda, Director
Department of Public Safety

Senate Committee on Ways and Means
Senator Jill N. Tokuda, Chair
Senator Ronald D. Kouchi, Vice Chair

Wednesday, April 1, 2015; 9:10 AM
State Capitol, Room 211

Chair Tokuda, Vice Chair Kouchi and Members of the Committee:

The Department of Public Safety (PSD) would like to express our appreciation to the House Committee on Finance for its support of the Department's FB 2015-17 Budget Requests, especially for funding all our operating budget requests for trade off/transfers, non-general and federal fund adjustments.

However, the PSD must note its concern with House Bill 500, House Draft 1 not funding the following requests:

1. Increase funds for food supplies and kosher meals [FY16:\$1,969,388; FY17:\$2,133,699]
2. Funds to relocate 248 inmates from Halawa Correctional Facility (HCF) to the mainland to ensure the completion of DAGS Job 12-27-5644 HCF Security Electronics and Hardware Repair and Improvements project on schedule [FY16:\$3,164,155; FY17:\$2,741,454]
3. Funds for rent for the Department's Administration Offices [FY17: \$1,359,280]

Additionally, we note that House Bill 500, House Draft 1 made reductions to the following:

- Reduced by \$27,000 the \$45,000 request for the replacement body armors for the Sheriffs
- Deleted one temporary position in PSD 900 that is responsible for a lot of the processing required for EUTF matters

The PSD is also thankful for the support for our Capital Improvement Program (CIP) request for both years of FB 2015-17.

Thank you for the opportunity to present this testimony.

DAVID Y. IGE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



MARIA E. ZIELINSKI
DIRECTOR OF TAXATION

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

To: The Honorable Jill N. Tokuda, Chair
and Members of the Senate Committee on Ways and Means

Date: Wednesday, April 1, 2015
Time: 9:10 A.M.
Place: Conference Room 211, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

Re: H.B. 500 H.D.1, Relating to the State Budget

The Department of Taxation (Department) supports H.B. 500 H.D.1, which funds the operations of the Department, and respectfully asks the Committee to consider restoring the proposed deletion of a temporary position in TAX107.

TAX107 has only three vacancies; thus, the loss of one position will have a direct impact on the efficient operation of the Department. The current status of the three temporary positions is as follows:

- Administrative Rules Specialist: An applicant has accepted the position and is expected to be on board by May 1, 2015. This individual will be part of the TSM management team.
- Management Analyst IV: Although the position has not been filled yet, the Department intends to recruit and fill the position once the Tax System Modernization (TSM) vendor has been selected. The vendor procurement process is continuing, but the Department anticipates selecting a vendor before the end of 2015.
- Administrative Appeals Officer: This position is essential to the department because it is the only position that can administratively resolve tax appeals. The Department has determined that a statutory amendment is needed to clarify the duties of the Appeals Officer. Legislation was proposed in 2014, but the amendment was not approved by the Legislature; the Department intends to propose amendments in 2016 in order to move forward with the administrative appeals process.

Thank you for the opportunity to provide comments.



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

IN REPLY REFER TO:

April 1, 2015
9:10 am
State Capitol, Room 211

HB 500, HD1
RELATING TO THE STATE BUDGET

Senate Committee on Ways and Means

The Department of Transportation **supports the intent** of H.B. 500, H.D. 1 which appropriates funds for the operating and capital improvement budget of the Executive Branch for Fiscal years 2016-2017. While the majority of our requests were approved, the DOT would like to offer the following comments on House Draft 1.

There are several critical requests needed to meet federal standards as well as support the day to day operations for the department in this current draft that was not concurred with. This is further detailed in our formal response to the committee and provided separately to your Committee as requested. As such, we are highlighting the following:

- House Draft 1 did not fund request for motor vehicles at various Airports statewide. These requests were made due to the age and condition of the current vehicles. It is important for the staff operating our Airports to have vehicles fully equipped and in reliable working condition. These vehicles will be used by staff to respond to emergency situations, perform inspections and travel from Hilo to Kona on the island of Hawaii.
- -We are also concerned with the fact that the House did not approve our request to fund Insurance for our State's Harbor system. It is the Department's stance that this crucial operating expense should have its own dedicated funding.
- House Draft 1 also did not contain our second Governor's Message requests. This included requests for positions directly related to the safety of our traveling public, funding for required federal mandates and capital improvement projects statewide. There are measures to move the department towards energy efficiency, show leadership in airport safety management systems and the establishment of the Intelligent Transportation Systems Branch in the Highways Division. The capital projects requested in this message will help to create a lasting impression in the eyes of the traveling public at our airports and provide greatly needed highway improvements statewide.

The department would very much appreciate your reconsideration of all our identified areas when reviewing our detailed comments to H.B. 500, H.D. 1.

Thank you for the opportunity to provide testimony.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Ways and Means
April 1, 2015 at 9:10 am Room 211

by
David Lassner
President – University of Hawai'i

HB 500 HD1 – RELATING TO THE STATE BUDGET

Chair Tokuda, Vice Chair Kouchi, and members of the committee:

Thank you for this opportunity to testify. The University of Hawai'i (UH) supports HB 500 HD1, Relating to the State Budget, with some concerns about the overall funding level.

The House Draft proposes a significant change to UH's operating budget, as it appropriates all general fund moneys that were previously budgeted at the campus level (i.e. UOH100, UOH210, etc.) at the system-wide level (UOH900). The University is appreciative of this expression of confidence in its ability to manage its affairs with greater flexibility, transparency, and accountability. However, we do note that the amount aggregated into lump sum in HB 500 HD1, does not provide any additional funds above FY15 levels. Merely aggregating a budget in a lump sum fashion does not overcome funding shortfall conditions.

The Board of Regents (BOR) sent a request to the Governor for additional general funds in the amounts of \$35.5 million for FY16 and \$38.9 million for FY17, which provided funding to address shortfalls in utilities cost, federal compliance issues, to include Title IX, enrollment growth at UH-West O'ahu, and UH's research and innovation initiative. Despite the flexibility afforded to UH in the HD1 version of the budget, UH believes that a significant amount of funding need will continue to exist.

With regard to the Capital Improvement Program (CIP) portion of our budget, UH is concerned with the level of funding of its highest CIP priorities. The Governor's CIP budget submittal included full funding (\$63.46 million) for our Health, Safety, and Code Requirement needs and partial funding (\$43.54 million) for our Capital Renewal and Deferred Maintenance project. HB 500 HD1 deleted funding for these two important projects.

The following table summarizes the differences between UH's CIP budget, the Governor's CIP budget, and HB 500 HD1. At a minimum, we respectfully request that the Senate restore the funding recommended by the Governor.

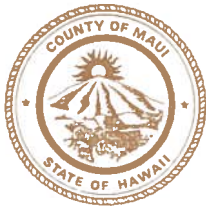
Priority	Campus	Project Title	University CIP Budget		Governor's CIP Budget ¹		House of Representatives	
			2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017
Board of Regents' CIP Budget								
1	SYS	Health, Safety, and Code Requirements	36,060 C	27,400 C	36,060 C	27,400 C	0 C	0 C
2	SYS	Capital Renewal and Deferred Maintenance	85,773 C	102,499 C	14,936 C	28,600 C	0 C	0 C
3	SYS	Minor CIP ²	34,000 C	18,000 C	0 C	0 C	50,996 C	0 C
4	SYS	Major CIP Planning	4,700 C	200 C	0 C	0 C	0 C	0 C
5	UHM	Snyder Hall Renovation	18,000 C	0 C	0 C	0 C	0 C	0 C
6	UHWO	Science, Technology, and Creative Media Facility	21,467 C	0 C	0 C	0 C	0 C	0 C
7	SYS	University of Hawai'i Project Adjustment Fund	4 C	0 C	4 C	0 C	4 C	0 C
8	UHM	Kuykendall Hall Renovation	0 C	40,000 C	0 C	0 C	0 C	0 C
9	KAP	Naio Building Renovation	0 C	5,000 C	0 C	0 C	0 C	0 C
10	UHWO	Professional Studies Building	0 C	2,000 C	0 C	0 C	0 C	0 C
11	UHM	Keller Hall Renovation	0 C	2,000 C	0 C	0 C	0 C	0 C
12	UHM	Daniel K. Inouye Center for Democratic Leadership	0 C	1 C	0 C	0 C	0 C	0 C
Legislative Initiatives								
•	HAW	Hawai'i Community College Portable Trailers	0 C	0 C	0 C	0 C	1,500 C	0 C
•	MAU	Maui Community College Food Innovation Building	0 C	0 C	0 C	0 C	25,000 C	0 C
		University of Hawai'i	200,004	197,100	51,000	56,000	77,500	0
		<u>Means of Financing</u>						
		C General Obligation Bond Fund	200,004 C	197,100 C	51,000 C	56,000 C	77,500 C	0 C

¹ Includes Governor's Message dated February 10, 2015

² HB 500, HD 1 includes Minor CIP projects in UOH 800 and UOH 900

Thank you for your consideration and support of Hawai'i's only public institution of higher education.

ALAN M. ARAKAWA
MAYOR



KEITH A. REGAN
MANAGING DIRECTOR

OFFICE OF THE MAYOR

Ke'ena O Ka Meia

COUNTY OF MAUI – Kalana O Maui

TESTIMONY OF MAYOR ALAN M. ARAKAWA COUNTY OF MAUI

SUBJECT: FUNDING FOR THE KAHO`OLAWE ISLAND RESERVE COMMISSION

Please accept this testimony in strong support of full state funding for the Kaho`olawe Island Reserve Commission (KIRC). Whether by inclusion in the state budget through HB500, or a direct appropriation as proposed by HB 438, support of the KIRC is a state responsibility.

When the state accepted Kaho`olawe back from the U.S. military in 1994, it was recognized that state funding would eventually be needed to maintain and restore the island. As Section 1 notes in each of the above-reference bills, the federally-mandated Kaho`olawe Island Conveyance Commission reported to Congress in 1993 that KIRC's federal trust fund would be used to initiate conservation and other programs, but that state funding was required for the long term.

I was able to travel to Kaho`olawe last month to view the incredible work that the KIRC performs every day – its Restoration Program planting native shrubs and grasses to minimize erosion and restore native ecosystems, its Ocean Program monitoring marine species and the Island Reserve's pristine waters, its Culture Program preserving archaeological sites and promoting traditional Hawaiian practices, and its Operations staff providing all kinds of logistical and maintenance support to these program efforts. The KIRC's annual budget is less than \$3 million; they manage and are steadily restoring an entire island reserve – a former bombing range with 45 square miles of land and 90 square miles of ocean – for less than \$3 million per year; this has to be one of the most efficient government agencies in the state.

The Legislature has rightly recognized the state's responsibility to providing funding for the KIRC, and clearly appreciates the successes that KIRC has achieved. Your careful consideration of these funding measures comes at a critical time, and I respectfully request your support.

MITCHELL D. ROTH
PROSECUTING ATTORNEY

DALE A. ROSS
FIRST DEPUTY
PROSECUTING ATTORNEY



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(808) 934-3503

WEST HAWAII UNIT
81-980 HALEKĪ'I ST, SUITE 150
KEALAKEKUA, HAWAII 96750
PH: (808) 322-2552
FAX: (808) 322-6584

OFFICE OF THE PROSECUTING ATTORNEY

TESTIMONY IN SUPPORT OF HOUSE BILL 500, HD1

A BILL FOR AN ACT RELATING TO THE STATE BUDGET

COMMITTEE ON WAYS AND MEANS

Sen. Jill N. Tokuda, Chair
Sen. Ronald D. Kouchi, Vice Chair

Wednesday, April 1, 2015, 9:10 a.m.
State Capitol, Conference Room 211

Honorable Chair Tokuda, Vice-Chair Kouchi, and Members of the Committee on Ways and Means, the Office of the Prosecuting Attorney, County of Hawai'i submits the following testimony in support of House Bill No. 500, HD1.

This measure appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2015-2016 and 2016-2017.

We are supporting the \$380,000 appropriation to increase the Statewide Sexual Assault Services contract for both FY 2016 and FY 2017. We commend the work of the Sex Abuse Treatment Center (SATC) and their mission to support the emotional healing process of those sexually assaulted in Hawai'i. Its administration of services covering direct crisis intervention, mental health therapy services, coordination of care and advocacy, prevention and education services, and their community outreach presentations are vital to assisting survivors and victims of sex assault to rebuild their lives and find the safety and support they need, in their hour of need.

The Office of the Prosecuting Attorney, County of Hawai'i supports the passage of House Bill No. 500, HD1. Thank you for the opportunity to testify on this matter.

Justin F. Kollar
Prosecuting Attorney

Kevin K. Takata
First Deputy



Rebecca A. Vogt
Second Deputy

Diana Gausepohl-White
Victim/Witness Program Director

OFFICE OF THE PROSECUTING ATTORNEY

County of Kaua'i, State of Hawai'i

3990 Ka'ana Street, Suite 210, Lihu'e, Hawai'i 96766
808-241-1888 ~ FAX 808-241-1758
Victim/Witness Program 808-241-1898 or 800-668-5734

TESTIMONY REGARDING
HB500, HD1 – RELATING TO THE STATE BUDGET

Justin F. Kollar, Prosecuting Attorney
County of Kaua'i

Senate Committee on Ways and Means
April 1, 2015, 9:10 a.m., Conference Room 211

Chair Tokuda, Vice Chair Kouchi, and Members of the Committee:

The County of Kauai, Office of the Prosecuting Attorney, **STRONGLY SUPPORTS** the \$380,000 appropriation to increase the Statewide Sexual Assault Services contract for both FY 2016 and FY 2017. These funds would appropriate funds to the Department of the Attorney General for statewide sexual assault services for the fiscal biennium 2016-2017 and beginning with the following year set a minimum base budget for statewide sexual assault services.

This Office supports the work of the Sex Abuse Treatment Center. The SATC administers vital state funding for sexual assault services provided by the SATC and, here on Kaua'i, the YWCA of Kaua'i. These services cover direct crisis intervention, mental health therapy services, coordination of care and advocacy and prevention and education services. These services are vital to assisting survivors and victims of sex assault to rebuild their lives and find the safety and support they need, in their hour of need. The SATC's partnership has been vital in ensuring a coordinated, standardized and systematic method of administering these services on a statewide basis. We join in their request that you appropriate funds in the amount of \$380,000.

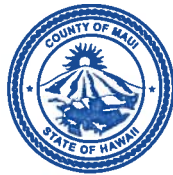
Based on the foregoing, the County of Kauai, Office of the Prosecuting Attorney, **STRONGLY SUPPORTS** the appropriation of these funds as part of HB500, HD1, Relating to the State Budget.

Thank you very much for the opportunity to provide testimony on this bill.

ALAN M. ARAKAWA
Mayor

WILLIAM R. SPENCE
Director

MICHELE CHOUTEAU McLEAN
Deputy Director



COUNTY OF MAUI
DEPARTMENT OF PLANNING

Hearing Date: April 1, 2015

Senator Jill N. Tokuda, Chair
Senator Ronald D. Kouchi, Vice Chair
and Members of the Senate Committee on Ways and Means
Conference Room 211
State Capitol
415 South Beretania Street
Honolulu, Hawai'i

Aloha Chair Tokuda, Vice Chair Kouchi, and Committee Members:

**SUBJECT: SUPPORT FOR FUNDING FOR THE KAHO`OLAWE ISLAND
RESERVE COMMISSION IN HB438 AND HB500**

Please accept this testimony in support of providing sufficient funding for the continued restoration and management of the Kaho`olawe Island Reserve (Reserve).

Funding can be provided to the Kaho`olawe Island Reserve Commission (KIRC) in House Bill 500, which appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2016 and 2017, or through HB438, which provides a direct appropriation. Both bills are being heard by your Committee on April 1, 2015.

Whether through HB500 or HB438, or both, it is essential that the KIRC receives sufficient funding for its annual operating budget of \$2.7 million to ensure that essential programs and operations are not disrupted.

A continuous round-the-clock 24/7 presence on Kaho`olawe is needed to ensure the protection of the general public because 25 percent of the island remains uncleared of unexploded ordnance. Hawai'i's people benefit every day from KIRC's Restoration, Ocean Resources and Cultural programs, as they have made great strides in restoring and protecting Kaho`olawe's native ecosystems and cultural resources. Thousands of volunteers from throughout the state have contributed to these efforts over the years; their work should be honored by allowing these programs to continue. HB500 and/or HB438 can provide this funding support.


The continued restoration includes the island of Kaho`olawe and 90 square miles of its surrounding waters. As the Chair and Maui County representative for the Kaho`olawe Island Reserve Commission (KIRC), I can attest to the urgency and importance of providing this secure, short-term source of funding. Those of you who have been able to visit Kaho`olawe would hopefully agree.

Senator Jill N. Tokuda, Chair
Senator Ronald D. Kouchi, Vice Chair
and Members of the Senate Committee on Ways and Means
Hearing Date: April 1, 2015
Page 2

When the State accepted the return of Kaho`olawe from the United States in 1994, it clearly accepted the responsibility to preserve and manage the Reserve. The terms of this acceptance were also stated in the federally-mandated Kaho`olawe Island Conveyance Commission final report to Congress in 1993: "in the short term, federal funds will provide the bulk of the program support for specific soil conservation projects and related activities. **In the longer term, however, state revenues will be needed to continue and enhance those activities initiated with federal funds**" (emphasis added). This funding responsibility, therefore, belongs to the State.

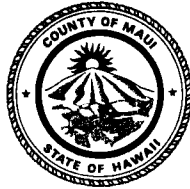
Full funding of no less than \$2.7 million annually will fulfill the State's commitment to restore and protect the Reserve; your support will be sincerely appreciated.

Mahalo for your consideration,



MICHELE McLEAN
Deputy Planning Director, County of Maui
Chair, Kaho`olawe Island Reserve Commission

ALAN M. ARAKAWA
Mayor



JOHN D. KIM
Prosecuting Attorney

ROBERT D. RIVERA
First Deputy Prosecuting Attorney

DEPARTMENT OF THE PROSECUTING ATTORNEY
COUNTY OF MAUI
150 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
PHONE (808) 270-7777 • FAX (808) 270-7625

CONTACT: RICHARD K. MINATOYA
Deputy Prosecuting Attorney
Supervisor - Appellate, Asset Forfeiture and Administrative Services Division

TESTIMONY
ON
HB 500, HD 1 - RELATING TO THE STATE BUDGET

April 1, 2015

The Honorable Jill N. Tokuda
Chair
The Honorable Ronald D. Kouchi
Vice Chair
and Members of the Senate Committee on Ways and Means

Chair Tokuda, Vice Chair Kouchi and Members of the Committee:

The Department of the Prosecuting Attorney, County of Maui, **STRONGLY SUPPORTS** the \$380,000 increase to the Statewide Sexual Assault Services contract for the 2016-17 fiscal biennium in HB 500, HD 1 - Relating to the State Budget. These funds would be expended by the Department of the Attorney General for statewide sexual assault services and set a minimum base budget for statewide sexual assault services starting the following year.

We support the work of the Sex Abuse Treatment Center, which administers the state funding for sexual assault services it provides, along with the Child and Family Services here in Maui County. They provide a full spectrum of necessary services, including crisis intervention, care coordination and advocacy, mental health therapy, and education and prevention programs. These services are critical to help sexual assault victims, not only with immediate care, but also with their efforts to move forward with their lives. SATC and their coordinated agencies have played vital roles in the treatment, care and support of sexual assault victims in our communities.

Accordingly, the Department of the Prosecuting Attorney, County of Maui, **STRONGLY SUPPORTS** the approval of these funds as part of HB 500, HD 1.

Thank you very much for the opportunity to provide testimony on this bill.

Senator Tokuda, Chair
Senator Kouchi, Vice Chair
Members of the Senate Committee on Ways and Means

Re: Testimony in Support of HB 500 HD 1, Relating to the State Budget requesting restoration of \$6 million for the proposed biennium budget-- Hearing April 1, 2015 at 9:10 am, Conference Room 211

Dear Chair Tokuda, Vice Chair Kouchi, Members of the Senate Committee on Ways and Means:

My name is Robert G. Peters and I currently serve as the chair of the State Early Learning Advisory Board (ELAB) composed of 19 public and private members representing state departments, the early learning community, philanthropy, and the State university system (see attached list). On behalf of the members of the ELAB, I urge you to restore \$6 million for the Pre-school Open Doors (POD) program operated by the Hawaii Department of Human Services to the State biennium budget through HB 500 HD 1 which appropriates funds for the Executive Branch budget. Restoration of the funding at the current year's level is the goal; no expansion of funding is proposed. This program has been in existence since 1990 and has provided a valuable lifeline for hundreds of families every year throughout the state.

POD provides critical subsidies for income-eligible families sending their children to a licensed preschool during the school year prior to kindergarten entry. Given that we know that child care is generally the second largest expense in family budgets after rent and mortgage (PATCH), these subsidies broaden access and opportunity to families in need. POD allows low-income children and families in our Islands to afford childcare so that parents can work or pursue higher education. At present, nearly half of the children served are from single-parent households.

The goal of POD is to promote school readiness for children, and the program focuses on meeting the needs of the child. During the current year, almost 1300 children are being served by the program. If the \$6 million is not restored for the 2015-16 year to operate POD, over 1,000 children will be denied the chance to be school-ready when entering kindergarten. This will be most seriously felt among the underserved and at-risk children of our State. And, the need for this critical safety net program is clear given the 54% increase in POD applications this past year and to provide an option for late-born children ineligible for Kindergarten.

We appreciate that you are all well-aware of the school readiness advantage of those who benefit from POD and, therefore, urge you vote "yes" on SB 64 SD3 to include the \$6 million for Preschool Open Doors. Thank you for the opportunity to offer testimony.

Sincerely,
Robert G. Peters, EdD
Early Learning Advisory Board, Chair

Early Learning Advisory Board Members Represent the following:

Department of Human Services

Hawaii Council of Mayors, Maui Representative

Head Start Provider

Philanthropic Organization (Samuel N. & Mary Castle Foundation)

Center-Based Programs

Hawaii Early Intervention Coordinating Council

Department of Health

Parent Representative

Head Start Collaboration

University of Hawaii System

Department of Education

Kamehameha Schools

Family Child Interaction Learning

Home-Visiting Program Provider

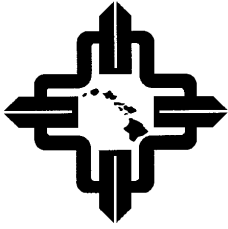
Hawaii Association of Independent Schools

Hawaiian Language Medium Early Learning

Hawaii Chapter of the American Academy of Pediatrics

Hawaii Council of Mayors, Kauai Representative

Family Child Care Program



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Quality Healthcare For All"

**Senate Committee on Ways and Means
Senator Jill N. Tokuda, Chair
Senator Ronald D. Kouchi, Vice Chair**

April 1, 2015
Conference Room 211
9:10 a.m.
Hawaii State Capitol

**Testimony Supporting House Bill 500 H.D.1, Relating to the State Budget.
Appropriates funds for the operating and capital improvement budget of the
Executive Branch for fiscal years 2015-2016 and 2016-2017.**

Linda Rosen, M.D., M.P.H.
Chief Executive Officer
Hawaii Health Systems Corporation

On behalf of the Hawaii Health Systems Corporation (HHSC) Corporate Board of Directors, thank you for the opportunity to present testimony **in support** of HB 500, H.D. 1, that relates to the State Budget.

RESULTS OF HB500 H.D.1

The House Finance Committee recommended an additional \$21 million in general fund appropriations for HTH 212 for fiscal year 2016, increasing HHSC's level of general fund appropriations (A funds) that year from \$84,940,000 to \$105,940,000. This was in accordance with the Governor's message item. There was no increase to the general fund appropriations (A funds) for HTH 212 for fiscal year 2017, which remained at \$84,940,000. The only other significant change to the base budget was an increase to HTH 212's capital improvement project appropriations (C funds) for fiscal year 2016, which went up \$9.2 million from \$12 million to \$21.2 million, which includes \$1.2 million in planning and design work for a new Kona Hospital.

HHSC REQUESTS

HHSC respectfully requests that the Legislature provide an **additional \$71 million for fiscal year 2016 and \$110 million for fiscal year 2017** in A funds for HHSC, as HHSC is being forced to absorb collective bargaining costs which it had no control over

negotiating while the vast majority of other state agencies are being fully-funded for these costs. It is anticipated that HHSC will already have to absorb **\$79.9 million** in cumulative unfunded collective bargaining pay raises in fiscal year 2016 and **\$102.5 million** in fiscal year 2017, broken down as follows:

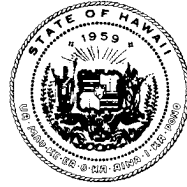
	FY 16	FY 17
COLLECTIVE BARGAINING PAY INCREASES:		
Unfunded Collective Bargaining Raises from FY 15	48.1	48.1
Collective Bargaining Funding Received in FY 15, but not received in FY 16 & 17	12.0	12.0
Pay Raises for Units 1, 10, and 13 (already negotiated)	5.6	11.4
Estimated Pay Raises for other bargaining units (to be negotiated) (estimated at 4% plus step movements)	<u>14.2</u>	<u>31.0</u>
TOTAL COLLECTIVE BARGAINING PAY RAISES	<u>79.9</u>	<u>102.5</u>

On top of these collective bargaining costs, per Budget and Finance’s budget instructions, special funded agencies like HHSC were instructed to budget for a 10% increase in the fringe benefit rate from 42% to 52%, in anticipation of the funding requirements for other post-employment benefits from Act 268 of the 2013 Session. This will cost HHSC an estimated **\$34.6 million** each year for fiscal year 2016 and fiscal year 2017. On top of that, HHSC estimates that it may lose approximately **\$4.3 million** in fiscal year 2016 from the unfunded, federally-mandated conversion of all healthcare providers to the ICD-10 clinical documentation and coding standard on October 1, 2015. All of the items mentioned above are unfunded mandates that HHSC is being burdened with, and are out of HHSC’s control. In summary, the total of all these unfunded mandates is **\$118.8 million** in fiscal year 2016 and **\$137.1 million** in fiscal year 2017, as shown in the chart below.

	FY 2016	FY 2017
Collective Bargaining Underfunding	79.9	102.5
Fringe Benefit Rate Increase of 10%	34.6	34.6
Loss of Revenue from ICD-10	<u>4.3</u>	<u>-</u>
Total Unfunded Mandates	<u>118.8</u>	<u>137.1</u>

Without the additional funding requested, HHSC will be forced to reduce services, which will certainly restrict access to care, particularly for the neighbor island residents and the vulnerable population that HHSC facilities serve.

Thank you for the opportunity to testify in support of H.B. 500 H.D.1, and we hope that you will consider the request to fund HHSC’s projected cash flow shortfalls. Thank you for all of your support in the past and your continued support of HHSC.



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON WAYS AND MEANS

April 1, 2015 at 9:10 a.m.
State Capitol, Room 211

In consideration of
H.B. 500, H.D. 1 RELATING TO THE STATE BUDGET.

HHFDC **supports** H.B. 500, H.D. 1, **but prefers** the Executive Biennium Budget request, as amended by Governor's Message 207, which, as it pertains to HHFDC, requests an increase to revolving funds for primarily salary shortfalls and computer upgrades, and an infusion of \$100 million for the Rental Housing Trust Fund (RHTF). HHFDC's requests for **adjustments** to its base operating budget are summarized below:

BED 160/HA		FY2016	FY2017
Personal Services (collective bargaining adjust.)	\$	886,764 W	1,311,675 W
Other Current Expenses (rent)		<u>516,496 W</u>	<u>582,096 W</u>
	\$	1,403,260 W	\$ 1,893,771 W
BED 160/HF		FY2016	FY2017
Personal Services (collective bargaining adjust.)	\$	446,165 W	\$ 628,706 W
Other Current Expenses (services on a fee basis)		<u>210,400 W</u>	<u>220,920 W</u>
Compliance monitoring for 139 rental projects totaling 12,331 units financed by HHFDC	\$	656,565 W	\$ 849,626 W
BED 160/HA		FY2016	FY2017
Other Current Expenses (computer hardware and software upgrades)	\$	104,337 W	\$ 80,012 W
BED 160/HF		FY2016	FY2017
HOME Program ceiling increase	\$	100,000 N	\$ 200,000 N
Formula grant funds to expand the supply of housing for low-income households and special needs groups			
BED 160/HF		FY2016	FY2017
RHTF ceiling increase		\$100,000,000 T	\$100,000,000 T

Additionally, HHFDC supports the Governor's Capital Improvement Project (CIP) request for an infusion of \$100,000,000 in G.O. Bond funds in FY 2016 into the RHTF to be leveraged with private funds and state-owned lands along the transit route to provide rental homes for working families.

The RHTF provides equity gap low-interest loans or grants to qualified owners and developers for the development, pre-development, construction, and acquisition/rehabilitation of affordable rental housing projects. Since inception, the RHTF has received \$277 million in conveyance tax collections and legislative appropriations and has awarded \$295 million to finance 5,205 units in 64 affordable rental projects statewide.

The HHFDC makes project awards to eligible projects through competitive funding rounds, subject to the availability of funds. Pursuant to the requirements of section 37-40, HRS, the HHFDC cannot make project awards unless the full amount of the project award is available to be committed to the project. Therefore, a new project award can only be made if there are sufficient uncommitted RHTF funds available.

This CIP request is based on the need for affordable rental housing. The December 2014 Rental Housing Study projected a total statewide affordable rental housing need of 27,224 units over the next 6 years, of which a total of **14,008 units** are needed in the City and County of Honolulu for families at or below 80 percent of the area median income.

A December 2014 survey of housing developers showed that over 1,600 affordable rental housing units could be delivered, statewide, with RHTF awards ranging from \$177.4 to \$205.5 million. If the scope is narrowed to areas near rail stations on Oahu, approximately 900 affordable rental units could be delivered with RHTF awards ranging from \$91.8 to \$114.7 million.

We respectfully request your favorable consideration of these requests. Thank you for the opportunity to testify.

DAVID IGE
GOVERNOR OF HAWAII

SHAN TSUTSUI
LIEUTENANT GOVERNOR



HAWAII INVASIVE SPECIES COUNCIL
1151 PUNCHBOWL ST, #325
HONOLULU, HAWAII 96813

VOTING MEMBERS

CARTY CHANG
DEPARTMENT OF LAND & NATURAL
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LEO ASUNCION
OFFICE OF PLANNING, DEPARTMENT OF
BUSINESS, ECONOMIC DEVELOPMENT &
TOURISM

DAVID RODRIGUEZ
DEPARTMENT OF TRANSPORTATION

**Testimony of the
HAWAII INVASIVE SPECIES COUNCIL**

**Before the Senate Committee on
WAYS AND MEANS**

**Wednesday, April 1, 2015
9:10 AM
State Capitol, Room 211**

**In consideration of
HOUSE BILL 500 HOUSE DRAFT 1
RELATING TO THE STATE BUDGET**

House Bill 500 House Draft 1 requests appropriations for Fiscal Biennium 2015-17. The Hawaii Invasive Species Council (HISC) **supports portions of this measure pertaining to invasive species projects, and respectfully asks this Committee's favorable consideration on the insertion of the cost adjustments requested and submitted by the Administration via Governor's Message No. 207.**

Appropriation to the Hawaii Invasive Species Council

Governor's Message No. 207 would appropriate \$4,000,000 from the general revenues of the State of Hawaii for invasive species prevention, control, outreach, and research projects as directed by the HISC (page 59, Land and Natural Resources, LNR 402). The legislature created the HISC in 2003 as a tool for cabinet-level coordination on invasive species issues, and utilizes the HISC as a mechanism for supporting new and innovative research and implementation projects that complement existing core programs at HISC agencies. The HISC notes that funding for core invasive species programs within agencies (such as agricultural inspection staff, vector control workers, or invasive species removal within Natural Area Reserves) should remain a fiscal priority, with HISC funding utilized to fill gaps between agency mandates (such as incipient weed and animal control by the county-based Invasive Species Committees) or support new research and pilot programs (such as statewide ant control by the Hawaii Ant Lab, canine detection for ants, biocontrol, and herbicide efficacy research).

In Fiscal Year 2015, the legislature provided \$5,750,000 in general funds to the HISC for interagency projects. Of this sum, \$750,000 was provided in the base budget (under LNR 172, which has been corrected in Governor's Message 207 to accurately reflect LNR 402 as the administrative host of the HISC), and \$5,000,000 was provided by special appropriation (Act 102, SLH 2014). Governor's Message 207 would provide \$4,000,000 in general funds to the

HISC in FY16, under LNR 402. **This item was not added to House Draft 1 of this measure. The HISC supports the addition of this item as detailed in Governor’s Message No. 207.**

The HISC further requests that, should an appropriation to the HISC be included in subsequent drafts, that language be added authorizing the Department of Land and Natural Resources, as the administrative host of the HISC, to transfer funds between departments in order to implement projects as directed by the HISC.

Interdepartmental Transfer for Invasive Species Monitoring at Airports

Governor’s Message No. 207 also includes an interdepartmental transfer of \$300,000 from the Department of Transportation to the Hawaii Invasive Species Council (page 63, Department of Land and Natural Resources, LNR 402) to implement an interagency invasive species monitoring project at airport facilities. This project will facilitate the detection of human disease vectors, agricultural pests, and environmental pests through a collaboration of HISC agencies including the Department of Land and Natural Resources, Department of Health, Department of Agriculture, and Department of Transportation, and the University of Hawaii. **This item was not added to House Draft 1 of this measure. The HISC supports the addition of this item as detailed in Governor’s Message No. 207.**

Restoration of Vector Control Positions at the Department of Health

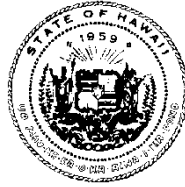
Item 17 under the Health Program appropriations in Part II of House Bill 500 (page 19) would restore four vector control positions to the Hawaii Department of Health. Among other functions, Vector Control Workers monitor ports of entry for disease vectors, including mosquitoes. Mosquitoes are a non-native, invasive species in Hawai‘i, and some species of mosquito have the ability to carry avian diseases (e.g. avian influenza) and/or human diseases (e.g. yellow fever, dengue fever, malaria, and Chikungunya). The Department of Health’s Vector Control Branch was sharply reduced in recent years, causing the loss of these monitoring and prevention services. **The HISC supports this portion of House Bill 500.**

Transit-Oriented Development Planner at Department of Business, Economic Development, and Tourism

Governor’s Message No. 207 also includes funding in FY16 for a Planner IV position at the Office of Planning with the Department of Business, Economic Development and Tourism (page 19). This position will focus on Transit-Oriented Development, which will assist with environmental impact analyses related to transit stations, including the potential for spreading invasive species through public transportation. **This item was not added to House Draft 1 of this measure. The HISC supports the addition of this item as detailed in Governor’s Message No. 207.**

The HISC appreciates the opportunity to provide these comments.

DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
Honolulu, Hawaii 96817

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

SENATE COMMITTEE ON WAYS AND MEANS

April 1, 2015 at 9:10 A.M.
Room 211, Hawaii State Capitol

In consideration of

House Bill 500, HD1

Relating to the State Budget

Honorable Chair Tokuda and Members of the Senate Committee on Ways and Means, thank you for the opportunity to provide you with comments regarding House Bill (HB) 500, House Draft 1 (HD1), relating to the state budget.

The Hawaii Public Housing Authority (HPHA) supports the enactment of this measure, which appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2015 – 2016 and 2016 – 2017.

The HPHA's mission is to promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination through its public housing and rental assistance programs. The HPHA serves the State's most vulnerable populations, including those earning less than thirty percent of the Area Median Income (AMI), the disabled and the elderly.

For Program IDs HMS220, HMS222, and HMS229, the HPHA is requesting federal fund ceiling increases of \$810,196, \$133,201, and \$703,539 in FY16 and FY17, respectively. The requested ceiling increases are needed due to an increase in the federal fringe benefits rate to 52%. The composite federal fringe benefit rate will cover:

- Pension accumulation
- Pension administration
- Retiree health insurance
- Employees' health fund
- Workers' compensation

- Unemployment compensation
- Social security
- Medicare

Lump sum for public housing development, improvements, and renovations statewide

Due to the age of our housing inventory, and unexpected issues that often occur, the HPHA respectfully requests your consideration for a lump sum budget request (as you have done in the past), which will provide the agency with the flexibility of managing and expending capital funds in an expeditious manner. These crucial funds will provide the agency with the ability to tackle its capital needs backlog of approximately three quarter of a billion (\$0.75) in capital needs, and your assistance is very important. The agency has properties that have been built over 50 plus years ago, and the issues at these properties need to be addressed.

Some of the situations that need to be addressed are straight forward site and building improvements such as new roofing needs at Kalihi Valley Homes on Oahu, to unforeseen issues such as remediating arsenic from the soil at Lanakila Homes on Hawaii Island, and to federally mandated Americans with Disabilities Act improvements at all HPHA properties.

The current budget before you has **NO FUNDING** for FY16 and FY17 respectively and will hurt the agency's ability to perform capital improvement work to house additional tenants.

The HPHA currently receives zero funds for these types of capital related operational expenses from the State except for the capital fund appropriation itself. Unfortunately, the agency has not been allowed to draw from the capital appropriations for either the administrative or the direct expenses incurred by the HPHA while expending state capital funds. Therefore, the HPHA respectfully requests additional language to authorize B&F to promptly process the funds:

Project Title: LUMP SUM PUBLIC HOUSING DEVELOPMENT, IMPROVEMENTS, AND RENOVATIONS, STATEWIDE

Description: PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT TO DEVELOP, UPGRADE OR RENOVATE PUBLIC HOUSING FACILITIES. INCLUDING GROUND & SITE IMPROVEMENTS, INFRASTRUCTURE, EQUIPMENT, APPURTENANCES AND ALL RELATED AND ASSOCIATED PROJECT COSTS FOR PUBLIC HOUSING DEVELOPMENT, IMPROVEMENTS, AND RENOVATIONS, STATEWIDE. INCLUDING FUNDS FOR PERMANENT AND NON-PERMANENT POSITIONS THAT WORK ON CIP PROJECTS REGARDLESS OF MEANS OF FINANCING.

Add general funds to provide support for State low-income public housing

Hawaii Revised Statutes Chapter 356D mandates that the State low-income public housing program must be self-supporting, however, the rental income at the HPHA's state housing facilities is insufficient.

The HPHA is requesting these general funds to supplement rental income, and assist the agency in delaying or reasonably increasing rents in both state family and state elderly low-income public housing. State elderly housing represents 576 units out of a total of 864 units or

Hawaii Public Housing Authority

April 1, 2015

Page 3

approximately 80% of the total state units. This population is particularly vulnerable to rent increases as their income is generally fixed.

The HPHA appreciates the opportunity to provide the Senate Committee on Ways and Means with the agency's position regarding HB 500, HD1. We respectfully request the Committee to pass this measure favorably, and we thank you very much for your dedicated support to address the affordable housing crisis facing Hawaii.



Hawai'i Convention Center
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815
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David Y. Ige
Governor

Ronald Williams
Chief Executive Officer

Testimony of
Ronald Williams
President and Chief Executive Officer
Hawai'i Tourism Authority
on
H.B. No. 500, H.D.1
Relating to the State Budget
Senate Committee on Ways and Means
Wednesday, April 1, 2015
9:10 a.m.
Conference Room 211

The overarching goal of the Hawaii Tourism Authority (HTA) is to optimize benefits for Hawaii and integrate the interests of visitors, the community, and the visitor industry. The HTA is guided by a tourism Brand Management Plan and priorities established in the Tourism Strategic Plan. In 2014, the HTA's focus was on maintaining the positive momentum experienced over the previous two years, and in the first eleven months of 2014, total arrivals increased 0.9 percent to 7,517,413 visitors and total expenditures rose 2.3 percent to \$13.3 billion. The increase in arrivals and the resulting increase in visitor spending generated an incremental \$293 million more into the state's economy compared to 2013, provided \$1.4 billion in state tax revenue and supported over 160,000 visitor industry and related jobs.

In 2015, the HTA is committed to building and sustaining the demand from our major market areas, distributing the benefits of tourism across all islands, and leveraging opportunities and partnerships from developing markets, especially in the Asia-Pacific region. Further developing Latin America is a focus for the HTA and have just recently selected a GSA representation for this growing market. We will continue our expansion into other international markets such as Southeast Asia and Hong Kong with RFT's planned for both of these markets in 2015, helping to further our tourism profile.

We will continue to work with the airlines to uncover growth opportunities and stimulate direct service to the state. We will also continue to partner with the airline and travel wholesalers to support existing routes and impact the shoulder periods. Air seats continued to increase in 2014, and is projected to finish the year at a record 11.1 million inbound seats, which equates to an additional 420,000 seats servicing the Hawaiian Islands compared to 2013.

While we are pleased with the results of 2014, we see the momentum begin to slow and expect that to continue into 2015. We recognize that the industry is affected by global trends and events, and is cyclical, so we must be cognizant as we look to 2015 and future years. There are many factors that affect our tourism economy like currency exchange rates, fuel surcharges and other taxes being levied in some markets; which all contribute to the rising cost of a Hawaii vacation. The efforts of the HTA are critical to sustaining Hawaii's tourism economy.

We recommend that the HTA be allowed to retain its current allocation level of TAT revenues, which will allow us to meet our goals that directly impact the state's economy and the overall quality of life of our residents.

Mahalo for the opportunity to offer these comments.



KŪKULU KE EA A KANALOA

KAHO`OLAWE ISLAND RESERVE COMMISSION

811 Kolu Street, Suite 201, Wailuku, HI 96793
Telephone (808) 243-5020 Fax (808) 243-5885
Website: <http://kahoolawe.hawaii.gov>

COMMISSION MEMBERS

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HŌKŪLANI HOLT

Michael K. Nāho`opi`i
Executive Director

Testimony of MICHAEL K. NAHO`OPTI Executive Director

Before the Senate Committee on

WAYS AND MEANS

Wednesday, April 1, 2015

9:10 AM

State Capitol, Conference Room 211

In consideration of HOUSE BILL 500 HD1 RELATING TO THE STATE BUDGET

House Bill 500 HD1 appropriate funds for the General Appropriation Act of 2015. The Kaho`olawe Island Reserve Commission (KIRC) strongly supports this measure with the inclusion of funding for the continued restoration of Kaho`olawe.

GM 207 includes propose changes to the General Appropriation Act of 2015 in support of funding for the Kaho`olawe Island Reserve Commission to continue its innovative restoration program and management of the Kaho`olawe Island Reserve. During the House Finance Committee hearing, the committee did not concur with GM207 with regards to funding Kaho`olawe and did not provided any funds in the current version of HB500. The KIRC request that sufficient funding is reinserted into HB500 in order to support the continuation of guided public access to Kaho`olawe and the long-term restoration of the island.

As stated in the Federally-mandated Kaho`olawe Island Conveyance Commission (KICC) final report to Congress in 1993, "in the short term, federal funds will provide the bulk of the program support for specific soil conservation projects and related activities. In the longer term, however, state revenues will be needed to continue and enhance those activities initiated with federal funds." For the past 20 years, the initial Federal funding has allowed the KIRC to establish many of its innovative programs that emphasize ancestral and traditional knowledge, provide a cultural approach of respect and connectivity to the environment, and integrate ancient and modern resource management techniques. GM 207 is critical to the KIRC as these trust funds will run out by the end of 2016

With 25% of the island still uncleared of unexploded ordnance and only 10% cleared for intensive use, the KIRC's continuing presence on Kaho`olawe is needed to ensure the protection

of the general public. Without funding, the KIRC will have to terminate on-island operations and close the doors to public access to Kaho`olawe.

The funding being sought in this measure is to provide a bridge to allow the KIRC to develop community-wide partnerships, establish collaborative enterprises with other state and federal government entities, and launch long-term revenue generation and sustainable funding opportunities supporting the future of Kaho`olawe. The passage of this measure is critical to ensure that the struggle, hard work, dedication and lives given to the island will not be wasted, but forms the foundation for Kaho`olawe's role as the spiritual, cultural and physical *piko* (center) of the people of Hawai`i.



251 Napua St. Wailuku, HI 96793
242-1608

RE: In Support of HB 500 HD1

March 31, 2015

Dear Chair Tokuda, Vice Chair Kouchi and Members of the Ways and Means Committee,

I am writing to ask you to do everything possible to provide \$6 million in biennium funding for the essential Preschool Open Doors Program. Hundreds of low to middle income Maui County families of 4 year old children are counting on this aid to help them afford safe and dependable child care for their children while they are at work or school or job training. Without it they are at risk of job loss, homelessness and other very bad consequences. Please show Hawaii's families of young children that you do care and understand their challenges by making sure the program is fully funded for 2015-17 and beyond.

In my work as Project Specialist at the Maui County Early Childhood Resource Center over the past 8 years I have personally assisted hundreds of families to access financial aid for child care from the Preschool Open Doors Program. In 2014-15 in particular the help from POD has enabled parents of children affected by the change in Kindergarten entry to work and attend college classes because they have affordable, safe and dependable child care. Without this program, many parents would have to quit their jobs because they can no longer afford the cost of tuition. These families cannot rely on Child Care Connection to meet their needs if POD is not funded in 2015-17 because of Child Care Connection's outdated income guidelines and benefits structure. The CCC benefits are so much lower than POD provides that most low to middle income families don't qualify for enough to make the cost of child care remotely affordable. I have already personally referred approximately 100 families from Maui County to submit applications for POD just this month and many more agencies and child care providers have done the same. The hundreds of families we serve will be crushed to learn that this lifeline may be yanked from their grasp.

I believe it's time for a reality check, there is no way the DOE is going to be able to ramp up and provide preschool for all the late born 4 year olds from low-income families by this August. And even if it was possible, it would cost a lot more than \$6 million to do it. So the bottom line is that unless POD is restored, thousands of children from low to middle income families across the state are not going to be able to go to preschool. It puts parents of these children at risk of losing their jobs. When families lose aid for child care it sets off a cascade of harmful side effects including job loss, homelessness, debt, adverse health effects and more. It's high time that government realizes that affordable child care is not just an education issue. It's a jobs issue, an economic stimulus issue, a prevention of homelessness and child care abuse and neglect issue, a health and safety issue.

I believe you do understand their struggles and will do the right thing for Hawaii's families and restore POD funding.

Sincerely,

Melanie Padgett

Maui County Early Childhood Resource Center Project Specialist

242-1608

MCECRC/MFSS 1844 Wili Pa Loop Wailuku HI 96793



NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

An Authority of the State of Hawaii attached to the Department of Business, Economic Development & Tourism

Statement of
Gregory P. Barbour
Executive Director
Natural Energy Laboratory of Hawaii Authority
before the

SENATE COMMITTEE ON WAYS AND MEANS

Wednesday, April 1, 2015
9:10 am
State Capitol, Conference Room 211

in consideration of
HB 500 H.D. 1
RELATING TO THE STATE BUDGET.

The Natural Energy Laboratory of Hawaii Authority (NELHA) **supports** H.B. 500 H.D.1, **but prefers** the Executive Biennium Budget request as amended by Governor's Message 207, which, as it pertains to NELHA Capital Improvement Project (CIP) request for \$1,000,000 in reimbursable G.O. bond funds to grade lands and provide ground preparation for utilities at the NELHA's Hawaii Ocean Science and Technology (HOST Park). These funds will provide new sites for small businesses and will be revenue generating.

Funds would make available approximately 20 acres and allow for a total of 4 to 8 parcels for new small businesses being established in West Hawaii and further diversify the visitor industry related economy. HOST Park has been developed on a recent 1801 lava flow and land preparation is costly. At \$50,000 per acre, grading costs to level land at NELHA is amongst the highest in the State. This presents a significant barrier to small businesses that would otherwise be able to establish themselves at NELHA.

It is NELHA's experience that graded land is leased out very quickly after it has been graded. For example, in the 90s, CIP funds were allocated to develop NELHA's first small business compound. That compound was fully leased within 2 years. More recently, NELHA reprocessed 6 acres of graded land and another 2-acre lease was abandoned; over half of these lands have now been leased.

Thank you for the opportunity to offer these comments.

TESTIMONY OF RANDY IWASE
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII
TO THE
SENATE COMMITTEE ON
WAYS AND MEANS

APRIL 1, 2015
9:10 a.m.

MEASURE: H.B. No. 500, H.D.1
TITLE: Relating to the State Budget

Chair Tokuda and Members of the Committee:

DESCRIPTION:

This measure currently appropriates amounts to be expended from the Public Utilities Commission Special Fund (“Special Fund”) under Section 269-33, Hawaii Revised Statutes (“HRS”), for the Public Utilities Commission’s (“Commission” or “PUC”) and the Division of Consumer Advocacy’s operating expenses for fiscal years 2015-2016 (“FY 2016”) and 2016-2017 (“FY 2017”).

POSITION:

The Commission supports the passage of H.B. No. 500, H.D.1 provided it is amended to increase the ceiling for expenditure from the Commission’s Special Fund, consistent with GM No. 207, for:

- 1) Full funding of the three additional permanent positions, as statutorily required under Act 108, Session Laws of Hawaii 2014 (“Act 108”), to support the ongoing operations of the PUC following its administrative transfer pursuant to Act 108; and
- 2) Full funding to pay for administrative support service costs provided by the Department of Commerce and Consumer Affairs (“DCCA”) to the Commission as required by Section 36-30, Hawaii Revised Statutes.

COMMENTS:

Act 108, SLH 2014 Additional Positions

The Commission respectfully requests that this Committee consider increasing the Commission's Special Fund ceiling by \$298,783 in FY 2016 to fund three critical personnel positions as required by Act 108, SLH 2014, to oversee administrative functions that were previously handled by the Department of Budget and Finance ("B&F").

Act 108 authorized funding for three key administrative support positions that would not only address the PUC's much needed increased internal management capacity, but would also meet the need for increased internal support functions that accompanied the PUC's administrative transfer to the DCCA. If the PUC's appropriations are not increased by \$298,783 in FY 2016, the PUC will not have the much needed increase in internal management capacity and PUC operations may suffer.

The PUC will not be able to cover these shortfalls by reallocation of funds from the PUC's personnel services budget as it has in the past. Last year, ceiling shortfall coverage through reallocation of existing appropriations was possible because the PUC had unused funds for positions that could not be filled due to lack of sufficient office space. The PUC's renovation project, now entering its final phase, will provide the office space necessary to fill these positions. The PUC has already begun aggressive recruitment and hiring to fill all authorized positions with arrangements to use a "swing space" to temporarily house staff that the current PUC office space cannot accommodate. Therefore, going forward, the PUC will not be able to reallocate funds from the personnel services budget to cover ceiling shortfalls. Furthermore, due to the highly complex and constantly evolving nature of the utility industry, the PUC does not anticipate being able to reallocate funds from the consultant services budget to cover ceiling shortfalls either.

Administrative Support Services

The Commission also respectfully requests that this Committee consider increasing the Commission's Special Fund ceiling by \$606,175 in FY 2016 and \$604,889 in FY 2017 to

pay for administrative support service costs provided by DCCA to the Commission as required by Section 36-30, Hawaii Revised Statutes.

Since the enactment of Act 108, the Commission, DCCA, B&F, and other impacted agencies have been collaboratively working to effectuate a smooth transition of the PUC from its current administrative status within B&F to being administratively attached to DCCA. It was found during the transition period (July 1, 2014 - June 30, 2015) that some vital State systems and processes would require DCCA oversight and administrative support for PUC operations to continue normally.

HRS § 36-30 provides that the PUC special fund “shall be responsible for its pro rata share of the administrative expenses incurred by the department responsible for the operations supported by the special fund concerned.” Further, HRS § 269-33 provides that the proceeds of the PUC special fund are to be used to cover “costs incurred by the department of commerce and consumer affairs to fulfill the department’s limited oversight and administrative support functions[.]” Therefore, if the PUC’s special fund ceiling is not increased by \$606,175 in FY 2016 and \$604,889 in FY 2017, DCCA will not have the statutorily required funds to adequately provide oversight and administrative support functions to the PUC.

Again, due to the PUC’s aggressive recruitment strategy and increased use of consultant services, the PUC will not be able to reallocate funds from the personnel or consultant services budgets to cover any ceiling shortfalls.

Thank you for the opportunity to testify on this measure.



STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
919 ALA MOANA BOULEVARD, ROOM 113
HONOLULU, HAWAII 96814
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543
April 1, 2015

The Honorable Jill N. Tokuda, Chair
Senate Committee on Ways and Means
Twenty-Eighth Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Dear Senator Tokuda and Members of the Committee:

SUBJECT: HB 500 HD1- RELATING TO THE STATE BUDGET

The State Council on Developmental Disabilities (DD) **SUPPORTS THE INTENT OF HB 500 HD1** relating to the specific budget items noted below. The purpose of this bill is to appropriate funds for the operating and capital improvement budget of the Executive Branch for Fiscal Years (FY) 2015-2016 and 2016-2017.

1. HTH 905 – Developmental Disabilities Council

Page 24, Item No 22

FY 2015-16: \$226,704

FY 2016-2017: \$229,114

The above appropriation for both fiscal years includes funds for operating and collective bargaining costs. Included in Governor's Message No. 207 dated February 10, 2015, was \$58,093 for FY 2016-17 for relocation of the Council to the Kamamalu Building. **According to the Budget Worksheets dated March 18, 2015, Page 465 of 796, SEQ # 210-001, the House did not concur with the Governor's Message to add \$58,093 for the relocation costs.** Consequently, the budget amount adjusted by the House does not provide the DD Council with any funds for relocating from the AAFES Building to the Kamamalu Building. The requested amount of \$58,093 is a one-time cost to cover the expenses for moving, modular systems, telecom (voice and data installation), and disposal of old furniture. The Council's current phone system is obsolete and would not be supported in the new office. The current office furniture, including partition panels, is not modular and will not fit into the new office configuration according to the architectural design and layout plans. According to the most recent timeline, the anticipated move to the Kamamalu Building is scheduled for December 2016.

Without funds for the above relocation costs, the Council may be delayed in moving to the Kamamalu Building. This may force the Council to remain in the AAFES Building for longer than the anticipated six months (July-December 2016) at a cost higher than relocating due to rent that the Office of Hawaiian Affairs (OHA) may charge for occupying our current office space. This is based on the assumption that OHA would allow the Council to stay beyond June 30, 2016. Furthermore, the Council's operations will be severely limited without any communication system (phone, internet) capability and proper office furniture to conduct its business in the Kamamalu Building.

The Council respectfully asks for your support to concur with the Governor's Message by including \$58,093 in its budget for FY 2016-17.

**2. HTH 501- Developmental Disabilities
Page 23, Item No 15**

**A. State Match for Home and Community Based-Services Waiver
FY 2015-16: \$2,880,971 FY 2016-2017: \$2,880,971**

Included in Governor's Message No. 207 dated February 10, 2015, is the above funds for the State Match for the Home and Community-Based Services Waiver (HTH501/CN). These funds would be used for serving individuals under COFA (Compact of Free Association) and new admissions into the Waiver. **According to the Budget Worksheets dated March 18, 2015, Page 402 of 796, SEQ # 210-001, the House did not concur with the Governor's Message to add \$2,880,971 for FY 2015-2016 and \$2,880,971 for FY 2016-2017.** Instead, the House added \$587,828 for FY 2015-2016 and \$587,828 for FY 2016-2017 for only new admissions to the Home and Community-Based Services Waiver.

The Council respectfully asks for your support to concur with the Governor's Message for the State Match for Home and Community-Based Services Waiver.

**B. State Match for Intermediate Care Facilities
FY 2015-16: \$635,000 FY 2016-2017: \$635,000**

The above funds represent what is included in Governor's Message No. 207 dated February 10, 2015, for the State Match for the Intermediate Care Facility for individuals with intellectual and DD. The State match funds are critical for the Department of Health DD Division in providing services for individuals with DD who require intermediate care facilities services. Without the funds, these individuals would be at risk of losing services and their homes in the community. **The House concurred with the Governor's Message. Please continue to support the above funds for the State Match for Intermediate Care Facilities.**

The Honorable Jill N. Tokuda
Page 3
April 1, 2015

The Council appreciates the opportunity to provide testimony **supporting the intent of HB 500 HD1 and to ask for your favorable consideration of the above budget items.**

Sincerely,



Waynette K.Y. Cabral, M.S.W.
Executive Administrator



Rosie Rowe
Chair



HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



David Y. Ige
Governor

Anthony J. H. Ching
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STATEMENT OF

ANTHONY J. H. CHING, EXECUTIVE DIRECTOR
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

BEFORE THE

SENATE COMMITTEE ON WAYS AND MEANS

ON

WEDNESDAY, APRIL 1, 2015

9:10 A.M.

State Capitol, Conference Room 211

in consideration of

H.B. 500 – RELATING TO THE STATE BUDGET.

Position: I provide the following comments on this resolution. I note that this testimony represents my own opinion and not that of the Authority, as the newly composed Authority has not yet held its first meeting.

Elimination of Governor's Executive Budget Request for Agency CIP Appropriation of \$1.855M Renders HCDA Defunct. Maintenance of the agency staffing is of the highest priority for DBEDT and the HCDA given its positive effects upon community and area economic development. Elimination of the CIP appropriation for 19 of the agency's 23 staff positions would render the agency impotent without its most valuable resource – its people.

Since the 1976 establishment of the HCDA, the Legislature has provided a continuous CIP appropriation for project staffing. The \$1.855M request for each year of the biennium ensures that the core of the agency staffing comprised of (exempt from civil service) planners/architects, project engineers, project manager, asset management specialists, account clerks, program specialists, Compliance Assurance and Community Outreach Officer, Asset Manager, Planning and Development Manager and Administrative Services Officer will continue to administer land use zoning, develop and maintain community/infrastructure master plans and steward agency resources. Elimination of the funding for these positions would logically occur only when the mission of the agency has been fulfilled.

HCDA Mission Is Not Yet Accomplished. As of 2015, there is a minimum of 10 years remaining the redevelopment of the Kakaako Community Development District as 2 master plan permits for 90 acres have 8/9 years remaining and makai area development of the Kewalo Basin Harbor and the State's newest technology campus remains to be developed.

Kalaeloa. Redevelopment of the Kalaeloa Community Development District has the HCDA facilitating and managing the transition of utility services from the Navy Facilities to private utilities. HCDA are constructing the first two electric power corridors and is working with the Navy to find other entities to operate water, wastewater utilities. Without the orderly transition of these utilities and administration of recently established zoning rules, community development will shrivel up and languish.

Heeia. In 2012 the State Legislature designated the Heeia wetlands as the latest community development district. Zoning rules and an Environmental Impact Statement for the district remain to be conducted. Management of the area's community-based partner in the area (Kakoo Oiwai) and the agency's landholdings

in the area remain a priority to restore diversified agriculture and the area wetlands/water resources to prominence.

Recent Legislative Action. In the 2014 legislative session, the Legislature considered multiple proposals that sought abolition, to enhancing the jurisdiction of the agency. Ultimately, the Legislature chose to maintain the agency, recompose the authority and provide increased capacity for the agency to produce more qualified income residential units. Elimination of the agency's staffing in the next year flies in the face of the Legislature's 2014 actions.

Impact of the Loss of the Governor's Executive Budget Request for HCDA Operating and Expenditure Ceilings. The House chose not to maintain the HCDA's operating ceilings for its (206E HRS) Kakaako and Kalaeloa operational expenses and personnel costs for the agency's four special funded positions. It is important to note that these ceiling allow the HCDA to expend its own funds (generated during the course of its regulatory and asset management activities) to cover necessary operational expenses. As there is no expenditure of state general funds involved, there is no logic to not establishing spending controls as requested in the Governor's Executive Budget Request allowing the necessary expenditure of agency special funds to conduct self-sustaining community development activities (as provided continuously by the Legislature since 1976).

Recent Legislative Action. In the 2014 legislative session, the Legislature considered multiple proposals that sought abolition, to enhancing the jurisdiction of the agency. Ultimately, the Legislature chose to maintain the agency, recompose the authority and provide increased capacity for the agency to produce more qualified income residential units. Elimination of the agency's ability to fund its own operations in the next biennium flies in the face of the Legislature's 2014 actions.

Impact of the Loss of the Governor's Executive Budget Request for \$4M in Reimbursable GO Bonds for Design of Makai Area Parking Structure.

The HCDA is currently planning and designing the construction of a Makai Area Structure that would provide necessary parking facilities for the John A. Burns School of Medicine, the University of Hawaii Cancer Research Center and the Federally funded Entrepreneur's Sandbox, and a privately developed technology campus, commercial retail and medical office building. All of the above mentioned facilities would contribute set fees for parking at the facility and with the addition of market lease rents generated from the tenants of the commercial office building would cover the expected debt service for design and ultimately construction of the parking facility. The development of the parking facility would also service the neighboring Waterfront Park facility.

Impact of Loss of Design Funds. The loss of design funds would set back the design and eventual construction of the parking facility until such time that replacement design funds were appropriated. The lack of appropriate parking facilities to service the above mentioned educational, commercial retail, technology, commercial retail and medical office functions could stall the development of the city's first tech and innovation campus until appropriate parking facilities can be designed and constructed. These activities represent a needed departure from tourism related jobs and opportunity for diversifying our State's economy.

Thank you for the opportunity to provide our comments on this measure.



HAWAII
STRATEGIC
DEVELOPMENT
CORPORATION

Written Statement of

KARL FOOKS
President

Hawaii Strategic Development Corporation

Before the
COMMITTEE ON WAYS AND MEANS

April 1, 2015
9:10 AM

State Capitol, Conference Room 211

In consideration of
HB 500 HD1 RELATING TO THE STATE BUDGET

Chair Tokuda, Vice Chair Kouchi, and Members of the Committee on Ways and Means:

The Hawaii Strategic Development Corporation (HSDC) respectfully requests the Committee reinstate funding for Sequence Number 210-001 and for Sequence Number 210-002, which together with the CIP request for BED 145 in GM 207, provides \$10 million of funding for the HI Growth Initiative.

Growing the Innovation Economy is a key part of Governor David Ige's action plan to generate economic growth and create jobs. The HI Growth Initiative is an economic development program to invest in an innovation ecosystem that supports entrepreneurial high growth businesses and creates high wage jobs for our people.

The HI Growth Initiative was appropriated \$6 million in 2013 and, together with funding from U.S. Department of the Treasury's State Small Business Credit Initiative, has been a catalyst to develop critical pieces of Hawaii's innovation ecosystem: entrepreneurial development, commercialization and startup investment capital.

Over the past several years, partnerships with entrepreneurs, corporates, investors, non-profits and local governments have established a vibrant statewide innovation ecosystem that the innovation community has branded "Startup Paradise". From virtually no activity just four years ago, Startup Paradise now includes nationally-recognized Hawaii accelerator programs that help launch 25 new companies per year; numerous events that showcase Hawaii startups to private investors; investment programs that help commercialize the University of Hawaii's world-class research; and 5 Hawaii-based investment funds that span the startup lifecycle.

Sequence Number 201-001 provides funding for the Broadband Deployment Pilot Program, also known as the Bandwidth for Business Program.

The key infrastructure requirement for the innovation sector is high-speed broadband. Not only does high speed broadband serve as the digital highway connecting innovation startups and businesses to the global marketplace, but it is also an essential quality-of-life amenity for the innovation workforce. Regions around the US are quickly recognizing the importance of high speed broadband as a driver of economic growth.

The Bandwidth for Business Program aims to establish “proof of concept” use cases for high speed broadband in Hawaii’s innovation sector in order to validate further investment in Hawaii’s broadband infrastructure by public and private entities.

High speed broadband, 100 megabits or higher, is not currently available at affordable rates for Hawaii co-working spaces. The intent of the HI Growth 100 Program is to de-risk the implementation of high speed broadband and make it readily accessible to the innovation community by enabling key co-working spaces around the state to provide 100 megabit (100 Mbps) capacity.

If Hawaii is to sustain the growth of an innovation economy, high speed broadband must be accessible for startups and businesses in the innovation sector.

This project is part of The HI Growth Initiative, the State’s core effort to grow an innovation economy in Hawaii by investing in the infrastructure, workforce and capital requirements of the innovation sector.

Thank you for the opportunity to provide testimony.

OFFICE OF INFORMATION PRACTICES

STATE OF HAWAII
NO. 1 CAPITOL DISTRICT BUILDING
250 SOUTH HOTEL STREET, SUITE 107
HONOLULU, HAWAII 96813
TELEPHONE: 808-586-1400 FAX: 808-586-1412
EMAIL: oip@hawaii.gov

To: Senate Committee on Ways and Means

From: Cheryl Kakazu Park, Director

Date: April 1, 2015, 9:10 a.m.
State Capitol, Conference Room 211

Re: Testimony on H.B. No. 500, H.D. 1
Relating to the State Budget

Thank you for the opportunity to submit testimony in support of this bill. In particular, the Office of Information Practices (“OIP”) respectfully requests this Committee’s approval of funding for LTG 105.

OIP’s request for \$100,000 was originally appropriated under Act 263, SLH 2013, which will expire at the end of FY 2015. These funds are allocated to support open data efforts and are an integral part of OIP’s entire operation, so they were incorporated into OIP’s status quo budget request and approved by the House Finance Committee.

OIP made a supplemental budget request for \$32,000 to hire a part-time staff attorney to maximize OIP’s currently authorized position count of 8.5 FTE. As OIP is in the process of re-describing existing positions, no new position is

being requested. The supplemental funding would allow OIP to hire an attorney to help address the growing backlog of cases.

For the first eight months of FY 2015, OIP has already experienced a more than 16% increase in the number of formal cases opened: 158 new cases as of February 28, 2015 compared to 136 as of February 28, 2014. While OIP had made progress in resolving 37% more cases in FY 2014 than the previous year, its backlog of cases continues to grow as the number of new cases accelerates. Additionally, while new attorneys have been hired and are being trained, OIP will not benefit from a substantial boost in productivity until they obtain sufficient knowledge and expertise and OIP's more experienced attorneys can be relieved of training responsibilities. Therefore, the sooner OIP can hire an additional attorney, the better it will be able to address its increasing backlog.

Thank you for the opportunity to testify.



HAWAII

STATE FOUNDATION on
CULTURE and the ARTS

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250 South Hotel Street
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Honolulu, HI 96813

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David Y. Ige

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**TESTIMONY OF
THE STATE FOUNDATION ON CULTURE AND THE ARTS
TO THE SENATE COMMITTEE ON WAYS AND MEANS**

April 1, 2015

H.B. 500 HD1

RELATING TO THE STATE BUDGET

Chair Tokuda and members of the committee, I am Jonathan Johnson, executive director of the State Foundation on Culture and the Arts (SFCA), and I am grateful for this opportunity to provide comments on the budget for FY 2015-2017 as it impacts our agency.

The SFCA was recently audited by the State Auditor. Proposed legislation now in WAM and House Finance would add 4.0 FTE positions to our agency in response to audit recommendations to more effectively track and collect one percent funds. The added positions would enable the SFCA to be more responsive in meeting the demand for works of art projects, arts education services and provide increased access to arts programming, particularly in underserved areas of our state.

The proposed legislation, SB 1177 SD1 and HB 1256 HD2 SD1, provides a solution that we hope is amenable to the state's fiscal situation. Funding would be entirely from the Works of Art Special Fund and as such, would not increase the State budget deficit and the positions would be devoted to performing work required by the agency's public art program.

Thank you for the opportunity to testify on this matter.

DAVID IGE
GOVERNOR



CATHERINE PAYNE
CHAIRPERSON

STATE OF HAWAII
STATE PUBLIC CHARTER SCHOOL COMMISSION
('AHA KULA HO'ĀMANA)

1111 Bishop Street, Suite 516, Honolulu, Hawaii 96813
Tel: (808) 586-3775 Fax: (808) 586-3776
<http://CharterCommission.Hawaii.Gov>

FOR: HB500 HD1 Relating to the State Budget
DATE: Wednesday, April 1, 2015
TIME: 9:10 a.m.
COMMITTEE(S): Senate Committee on Ways and Means
ROOM: Conference Room 211
FROM: Tom Hutton, Executive Director
State Public Charter School Commission

Chair Tokuda, Vice Chair Kouchi, and members of the Committee:

The State Public Charter School Commission ("Commission") appreciates the opportunity to submit this testimony on House Bill 500 HD1, the Executive Budget.

Commission budget request

The Commission's original budget request for the charter schools as submitted to the Department of Budget and Finance in October included funding for charter school expenses as provided by statutory formula and for the Commission's operational expenses.

The Commission's operating budget is essentially a status quo budget. We do gratefully note that consideration is being given to separating out the Commission's funding in a new budget code separate from that for the charter school, to reflect the Legislature's statutory clarification last Session that the Commission's budget henceforth will be appropriated separately from, and in addition to, school funding.

We note that, as in past years, the Commission this year also submitted proposed Capital Improvement Projects ("CIP") as requested from charter schools. The Commission has been instructed that eligibility for these requests is limited to start-up charter schools located on state land. These projects were not recommended for approval in the executive budget. However, several measures have advance in both the House and the Senate this Session to

begin, cautiously and responsibly, to address this longstanding challenge in our state charter school system.

In addition to the CIP requests from the schools, the Commission has requested a \$5 million appropriation to provide food service facilities at six charter schools. Some charter schools lack commercial kitchen facilities adequate to provide meals to students. Previously these schools were able to contract with the Department of Education (“DOE”) for meals, but the DOE in 2013 discontinued this vending relationship. The challenge is compounded by the inadequacy of the current level of federal meal reimbursement under the School Lunch Program, an issue which the DOE has initiated a promising effort to address.

Emergency relief to charter schools impacted by lava emergency

Finally, in addition to the Commission’s budget request, and as we described in our budget briefing to the joint Finance and Ways and Means Committees on January 8, 2015, the Commission has been working with the Office of the Governor, the Legislature, the Department of Education, the Federal Emergency Management Agency, and other stakeholders on potential means of providing assistance to public charter schools on the island of Hawaii that have been impacted by the Puna lava flow.

As of this writing, a proposed bill to provide relief to two schools, Senate Bill 600, was not approved by the Senate, but our understanding is that the Senate Ways and Means Committee is considering the Major Disaster Fund established under Section 127A-16, Hawaii Revised Statutes, as another potential vehicle for affording such relief. Senate Bill 1211, which passed Third Reading in the Senate, would raise the cap on the amount of funds that could be released for any one disaster. We would respectfully call the Committee’s attention to this legislation and to the possible need to appropriate more funding into that fund as a means of supporting these communities in this time of need.

Hard-to-staff bonuses

Finally, we note that under budget code EDN600, the House budget breaks out in a separate line under 1000-002 funding, in the amount of \$237,935 per fiscal year, which is included within the per-pupil funding to be provided to charter schools. This amount is attributed to an enrollment-based percentage of the funding provided the DOE for bonuses to DOE teachers serving in schools in hard-to-staff areas pursuant to the current master collective bargaining agreement between the DOE and Hawaii State Teachers Association (“HSTA”). Our understanding is that this identification in the House budget amount serves to highlight an issue for further legislative consideration but neither represents an additional appropriation nor allocates the funds to charter schools in a different manner than the per-pupil method for this overall budget item.

Under the HSTA master collective bargaining agreement, charter school teachers in hard-to-staff schools are entitled to receive a \$1,500 annual bonus. That amount is to double starting

this coming school year to \$3,000. Under Hawaii's charter school funding system, charter schools do not receive funding for the bonuses per se, but the funding for the bonuses to DOE teachers is included in calculating the charter schools' overall per-pupil funding amount based on the enrollment percentage that charter school students represent of all public school students.

The amount flagged in the House budget still must be distributed on a per-pupil basis among all charter schools, regardless of whether they are in hard-to-staff areas and offer the bonus under any applicable supplemental collective bargaining agreement. Because the amount is calculated based on an enrollment percentage and not on the actual cost of providing the bonuses, the amount identified would not suffice to cover the actual cost. Again, this cost is to double this coming school year. Only eight of the 34 charter schools are located in designated hard-to-staff areas.

If these funds were allocated among only the eight charter schools in hard-to-staff areas (which we understand would require a statutory revision to the charter school funding formula), and if these schools paid their teachers the bonuses rather than departing from doing so under a provision of a supplemental agreement with HSTA, an additional \$380,065 would be required for the amount of funds appropriated to cover the cost of the bonuses, based on the most recent faculty information the Commission has received from these schools.

Thank you for your consideration of these comments.



STATE OF HAWAII
HAWAII STATE PUBLIC LIBRARY SYSTEM
OFFICE OF THE STATE LIBRARIAN
44 MERCHANT STREET
HONOLULU, HAWAII 96813

TESTIMONY by the HAWAII STATE PUBLIC LIBRARY SYSTEM

Senate Committee on Ways and Means
Wednesday, April 01, 2015
9:10 a.m.
State Capitol, Conference Room 211

HB 500, HD1 (HSCR911) – RELATING TO THE STATE BUDGET

We are submitting testimony in opposition with HB 500, HD1 Relating to the State Budget. The changes made by the House would severely impact the Aiea, Manoa, Naalehu and Wailuku Public Libraries and most importantly the new Nanakuli Public Library currently being constructed. The new Nanakuli Public Library is targeted for completion in the second half of 2016. Without these positions and funding, this beautiful state-of-the-art facility will just sit vacant. With 3 more new libraries being planned (Makiki, Puna, and Waikoloa), it does not make any sense to continue to build more new libraries then refuse to provide any support for them. The elimination of all requested additional positions and funding for these new libraries would impact library services and public hours. The elimination of the additional positions and funds for the bookmobile at Wailuku Public Library, Maui would delay the agreement with the Maui Friends of the Library to procure the new Bookmobile for HSPLS.

We believe our public library system provides valuable, educational information and services that the public continues to demand. HSPLS delivers this efficiently and at relatively little cost. Eliminating this critical support would lead to reduction of these services and possible closures.

Thank you for this opportunity to present our testimony on this measure.

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Testimony to the Senate Committee on Ways and Means
Wednesday, April 1, 2015
9:10 a.m.
State Capitol - Conference Room 211

RE: HOUSE BILL NO. HB 500, HD1, RELATING TO THE STATE
BUDGET

Dear Chair Tokuda, Vice-Chair Kouchi, and members of the Committee:

My name is Gladys Marrone, Chief Executive Officer for the Building Industry Association of Hawaii (BIA-Hawaii), the Voice of the Construction Industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, and affiliated with the National Association of Home Builders.

BIA-HAWAII **supports** H.B. 500, HD1, which proposes operating and facilities maintenance funding for the University of Hawaii as follows:

22. UOH900 - UNIVERSITY OF HAWAII, SYSTEM WIDE SUPPORT

		441.00*	441.00*
OPERATING	UOH	420,124,683A	420,835,818A
		33.00*	33.00*
	UOH	17,115,802B	17,199,057B
		4.00*	4.00*
	UOH	950,311N	957,327N
		15.00*	15.00*
	UOH	17,233,795W	17,238,873W
	INVESTMENT CAP UOH	41,000,000C	C

73. SYS, MINOR CAPITAL IMPROVEMENTS PROGRAM PROJECTS, STATEWIDE

PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT FOR IMPROVEMENTS TO UNIVERSITY OF HAWAII FACILITIES, STATEWIDE. PROJECTS TO INCLUDE CAPITAL RENEWAL, REDUCTION OF MAINTENANCE BACKLOG, MAJOR AND MINOR RENOVATIONS, MODERNIZATION OF FACILITIES, RE-ROOFING, MECHANICAL AND ELECTRICAL SYSTEMS, RESURFACING, REPAINTING, AND OTHER REPAIRS AND PROJECT COSTS TO UPGRADE FACILITIES.

PLANS		1
DESIGN		1
CONSTRUCTION		40,993
EQUIPMENT		1
TOTAL FUNDING	UOH	40,996 C

BIA Hawaii has met with representatives of the University of Hawaii who are attempting to address the backlog of deferred maintenance on the Manoa Campus. It is our understanding that the Board of Regents does not want to

initiate any new capital improvement projects on the campus until the deferred maintenance issues on the Manoa Campus are addressed.

In addition, we understand the University Administration is taking steps to provide more accountability and transparency in the process they use to procure construction contracting services to expedite and address the deferred maintenance issues on the Manoa Campus.

If the University is successful in securing the necessary funding to address the deferred maintenance issues, AND is able to implement new policies and procedures that will ensure a timely and efficient procurement system, we believe that the deferred maintenance issues can be addressed while creating opportunities for our members in the design and construction industries.

BIA-Hawaii supports the appropriation to address the deferred maintenance issues on the University of Hawaii Manoa Campus.

Thank you for the opportunity to express our views on this matter.



PARTNERS IN CARE

Oahu Continuum of Care

Partners in Care is a coalition of Oahu's homeless service providers, government representatives and community stakeholders working together in partnership to end homelessness.

TESTIMONY IN SUPPORT OF HB 500: RELATING TO THE STATE BUDGET

- **HMS 224, Department of Human Services – Housing First**
- **CIP for HHFDC – Rental Housing Trust Fund** (Governor's message 207).

TO: Senator Jill N. Tokuda, Chair; Senator Ronald D. Kouchi, Vice Chair; and Members, Committee on Way and Means

FROM: Fr. Robert Stark, Catholic Diocese of Honolulu Office for Social Ministry

Hearing: **Wednesday, April 1, 2015; 9:10 AM; Conference Room 211**

Chair Tokuda, Vice Chair Kouchi, and Members of the Committee on Ways and Means:

Thank you for the opportunity to provide testimony **in strong support** for funding **Housing First**, in the budget of the Department of Human Services (HMS 224) **and CIP funding for the Rental Housing Trust Fund**. I am Fr. Robert Stark, Director of the Catholic Diocese of Honolulu Office for Social Ministry. We serve 66 parishes throughout Hawaii.

The Catholic Diocese of Honolulu Office for Social Ministry strongly supports \$3 million for Housing First to continue this successful evidence based program and to expand it to the Neighbor Islands. We respectfully urge you to include this funding to the **base budget of DHS**. Because funding is not currently in the base budget, the sustainability of housing for individuals in the program (40 households as of 1/28/15) is at risk. Real people could be impacted without sustained funding, people like "Wanda" and her daughter. Housing First can change lives and can successfully transition the chronically homeless into permanent housing.

The Catholic Diocese of Honolulu Office for Social Ministry also strong supports \$100 Million in CIP funding to the Rental Housing Trust Fund. The dire need for housing demands action now. The 2014 Housing Study finds that 27,224 rental units are needed by 2020 for households at 80% of AMI. This is DOUBLE the number of units needed just 3 years ago in the 2011 Housing Study (13,000 projected need).

The RHTF has a proven record of creating new affordable rental units across the State of Hawai'i. This funding is critical to produce new rental housing since without it, housing projects are not financially feasible. It is the only fund that mandates units for people at 30% AMI. A 2013 study found that Trust Fund projects successfully house very low income people; indeed almost 50% of the families occupying units had income below 30% AMI. These are extremely valuable resources for the people of Hawaii.

Hawaii has the highest rate of homelessness among the states. *Out of Reach 2014*: reported that Hawaii topped the list of most expensive states for housing. A full time worker would need to make \$31.54/hour to afford a two-bedroom unit at fair market rent. Yet the median wage of a renter in Hawaii is just \$13.86. 78% of extremely low income households living in poverty pay more than half their income for rent. **Please support this vital funding. Mahalo nui loa.**

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Email cfs@cfs-hawaii.org
www.childandfamily-service.org



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AFFILIATIONS
Alliance for Children & Families
Aloha United Way
Kauai United Way
Hawaii Island United Way

DATE: April 1, 2015
TO: The Honorable Jill Tokuda, Chair
The Honorable Ronald Kouchi, Vice Chair
Senate Committee on Ways and Means
FROM: Nicole Hokoana, Director of Maui County Programs
Child & Family Service
RE: Testimony in Support of H. B. 500, H.D. 1
Relating to the State Budget

Good morning Chair Tokuda, Vice Chair Kouchi and members of the Senate Committee on Ways and Means. My name is Nicole Hokoana and I am the Director of Maui County Programs for Child & Family Service. I am writing on behalf of the Maui Sexual Assault Center, a program of Child & Family Service, and recipient of consultation and support offered by Oahu's Sex Abuse Treatment Center, also known as the SATC. Thank you for allowing me to submit my testimony in strong support for the inclusion of funds requested by the Department of the Attorney General and Governor Ige for statewide sexual assault services in the General Appropriations Act of 2015, House Bill 500, House Draft 1 (H.B. 500, H.D. 1).

H.B. 500, H.D. 1, ATG 100 (SEQ #210-003) proposes appropriations in the amount of \$380,000 in the Executive Budget for FY 2016. Child & Family Service respectfully urges the Committee on Ways and Means to also strongly support inclusion of funds in the amount of \$380,000 in FY 2017 for critically needed statewide sexual assault services.

Since 1997, SATC, through Master Contract with the State of Hawaii, has assisted its sister sexual assault centers to ensure a high standard of quality care across Hawai'i.

SATC provides oversight as we, the local sex assault center, deliver 24/7 crisis response, counseling, and education services throughout Maui County. Since the 2006 fiscal year, the State appropriation for statewide sexual assault services has remained unchanged. While we appreciate the inclusion of funds for FY 2016 in the Executive Budget, funding only one year will unfortunately not be sufficient to provide for sustainable statewide sexual assault services. In fact, funding only one year's increase will cause instability and ultimately, result in cuts to services. Without reliable funding, our efforts to coordinate and provide high quality services will fail.

Should H.B. 500, H.D. 1 receive support, the Maui Sexual Assault Center will benefit from an increased direct services budget for FY 2016 and FY 2017. With an increased budget, the Maui Sexual Assault Center will fund prevention and education services on the islands of Molokai and Lanai.



Our Mission: Strengthening Families and Fostering the Healthy Development of Children

Senate Committee on Ways and
Means

Page 2 of 2
April 1, 2015

Currently, funding restricts service provision in these highly rural communities of Maui County. We would also increase much needed clinical therapy services for survivors and loved ones; since this service requires master's level and/or licensed professionals, its high cost limits our provision. With more monies we will provide clinical therapy on Maui and Molokai, and work closely with service providers on Lanai to ensure victims on all islands of Maui County have treatment options.

I strongly urge this committee to support the inclusion of additional funds for statewide sexual assault services in both FY 2016 and FY 2017 in the Executive Budget, H.B. 500, H.D. 1, ATG 100 (SEQ #210-003). This appropriation will provide the means for the State of Hawaii, through Master Contract with the SATC, to provide consistent standardization of sexual assault services; ensure fiscal and program oversight and program integrity on all islands; provide consistent program planning; and ensure advocacy and public policy for survivors of sexual assault.

Thank you for this opportunity to testify.



The Senate
Committee on Ways and Means
April 1, 2015
9:10 a.m., Conference Room 211
State Capitol

Comments on HB 500 HD1

Aloha Chair Tokuda, Vice Chair Kouchi, and Members of the Committee,

The Coordinating Group on Alien Pest Species (CGAPS) **offers comments on HB 500 HD1**, *Relating to the State Budget*, which appropriates funds to support public services and programs. We are particularly concerned about the low level of funding to support several important programs within the Department of Land and Natural Resources.

Like all agencies, DLNR programs and services primarily rely on General and Capitol Improvement funds through the legislative process and Special funds through user fees, non-State funds, and assessments for related special projects, regulated by the legislature through “spending ceilings” and subject to reporting requirements. HB500 HD1 does not provide the General fund support for DLNR, nor does it allow DLNR to make up for some of the projected loss of General fund by increasing the spending ceiling from S Funds from the Conveyance Tax. The direct impact to DLNR programs would be \$26 million, and the loss of ability to attract grants through this source of matching funds would be a loss of an additional \$23.5 million.

The programs that this funding supports are the Hawai‘i Youth Conservation Corps, the Hawai‘i Ant Lab, the Invasive Species Committees, (and work on multiple invasive species priorities such as albizia, coqui, little fire ant, coconut rhinoceros beetle, miconia, and more), the Watershed Partnerships, the Plant Extinction Prevention Program, Snail Extinction Prevention Program, Native Invertebrate Program, the Rare Plant Program, work within the Natural Area Reserves, and the Legacy Land Conservation Fund (which funds the acquisition of lands and easements, for protecting important natural areas, open spaces, agricultural and cultural lands, for public benefit).

Despite near-flat General fund levels since 1996 (\$26.6 million 1996; \$29.9 in 2015), DLNR has done an admirable job of partnering with other agencies, NGOs, and landowners to provide the many programs and services that protect forests and reefs from invasive species, fires, the impacts resulting from climate change, and other disasters.

Therefore, we respectfully ask that the following items be restored to HB 500 HD1 as it passes through Ways and Means:

- DLNR’s spending ceiling on the Natural Area Reserve Fund to \$12,934,000;
- DLNR’s request for \$1,000,000 in capital improvement program (CIP) funds to support watershed fencing projects;
- DLNR’s request for \$4,000,000 for Hawai‘i Invasive Species Council (HISC), **plus provide an increase of \$2,000,000 for a total of \$6,000,000 in general funds**;
- DLNR’s spending ceiling on the Legacy Land Conservation Fund to \$6,800,000.

Mahalo for your consideration.

Aloha,
Christy Martin
CGAPS

April 1, 2015

TO: Honorable Jill Tokuda, Chair
Honorable Ron, Vice Chair
Senate Committee on Ways and Means

From: Deborah Zysman, Executive Director
Good Beginnings Alliance

Re: **Testimony in Support of HB500 HD1:** Relating to State Budget for FY2015-16 and FY2016-17 – Hearing April 1, 2015 at 9:10 AM, Conference Room 211

Thank you for this opportunity to provide testimony in support of HB500 HD1, and to urge members of the committee to amend the budget bill to restore \$6 million in funding to the for the Preschool Open Doors Program in HMS 305 for Fiscal Year 2015-16 and Fiscal year 2016-17.

Good Beginnings Alliance is Hawaii's leading independent, policy and advocacy non-profit organization on children's health, education and safety. We build a united voice to educate and advocate for Hawaii's children.

Since it was established in 1990, Preschool Open Doors (POD) allows low-income children and families in Hawai'i to afford childcare so parents can go to work or pursue higher education. **This program operated by Department of Human Services currently serves 1,287 statewide, but over 900 children remain on the waiting list this year alone. Nearly half of the children served in this program come from single-parent households.**

POD helps qualifying families pay subsidized tuition at a DHS-licensed group childcare facility, such as a preschool. The program prioritizes underserved and at-risk children, for the year prior to kindergarten to promote school readiness. Without your support, \$6 million in funding for this critical safety net program will end on June 30, 2015, which means thousands of children will not be prepared to start kindergarten, including the children who will be nearly six years old due to the kindergarten entry age change.

President Obama has focused efforts to help all working families with young children afford childcare. His administration believes that ensuring that children have access to high quality affordable early childhood programs can help children prepare for school and succeed later in life while strengthening their parents' ability to go to work, advance their careers and increase their earning potential. Investments in high-quality early education generate economic returns of over \$8 for every \$1 spent.

President Obama is proposing an expansion of access to childcare assistance to assure that all eligible families (those with incomes below 200 percent of poverty – approximately \$40,000 for a family of three with children age three and under) have access to a subsidy to pay for quality childcare so they can work or attend school or job training. To qualify for this funding, states will be asked to develop sound plans to build the supply of quality care for infants and toddlers and ensure the subsidies they provide will cover the cost of quality care.

Restoring the FY 2014-15 level funding to the biennium budget is a step in this direction and will enable nearly 1,300 children throughout the state gain access to the Preschool Open Doors Program (POD). POD also helps to provide subsidies for part-time care for children enrolled in Head Start, a federally funded program that provides quality services to qualifying preschoolers and their families which runs half-days.

According to the Hawaii State School Readiness Assessment for 2012-13, more than 40 percent of children entering kindergarten had not attended a pre-kindergarten program and more than 90 percent of students in Department of Education (DOE) classrooms did not meet benchmarks in all dimensions of school readiness. This trend is alarming, but it can be reversed.

DOE data also shows that one out of three children in Hawaii is not reading at grade level by 3rd Grade. This is a key indicator to high school graduation rates and later success outcomes.

Hawaii ranks second to last out of the most affordable states in the country. Childcare is generally the second largest expense in family budgets after housing costs. The average income of families served by POD is \$33,000 annually. The average preschool cost is \$8,052 in 2012. Since 2013-14, DHS has seen a 54 percent increase in the number of applications for POD subsidies.

Preparing our young children to be ready to learn and thrive before they reach kindergarten not only helps to improve their lives as individuals, it improves the lives of our communities.

Having Preschool Open Doors keep its doors open is critical to Hawai'i's most vulnerable children and families. Maintaining the annual funding of \$6 million for DHS to keep running this program. Hawai'i's families need this program for our keiki.

For these reasons, we respectfully urge committee members to amend HB500 HD1 to restore POD subsidies to the State Biennium Budget this session.



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Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting House Bill 500 HD1 Relating to the State Budget
Senate Committee on Ways and Means
Scheduled for Hearing Wednesday, April 1, 2015, 9:10 AM, Room 211

Hawai'i Appleseed Center for Law and Economic Justice is a nonprofit law firm created to advocate on behalf of low income individuals and families in Hawai'i on issues of statewide importance. Our core mission is to help our clients access to the resources, services, and fair treatment they need to realize their opportunities for self-achievement and economic security.

Thank you for an opportunity to testify in **strong support** of House Bill 500 HD1's appropriations for Housing First and the Rental Housing Trust Fund. Hawai'i Appleseed also respectfully urges the Committee to add an appropriation for Preschool Open Doors and to reduce the cuts to funding for Medicaid coverage for non-US citizens so that these lawfully present Hawai'i residents can afford adequate health care.

Housing First (HMS 224, Sequence No. 210-01): Hawai'i Appleseed strongly supports \$2 million in funding for Housing First programs. Housing First immediately places chronically homeless people into permanent housing without preconditions, while still providing them with wraparound supportive services. The program has been highly successful both in Honolulu and around the country, with studies from other jurisdictions indicating that it consistently results in substantial public cost savings. Housing First is *the* way to end chronic homelessness. Since Housing First is based on permanent, stable housing, continued funding is critical, and the proposed increase in funds to \$2 million will allow this successful program to expand to the neighbor islands.

Rental Housing Trust Fund (BED 160, Sequence No. 210-001): We support an appropriation of \$100 million toward the Rental Housing Trust Fund. Hawai'i's affordable housing crisis is painfully apparent, and the private market is not meeting the state's biggest housing need—affordable rentals. The Rental Housing Trust Fund is a major tool to create rentals and has resulted in the development of more than 5,000 affordable units that otherwise would not have been financially viable. The RHTF also creates public-private partnerships that function as economic drivers. Moreover, the RHTF helps extremely low-income residents: 5 percent of units in RHTF-subsidized developments must be affordable to households earning less than 30 percent of the area median income. We greatly appreciate the Legislature's decision this past session to restore the percent of the conveyance tax going to the Rental Housing Trust Fund, but we know that we still need far more rental housing than is currently being created. The state must take additional action to address our affordable housing crisis, and this \$100 million will be a substantial step.

Funds for Medicaid Coverage for Non-United States Citizens (HMS 401, Sequence No. 210-001): We respectfully urge the Committee to reduce this reduction in funds to cover premium and copay

costs for non-US citizens who were transferred on March 1, 2015 from Medicaid to private health care plans via the Health Connector. This is a highly vulnerable population who simply cannot afford to pay their premiums and subsidies. While adults earning less than 100 percent of the federal poverty guidelines will receive a state subsidy for their premiums, those at 100 to 138 percent of poverty will only receive a federal subsidy. None of this population, regardless of their income, will receive any assistance with copays for doctors' visits or prescriptions. Without additional subsidies, the health consequences of this transition will be dire. People with serious and chronic conditions such as cancer, diabetes, and heart disease will not be able to afford copayments for the treatment needed to manage their health—and many will die as a result.

We respectfully ask that the Committee reduce the \$23 million cut to Medicaid funds for non-US citizens by \$7 million or however much is necessary to provide subsidies to fully cover any premiums and copays for these individuals who would be eligible for Medicaid but for their citizenship status. The state is already realizing substantial savings from this transfer, but we will face significant long-term costs due to the lack of adequate medical care if we do not provide additional subsidies.

Preschool Open Doors (HMS 305): We support increasing the appropriation for the Preschool Open Doors Program by \$6 million. Quality childcare is far too expensive for many families, but essential to help families work and provide for their children. Preschool Open Doors helps low-to-middle income families stay working by providing critical tuition subsidies.

As a community, we must make a commitment to caring for our working families and vulnerable populations by meeting basic needs such as housing and health care. Thank you for your concern about these critical issues. We encourage you to support HB 500 including appropriations for affordable housing and Housing First, and to add additional appropriations for health care funding for non-US citizens and Preschool Open Doors.



**Testimony of Hawai'i Green Growth in Support of Portions of HB500 HD1
Relating to the State Budget**

Senate Committee on Ways and Means

11 March 2014, 9:10am in Conference Room 211

Audrey Newman

Hawai'i Green Growth

P.O. Box 535 Ho'olehua, Hawai'i 96729

Hawai'i Green Growth is a voluntary partnership of more than 60 state, county, federal, business, cultural and non-governmental leaders from energy, food production, natural resources, waste reduction, planning, green jobs, and other sectors who have come together to support a shared statewide commitment and tangible actions toward sustainability and a model green economy.

Aloha Chair Tokuda, Vice Chair Kouchi, and Members of the Committee:

Hawai'i Green Growth (HGG) strongly supports five critical budget items in HB500 HD1 that will significantly advance action on the *Aloha+ Challenge* – a joint leadership commitment unanimously endorsed by the 2014 Legislature (SCR 69) and signed by Hawai'i's Governor, Mayors and Office of Hawaiian Affairs:

- 1. Hawai'i State Sustainability Coordinator position** (currently in DLNR's budget) is an essential statewide position to coordinate priority-setting, action and monitoring by state departments, counties, federal agencies and multi-sector partners to achieve *Aloha+ Challenge* targets. This position is the state lead and point of contact for the *Aloha+ Challenge*.
- 2. \$350,000 for the Office of Information Management & Technology** to host and provide technical support for the State of Hawai'i's online dashboards, including the *Aloha+ Challenge* Dashboard for decision-makers and the public to track progress on the six *Aloha+* targets.
- 3. \$7.5M annually to DLNR for watershed protection** and management
- 4. \$6M annually for the Hawai'i Invasive Species Council** programs
- 5. Funding for critical marine resource management positions** in the DLNR Division of Aquatic Resources and Division of Conservation and Resources Enforcement to ensure the health and productivity of our marine resources

HGG leaders agree these five budget items are top priorities, and urges the Legislature to make these critical investments. This will help to build a more diversified economy and a more resilient, secure and sustainable future for everyone in Hawai'i.

Mahalo nui,

A handwritten signature in black ink that reads "Audrey Newman". The signature is written in a cursive, flowing style.

Audrey Newman

Senior Advisor, Hawai'i Green Growth (HGG)

Bringing leaders together to achieve sustainability in Hawai'i & be a model for a green economy

<http://www.hawaiigreengrowth.org>

Hawai'i Green Growth

Active Working Group Members *(short list)*

1. 'Aulani Wilhelm, Director of Ocean Initiatives, NOAA Office of National Marine Sanctuaries
2. Audrey Newman*, Senior Advisor, Hawai'i Green Growth (HGG) & Global Island Partnership
3. Aurora Winslade, Transformational Program Manager, Hawai'i Energy
4. Ben Sullivan, Energy Coordinator & Acting Sustainability Coordinator, Kaua'i County
5. Bill Tam, former Deputy Director for Hawai'i Dept of Land & Natural Resources (DLNR)
6. Bitsy Kelley, Vice President of Corporate Communications, Outrigger Enterprises Group
7. Brant Chillingworth, Program Officer, Hau'oli Mau Loa Foundation (HMLF)
8. Carol Feinga, Administrative Director, Kōkua Hawai'i Foundation (KHF)
9. Carol Wilcox, Board Member, Mālama Maunaloa (MM)
10. Chipper Wichman, Executive Director, National Tropical Botanical Garden (NTBG)
11. Christy Martin, Public Information Officer, Coordinating Group on Alien Pest Species (CGAPS)
12. Deanna Spooner*, Coordinator, Pacific Islands Climate Change Cooperative (PICCC)
13. Donn Mende, Deputy Director of Research & Development, Hawai'i County
14. Ed Kenney, Owner, Town Restaurant
15. Eric Au, Area Director of Engineering & Sustainability, Starwood Hotels & Resorts Hawai'i
16. Eric Co, Program Officer for Marine Conservation, Harold K.L. Castle Foundation
17. Gary Gill, former Deputy Director, Hawai'i Department of Health (DOH)
18. Jack Kittinger, Director of Hawai'i Fish Trust, Conservation International (CI)
19. Jackie Kozak Thiel*, State Sustainability Coordinator, State of Hawai'i
20. Jason Ito, Director of Administration and Planning, Kyo-ya
21. Jeff Mikulina, Executive Director, Blue Planet Foundation
22. Josh Atwood*, Invasive Species Coordinator, DLNR & HISC
23. June Matsumoto*, World Conservation Congress National Host Committee/Hawai'i 2016 (WCC 2016)
24. Justin Gruenstein, Executive Assistant to the Mayor, City & County of Honolulu
25. Dr. Kamanao'pono Crabbe, Chief Executive Officer, Office of Hawaiian Affairs (OHA)
26. Kealoha Fox, Ka Pou Kāko 'o Nui, Executive Manager & Special Assistant to Ka Pouhana (CEO), OHA
27. Ken Kakesako*, Hawai'i Department of Agriculture (DOA)
28. Kevin Vaccarello, Founder & Director, Sustain Hawai'i
29. Kyle Datta, General Partner, UI
30. Laurie Carlson, Regional Governor, Slow Food Hawai'i & Founding Publisher, Honolulu Weekly
31. Leo Asuncion, Director, Office of Planning (OP)
32. Lihla Noori, Executive Director, Hawai'i Conservation Alliance (HCA)
33. Dr. Maria Gallo, Dean & Director, College of Tropical Agriculture and Human Resources (CTAHR)
34. Mark Glick, Administrator, Hawai'i State Energy Office, DBEDT
35. Mark Fox*, External Affairs Director, The Nature Conservancy of Hawai'i (TNCH)
36. Matt Lynch, Interim System-wide Sustainability Coordinator, University of Hawai'i
37. Mawae Morton, Representative, Polynesian Voyaging Society (PVS)
38. Mike Hamnett*, Co-Chair, Hawai'i Energy Policy Forum (HEPF) & Executive Director, RCUH
39. Neil Hannahs, Director of Land Assets Division, Kamehameha Schools (KS)
40. Nicole Chatterson, RISE Project Manager, Kupu Hawai'i
41. Peter Adler, Principal, Accord 3.0 Consultants
42. Piia Aarma*, President, Pineapple Tweed Public Relations & Marketing
43. Pono Shim, Executive Director, Enterprise Honolulu (EH)
44. Rob Parsons, Executive Assistant for Environmental Concerns, Maui County
45. Scott Glenn, Chair, Environmental Council & Board Member, Sierra Club
46. Scott Seu*, Senior Vice President of System Operations, HECO
47. Sharon Moriwaki*, Co-Chair, HEPF & Associate Director, UH Public Policy Center (UHPPC)
48. Sylvia Yuen, Special Assistant to the UH President for Food Security & Safety
49. Ulalia Woodside*, Regional Assets Manager, KS

50. William Aila, former Chairperson, DLNR
* *HGG Steering Committee members*

841 Bishop St., Suite 301
Honolulu, Hawaii 96813



Telephone: 808 926-1530
Contact@HEECoalition.org

Committee on Ways and Means
Senator Jill Tokuda, Chair
Senator Ronald Kouchi, Vice Chair

April 1, 2015

Dear Chair Tokuda, Vice Chair Kouchi, and Committee Members,

This testimony is submitted in support for the Hawaii Board of Education Budget Request for the Fiscal Biennium 2015-2017 as it applies to the State Budget, HB500 HD1.

Hui for Excellence in Education, or "HE'E," is a statewide coalition of diverse stakeholders committed to working collaboratively to identify opportunities to improve public education in Hawaii. HE'E seeks to be the focal point for community and parent engagement while serving as a public resource for educational policy. The Coalition currently has over 40 members. Our member list is attached.

The Coalition supports the Hawaii Board of Education's budget request for Fiscal Biennium 2015-2017. We support the additional investment in operating and capital improvement funds to assist at the school level. As reflected by the continuing positive The National Assessment of Educational Progress (NAEP) scores for Hawaii schools, the improvement in student readiness indicators including increasing graduation rates, AP exam participants and dual enrollment, decreasing remediation at the University of Hawaii, as well as the recent praise received by the US Department of Education on the Elementary and Secondary Education Act (ESEA) Waiver Monitoring Report, school transformation is progressing and moving in the right direction. Therefore, we want to continue providing adequate resources to schools to continue the positive trajectory.

In addition, we also support the restoration of \$6 million in the HB500 HD1 Biennium Budget for the Preschool Open Doors Program. Having a strong foundation in school readiness not only gives children the advantage to transitioning to the K-12 system, but also can have lasting effects to positive outcomes over the span of a child's lifetime. The Coalition has particularly been concerned about the late-born four year olds, who have not been able to attend public Kindergarten from the 2014-2015 year. We like the fact that Preschool Open Doors prioritizes late born four-year olds as well underserved and at-risk children.

Thank you for the opportunity to testify and for your consideration. Our support of this bill represents a 75% consensus or more of our membership.

Sincerely,

Cheri Nakamura
HE'E Coalition Director

Academy 21
After-School All-Stars Hawaii
Alliance for Place Based Learning
*Castle Complex Community Council
*Castle-Kahuku Principal and CAS
Coalition for Children with Special Needs
*Faith Action for Community Equity
Fresh Leadership LLC
Girl Scouts Hawaii
*Good Beginnings Alliance
Harold K.L. Castle Foundation
*Hawaii Appleseed Center for Law and Economic Justice
Hawai'i Athletic League of Scholars
*Hawai'i Charter School Network
*Hawai'i Nutrition and Physical Activity Coalition
*Hawaii State PTSA
Hawai'i State Student Council
Hawai'i State Teachers Association
Hawai'i P-20
Hawai'i 3Rs
Head Start Collaboration Office
It's All About Kids
*INPEACE
Joint Venture Education Forum
Junior Achievement of Hawaii
*Kaho'omiki
Kamehameha Schools
Kanu Hawai'i
*Kaua'i Ho'okele Council
Keiki to Career Kaua'i
Kupu A'e
*Leaders for the Next Generation
Learning First
McREL's Pacific Center for Changing the Odds
Our Public School
*Pacific Resources for Education and Learning
*Parents and Children Together
*Parents for Public Schools Hawai'i

Punahou School PUEO Program

Teach for America

The Learning Coalition

US PACOM

University of Hawai'i College of Education

YMCA of Honolulu

Voting Members () Voting member organizations vote on action items while individual and non-voting participants may collaborate on all efforts within the coalition.*

Written Statement of
ROBBIE MELTON
Executive Director & CEO
High Technology Development Corporation
before the
HOUSE COMMITTEE ON FINANCE
Wednesday, April 1, 2015
9:10 a.m.
State Capitol, Conference Room 211
In consideration of

HB500 HD1 RELATING TO THE STATE BUDGET.

Chair Tokuda, Vice Chair Kouchi, and Members of the Committee on Ways and Means.

The High Technology Development Corporation (HTDC) **supports** HB500 HD1 regarding the request by Department of Business, Economic Development, and Tourism (DBEDT) to add two 0.5 general fund positions for HTDC - BED143.

The two 0.5 positions are a reinstatement of existing positions lost during the previous session. The positions were lost as a result of not being filled, and were not filled due to budget restrictions and a leaning of operations since the economic downturn in 2009. Each position is 0.5 special funded and 0.5 general funded. HTDC has budget to fund the special funded portion of each position and the workload for two additional full time staff.

This year, under new leadership, HTDC launched several new initiatives as part of a vision to create 80,000 new innovation jobs in Hawaii earning \$80,000 or more by 2030. The new initiatives were launched through the commitment of the existing staff and will require additional support to build out and maintain. In the past year HTDC's activities have grown with:

- the award of a \$3 million U.S. Economic Development Authority federal grant to construct the Entrepreneur's Sandbox in Kakaako
- securing additional federal funds for HTDC's two federal programs to expand manufacturing and alternative energy transportation technologies which will require more administrative management matching support from HTDC
- planning of three technology parks (geriatric, cyber and agriculture)
- launch of the Neighbor Island Innovation Initiative providing mentorship support to underserved areas of the state
- assisting DBEDT with the expansion of broadband infrastructure in Hawaii due to synergies with and core competencies of our agency.

These new initiatives are added to our current program responsibilities that include:

- managing 2 tech incubators supporting 64 startup companies with 18 new to the program and 11 graduating this past year

- sponsoring and supporting 14 training workshops and networking events serving over 2,000 participants on Oahu, Maui, and the Big Island
- assisting 20 manufacturing companies with over \$40 million in revenue
- awarding \$520,000 of matching grants to 23 SBIR awardees that won \$2.7 million in federal phase I SBIR awards

HTDC is currently operating with a total staff of 17 employees, 8 of which are federally funded and dedicated specifically to the two federal projects. An Economic Development Specialist and a Chief Operating Officer / Innovation Program Development Manager are imperative to ensure the continued success of these projects. If the existing staff is left to focus on administration, we cannot continue the work we have started to achieve our goals for the 80/80 jobs initiative. The 80/80 initiative is about thinking differently, thinking big and taking action. We hope the committee sees the value HTDC is delivering in building an innovation economy and creating high wage job opportunities to keep Hawaii's brightest minds home. We respectfully ask for your support.

Thank you for the opportunity to offer these comments.

La'i'Opua 2020

a 501C-3 non-profit corporation
74-5599 Luhia Street, #E-5
Kailua- Kona, HI 96740

Phone.....808-327-1221
Fax808-327-1223
[email.....bokahui@laiopua.org](mailto:bokahui@laiopua.org)

State Budget Hearing before Senate Ways and Means

RE: HB 500, HD 1

April 1, 2015

9:10 AM

Senate Room 211

I testify in support of increasing the DHHL administrative budget (HHL 602) to the original DHHL request of \$25 million.

The Hawai'i Constitution, Art. XII, Sec. 1 requires the Legislature to provide "sufficient sums" to fund the DHHL administrative and operating budget. That constitutional mandate was designed to relieve the DHHL of relying on its general lease revenues to fund this budget. It is the only state agency that enjoys this funding mandate.

However, recently, the House of Representatives CUT the already insufficient (FY 2015 - \$9.6 m) DHHL administrative and operating budget to \$6.3 m. The DHHL requested a budget of \$25 million to perform its important mission. At the same time the House reduced the DHHL budget *by 34.4%*, it cut the state general fund budget in comparison by only 1.4%. All legislators took an oath of office to support and defend the Hawai'i Constitution. They are obligated to fund the DHHL adequately.

The current level of the DHHL budget (\$9.6 m) is less than 40% of what the Governor requested from the Legislature and less than 13% of what the DHHL originally requested (\$75 m) before the Governor cut that request for FY 2015. As a result of this shortfall, the DHHL is primarily using revenues from the general leasing of trust lands to make up the difference (\$16.4 m). As Jobie Masagatani pointed out to the House Finance Committee:

. . . Any reduction from this amount [\$9.6 million] will require either an additional allocation of trust fund resources or other general lease revenues to cover the shortfall, or a reduction in services hindering our ability to meet the mission of DHHL.

. . .At the present time the Department must use its special and trust funds to finance any of its administrative and operating costs not funded with general funds. These resources could have otherwise be used for direct benefits to our beneficiaries

I ask you to restore a "sufficient" level of general funding for the administrative and operating budget of the DHHL as the "shortfall" will undoubtedly affect DHHL's effectiveness to serve its beneficiaries.

Please note that the Hawai'i Tourism Authority has a budget of \$82 million, with no constitutional mandate. There is money available to fund the DHHL adequately so it receives its initial budget request of \$25 million per year. It is just a matter of you choosing the right priority as the law requires and the State Constitution mandates.

Sincerely,
Craig "Bo" Kahui
Executive Director

CC: La'i'Opua 2020 Board, Village of La'i'Opua Homestead Association
Jobie Masagatani, Chair-DHHL, William Aila, Deputy Director, DHHL
Rep. Sylva Luke House Finance Chair, Sen. Josh Green, Senate District 3
Rep. Nicole Lowen, House District 6



Testimony of the O'ahu Invasive Species Committee
Commenting on H.B. 500 H.D. 1 Relating to the State Budget
Senate Committee on Ways and Means
Wednesday April 1, 2015 9:10 AM Room 211

The O'ahu Invasive Species Committee (OISC) supports the restoration of items in H.B. 500 HD 1 that would provide funding to DLNR's invasive and watershed programs. This funding will be critical to ensure that incipient invasive species can be quickly controlled and that established invasive species can be successfully managed. Watershed funding is critical to keep the State's fresh water sources healthy. We respectfully request that the following items be restored to HB 500 HD 1:

- DLNR's spending ceiling on the Natural Area Reserve Fund, that supports Watershed Partnerships, Forest Reserves, Natural Area Reserves and Youth Conservation Corps, to \$12,934,000;
- DLNR's request for \$1,000,000 in capital improvement program (CIP) funds to support watershed fencing projects;
- DLNR's request for \$4,000,000 for Hawai'i Invasive Species Council (HISC) programs plus an additional \$2,000,000 for a total of \$6,000,000; and
- DLNR's spending ceiling on the Legacy Land Conservation Fund to \$6,800,000.

The increased revenue for invasive species control will ensure that existing invasive species programs remain intact and that HISC will be able to respond to whichever new economically damaging species arrive in the islands during the next fiscal year. The rapid response to coconut rhinoceros beetle—a pest of coconut trees and other economically important palms—was successful in part because the federal government assisted with staff and funds. However, not all pest incursions qualify for federal help. For most of them, it is up to us.

Invasive species programs must make progress on watershed destroying weeds like miconia while being ready to quickly eradicate newly introduced species. OISC has stopped the spread of miconia on O'ahu; since 2008 mature trees have declined to six or less each year over a 13,000 acre infestation area. However in the past five years, new species such as Cape ivy and devil weed that are known to disrupt ecosystem function have been discovered. OISC needs increased support to continue its successful miconia program and respond to new threats.

OISC works island-wide to remove incipient invasive species from O'ahu before they become so abundant that they begin to damage ecosystems. OISC employs 17 people that conduct early detection, systematically survey and remove incipient invasive plants, educate the public about how special Hawai'i's biota is and how to protect it and assist the Department of Agriculture to survey and control for vertebrates and invertebrates. We have benefitted from HISC funds for many years and we thank the Legislature for their continued support in the fight against invasive species. The state money OISC receives is highly leveraged with county and federal funds. Adequately funding the fight against invasive species so that state agencies and organizations like OISC can rapidly respond to new incursions will keep Hawai'i's unique biota intact for future generations and protect the natural resources that support Hawai'i's economy.

Thank you for your support.

Sincerely,
The O'ahu Invasive Species Committee

Pana'ewa Hawaiian Home Lands Community Association

P.O. Box 4788 ♦ Hilo, Hi 96720 ♦ Telephone: 808-315-2141 ♦ Email: phhlca@aol.com

March 30, 2015

**Testimony before Senate Ways and Means
Committee**

**For hearing on Wednesday 9:10am Rm 211
HB 500, HD 1**

Relating to the state budget

Honorable Chair Jill N. Tokuda, Vice Chair Ronald D. Kouchi and committee members, Aloha Kakou!

I am William H Brown, a native Hawaiian as defined by the HHCA 1920, as amended July 9, 1921 and the current President of Pana'ewa Hawaiian Home Lands Community Association – PHHLCA; I speak on behalf of the membership of our 320 Hawaiian homestead community residential lessees and over a hundred associates (via former homesteaders) who wishes to convey a letter of support for HB 500 HD1 with stipulation to the increase of DHHL's Administrative Budget (HHL 602) in the original DHHL's request of \$25 million.

The **Hawai'i Constitution, Art. XII, Sec. 1** requires the Legislature to provide "sufficient sums" to fund the DHHL administrative and operating budget. That constitutional mandate was designed to relieve the DHHL of relying on its general lease revenues to fund this budget. DHHL is the only state agency that enjoys this funding mandate.

However most recently, the House of Representatives CUT the already insufficient (FY 2015 - \$9.6 m) DHHL's administrative and operating budget to \$6.3 m. a reduction of **34.4%**, cutting the state general fund budget in comparison by only 1.4%. All legislators took an oath of office to support and defend the Hawai'i Constitution. They are obligated to fund the DHHL adequately.

The current level of the DHHL budget (\$9.6 m) is less than 40% of what the Governor requested from the Legislature and less than 13% of what the DHHL originally requested (\$75 m) before the Governor cut that request for FY 2015. As a result of this shortfall, the DHHL is primarily using revenues from the general leasing of trust lands to make up the difference (\$16.4 m). As Jobie Masagatani pointed out to the House Finance Committee:

... Any reduction from this amount [\$9.6 million] will require either an additional allocation of trust fund resources or other general lease revenues to cover the shortfall, or a reduction in services hindering our ability to meet the mission of DHHL.

. . . At the present time the Department must use its special and trust funds to finance any of its administrative and operating costs not funded with general funds. These resources could have otherwise been used for direct benefits to our beneficiaries

We ASK this committee in restoring the "sufficient" level of general funding for the administrative and operating budget of the DHHL. Under the oath of office you took to assume your position, you should be doing nothing less.

If you think funding is short, remember that the Hawai'i Tourism Authority has a budget of \$82 million, with no constitutional mandate unlike the assigned funding of DHHL. There is money available to fund DHHL adequately so it receives its initial budget request of \$25 million per year. It is just a matter of you choosing the right priority as the law requires.

Yours Truly,

A handwritten signature in black ink, appearing to read "William H Brown", with a long horizontal flourish extending to the right.

William H Brown
President of PPHLCA



PARTNERS IN CARE

Oahu Continuum of Care

Partners in Care is a coalition of Oahu's homeless service providers, government representatives and community stakeholders working together in partnership to end homelessness.

TESTIMONY IN SUPPORT OF HB 500: RELATING TO THE STATE BUDGET

- **HMS 224, Department of Human Services – Housing First**
- **CIP for HHFDC – Rental Housing Trust Fund** (Governor's message 207).

TO: Senator Jill N. Tokuda, Chair; Senator Ronald D. Kouchi, Vice Chair; and Members, Committee on Way and Means

FROM: Betty Lou Larson, Advocacy Committee, Partners in Care

Hearing: **Wednesday, April 1, 2015; 9:10 AM; Conference Room 211**

Chair Tokuda, Vice Chair Kouchi, and Members of the Committee on Ways and Means:

Thank you for the opportunity to provide testimony **in strong support** for funding **Housing First**, in the budget of the Department of Human Services (HMS 224) **and CIP funding for the Rental Housing Trust Fund**. I am Betty Lou Larson from the Advocacy Committee of Partners in Care.

Partners in Care strongly supports \$3 million for Housing First to continue this successful evidence based program and to expand it to the Neighbor Islands. We respectfully urge you to include this funding to the **base budget of DHS**. Because funding is not currently in the base budget, the sustainability of housing for individuals in the program (40 households as of 1/28/15) is at risk. Real people could be impacted without sustained funding, people like "Wanda" and her daughter. Housing First can change lives and can successfully transition the chronically homeless into permanent housing.

Wanda is a 41 year old single mother with a 15 year old daughter. This family had been homeless for 6 years, living unsheltered on the streets. Wanda has a serious mental illness, and was self-medicating with drugs and alcohol. Her daughter was not attending school and was helping to care for her mother. Wanda and her daughter are now stably housed. The daughter is attending classes again, and the case manager is working with Wanda to take medication more regularly. Housing First has enabled the daughter to again be a teenager and get her life back on track as well as helping Wanda to stabilize and be successful in permanent housing.

Partners in Care also strongly supports \$100 Million in CIP funding to the Rental Housing Trust Fund. The dire need for housing demands action now. The 2014 Housing Study finds that 27,224 rental units are needed by 2020 for households at 80% of AMI. This is DOUBLE the number of units needed just 3 years ago in the 2011 Housing Study (13,000 projected need).

The RHTF has a proven record of creating new affordable rental units across the State of Hawai'i. This funding is critical to produce new rental housing since without it, housing projects are not financially feasible. It is the only fund that mandates units for people at 30% AMI. A 2013 study found that Trust Fund projects successfully house very low income people; indeed almost 50% of



PARTNERS IN CARE

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the families occupying units had income below 30% AMI. These are extremely valuable resources for the people of Hawaii.

Hawaii has the highest rate of homelessness among the states. *Out of Reach 2014:* reported that Hawaii topped the list of most expensive states for housing. A full time worker would need to make \$31.54/hour to afford a two-bedroom unit at fair market rent. Yet the median wage of a renter in Hawaii is just \$13.86. 78% of extremely low income households living in poverty pay more than half their income for rent.

People in every community in Hawaii are concerned about homelessness. Last year PIC circulated a petition about affordable housing and received many comments from the Neighbor Islands, as well as Oahu. Many poignant comments show what people in the community feel about homelessness and the need for more affordable rentals. They urge you to solve this crisis:

- *“When I see a person without a home I think: Where’s the Aloha Hawaii? Where is the empathy? How can we allow children to live on beaches and on the streets? How can we allow our Veterans to be Homeless? I know some folks need mental health services so let’s get them help. I couldn’t imagine being forced to live my life out in the public, can you? So I vote Yes! Please do all you can to End homelessness in Hawaii and hopefully every state will follow us.”*
- *“I work a full-time job at \$10 an hour. My rent is \$1275. If I had to pay my rent by myself I would not be able to afford it along with my utilities. Please help us here in Hawaii.”*
- *“My grandchildren had to move to the Mainland because Section 8 closed due to a 5 year waitlist. I am so sad and not sure when I’ll ever see them again.”* and
- *“Malama our Island Ohana! Support the cause, and put a roof over homelessness.”*

Thank you for the opportunity to testify. Please contact me at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org if you have any questions.



PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

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TO: Senator Jill N. Tokuda, Chair
Senator Ronald D. Kouchi, Vice Chair
Members, Senate Committee on Ways and Means

FROM: Scott Morishige, MSW
Executive Director, PHOCUSED

HEARING: **Wednesday, April 1, 2015 at 9:10 a.m. in Conf. Rm. 211**

Testimony for HB500 HD1, Relating to the State Budget.

Thank you for the opportunity to provide testimony in support of the State budget bill, HB500 HD1. PHOCUSED is a nonprofit membership and advocacy organization that works together with community stakeholders to impact program and policy change for the most vulnerable in our community. Specifically, we are submitting testimony in regards to the following Program ID numbers:

- **BED 160: We support an appropriation of \$100 million for the Rental Housing Trust Fund (RHTF).** Hawaii is currently in the midst of a housing crisis – our state has the 2nd highest rate of homelessness per capita in the nation – and now is the time to maximize every tool at our disposal to address this issue. The RHTF is a proven mechanism for affordable housing development and since its inception has added over 5,000 new units to Hawaii's rental housing inventory.
- **HMS 224: We support an appropriation in the Department of Human Services (DHS) base budget of \$2 million for the Housing First program.** Housing First is an evidence-based best practice, which has proven its effectiveness in addressing chronic homelessness. An appropriation of \$2 million would enable the expansion of Housing First to the neighbor islands, and including this appropriation in the base budget will ensure housing stability for the program's current participants (52 households as of March 2015).



PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

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- **HMS 305:** *We support increasing the appropriation for the **Preschool Open Doors (POD) program by \$6 million.*** The POD program currently serves 1,287 statewide, but over 900 children remain on the waiting list this year alone. According to PATCH, childcare is the second highest expense for households behind housing costs. Having POD keep its doors open is critical to Hawaii's most vulnerable children and families. Without the support that POD provides, many Hawaii children will be left at a disadvantage, and not receive the full preparation and support they need to enter the public education system and succeed.
- **HMS 401:** *We support an appropriation of \$7 million to cover **co-pays and medical premium costs for non-U.S. citizens that have been transitioned off of Med-QUEST to the Hawaii Health Connector.*** On March 1, 2015, 7,700 individuals were transitioned off of Med-QUEST to private health plans – These individuals are all below 138% of Federal Poverty Level, and will be unable to cover the cost of co-pays for medication and/or doctor visits. There is over 40 years of research indicating that co-pay costs results in decreased access to health care for low-income populations, and that this can result not only in worsening health conditions or death, but also increased emergency care costs for the broader community.

We recognize that there are many competing priorities for funding, and appreciate the opportunity to testify in strong support of the various appropriation items listed above. If you have any questions, please do not hesitate to contact PHOCUSED at 521-7462 or by e-mail at admin@phocused-hawaii.org. Thank you for the opportunity to testify.



THE SEX ABUSE TREATMENT CENTER

A Program of Kapi'olani Medical Center for Women & Children

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Adriana Ramelli

Advisory Board

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Gidget Ruscetta

Joshua A. Wisch

DATE: April 1, 2015

TO: The Honorable Jill Tokuda, Chair
The Honorable Ronald Kouchi, Vice Chair
Senate Committee on Ways and Means

FROM: Adriana Ramelli, Executive Director
The Sex Abuse Treatment Center

RE: Testimony in Strong Support of H.B. 500, H.D. 1
Relating to the State Budget

I would like to thank the Committee for this opportunity to provide testimony on behalf of The Sex Abuse Treatment Center (SATC), a program of Kapi'olani Medical Center for Women & Children (KMCWC), in strong support for the inclusion of funds requested by the Department of the Attorney General and Governor Ige for statewide sexual assault services in the General Appropriations Act of 2015, House Bill 500, House Draft 1 (H.B. 500, H.D. 1).

H.B. 500, H.D. 1, ATG 100 (SEQ #210-003) proposes appropriations in the amount of \$380,000 in the Executive Budget for FY 2016. The SATC respectfully urges the Committee on Ways and Means to also strongly support inclusion of funds in the amount of \$380,000 in FY 2017 for critically needed statewide sexual assault services.

The base operating funds for statewide sexual assault services has remained unchanged since 2006. The additional funds of \$380,000 per year are needed to support the delivery of direct sexual assault treatment and education services for all four counties and every island in the State of Hawai'i.

The State of Hawai'i created a Master Contract for these services in 1997. The funding to provide the consultative technical assistance services required by the Master Contract to ensure the coordinated delivery of sexual assault services throughout the state with consistent standards and oversight, has been carved out of base operating funds, reducing the fiscal resources available for direct services for survivors and local communities.

While we deeply appreciate the inclusion of funds for FY 2016 in the Executive Budget, funding only one year will unfortunately not be sufficient to provide for sustainable statewide delivery of sexual assault services, and would introduce an untenable level of uncertainty into attempts to provide services to survivors and conduct prevention programs.

The additional funds for both FY 2016 and FY 2017 are needed to:

- Restore sexual assault services that have already been lost due to budget shortfalls. This includes prevention and education services for rural communities on Moloka'i, Lana'i, Kaua'i and Hawai'i Island; crisis counselor staffing on Hawai'i Island; and mental health therapy services for survivors in Maui, Moloka'i and Kaua'i.
- Continue the coordination of sexual assault services through a Master Contract between the AG and Kapi'olani Medical Center for Women and Children, which oversees the statewide network of sexual assault centers. Coordinating services through a Master Contract has been beneficial and effective for the State. The Master Contract has demonstrated consistent standardization of sexual assault services; ensured fiscal and program oversight and program integrity on all islands; provided consistent program planning; and ensured advocacy and public policy for survivors of sexual assault.

Without the requested funds for FY 2017, the Master Contract will no longer be sustainable and will end, returning the State of Hawai'i to a decentralized, obsolete and uncoordinated treatment and prevention model that has not existed in the islands since 1997. This will adversely impact and compromise the quality and delivery of services; the physical and emotional well-being of citizens who are harmed by sexual predators; and community safety.

The Committee's strong support for inclusion of additional funds for statewide sexual assault services in both FY 2016 and FY 2017 in the Executive Budget, H.B. 500, H.D. 1, ATG 100 (SEQ #210-003), will ensure that survivors and their loved ones across the islands will receive the care that is crucial to recovery from the effects of sexual assault, and empower communities statewide with the services needed to prevent acts of sexual violence.

TESTIMONY IN SUPPORT OF
HOUSE BILL (HB500)
WITH CONSIDERATION ON THE INSERTION OF ADDITIONAL COST ADJUSTMENTS – SPECIFICALLY, THE
APPROPRIATION OF GENERAL FUNDS FOR THE KIRC TO CONTINUE ITS WORK RESTORING, PROTECTING,
PRESERVING AND PROVIDING ACCESS TO KAHO‘OLAWÉ

Senate Committee on Ways & Means
Wednesday, April 1st, 2015, 9:10 a.m., Conference Room 211

Project Pono is an environmental stewardship and service learning elective course and program at University Laboratory School. Project Pono students learn about and engage in practices that promote environmental awareness and cultural and environmental sustainability. Project Pono students teach themselves and their peers about these topics through identifying their own environmental interests grounded in Hawaiian values and places, finding or founding community events that foster environmental and cultural sustainability, and participating in educational outreach aimed at multiple levels of their school, home, and peer communities.

Since 2010 University Laboratory School Project Pono students have regularly visited and contributed to the restoration and preservation work that KIRC leads on Kaho‘olawe. In preparation for their visits, students learn about the cultural and historical significance of this island to Hawai‘i and it’s people. Once on the island, students work closely with KIRC staff to carry out cultural protocol and practices, as well as, environmental and natural resource restoration and management projects. Project Pono supports HB500 and the KIRC’s request for general funds to be allocated for the continued work of restoring, protecting, preserving and providing access to Kaho‘olawe. Project Pono students and so many others have put in many hours of hard work, commitment and love into healing and restoring Kaho‘olawe. It is our hope that funding be procured to continue this important work.

Project Pono Students’ Individual Statements of Support for HB500

- **Baylee J (12th Grade)** I was lucky enough to go to Kaho‘olawe in the summer of 2014 with a few of my classmates. I got to make rock circles to start growing seedlings in, swim among the amazing coral reefs, and enjoy the beautiful stars at night. Driving on the dirt roads across the island, I couldn’t help but notice how barren the landscape was and how there is a lot left to do. I could see the hundreds of rock circles already built and seedlings were growing in them, but I would love to see the entire island covered with plants. If this work were to stop, then the island wouldn’t progress on its own. It needs all the care it can get from all the dedicated volunteers so that someday the island could be restored to how it originally was. Kaho‘olawe made me proud to live in Hawaii and it reminded me of how blessed I am to live in such a special place. Please support HB500 with additional funding for KIRC. It felt great to know that the work I did on Kaho‘olawe along with the incredible KIRC staff will someday be enjoyed by future generations that could possibly enjoy a restored Kaho‘olawe.
- **Khaliah K (12th Grade)** Stopping work on Kaho‘olawe would stop future generations from thinking that they have a chance to change the world. I was truly blessed to have been able to take part in an access my sophomore year. This access showed me that a small group of people, can create a big impact to the land. As a Hawaiian I have a strong connection to anything that can help connect me to my ancestors. So many people help protect and restore this island. We can not stop now there is so much more to do. If I had another chance to go back and continue to help restore the land I would take it in a heart beat. I was able to sit back and enjoy the little things in life. I watch the waves hit against the shore as if it was a race to the finish. I watch the sun kiss the earth and set it on fire for a split second, causing an explosion of different colors. I watched

the stars twinkle in the black silk sky with nothing but the sounds of waves in the background. All things I never noticed until I took part in this access. Please support HB500 and allow for additional funding to support KIRC accesses such as mine.

- **Kailee R (12th Grade)** Please support HB500 with additional funding for KIRC. Being able to experience life on Kaho‘olawe was truly a blessing. As a high school student I would never thought of being able to travel to an island that was abandoned and hurt by the military. Once I stepped foot onto Kaho‘olawe I was determined to take care and love this beautiful island that everyone took advantage of. When we first got our tasks for the week I was determined to clean out the pathways that were filled with Kiawe wood but also ready to build a rock wall with my classmates. I feel that if no one took care of our land then we won't be able to live off it but also we won't have that feeling of being successful. With all of this being done I felt so happy to be apart of this experience but without the help of the KIRC crew we wouldn't be able to experience this wonderful opportunity.
- **Kody R (12th Grade)** I feel we need to do more restoration work on Kaho‘olawe. They had been working hard toward restoring Kaho‘olawe but Kaho‘olawe needs way more work because of what the US government did. We still need to protection and preservation Kaho‘olawe because it is one of the Hawaiian Islands and is just as important as the other Hawaiian Islands. If the KIRC work stops on Kaho‘olawe then what would happen? I would love to go there and help out and experience what everyone should experience. I hope that you will give KIRC funding so the can continue their work and I can help.
- **Kai M-K (12th Grade)** During the summer of 2014 I was lucky enough to be able to travel to the island of Kaho‘olawe. This was one of the most amazing experiences of my life. We built rock circles to help dirt collect inside since the land is so deprived of planting material. Our group also watered small seedlings in the hope of reforesting Kaho‘olawe. My access was shared with other kids my age as well as younger kids all from different schools. Due to the fact we had middle school kids we were not able to do a lot of manual labor, however the knowledgeable KIRC staff provided other productive learning activities such as touring the island's important geographical and cultural sites and learning about the history and cultural significance of Kaho‘olawe. I feel that there is still so much to be done, there are so few trees actually growing on island. Without the help of KIRC staff and volunteers, it will be impossible to restore the island to her former beauty. If work were to completely stop the island has the potential to become much worse than it is now. Please support HB500 and the additional funding request for KIRC. The caring hands that work on island do a lot of help heal all the damage that has been done, cutting them off would be cutting off the life line back to health. Being on access is unlike anything else in the world. It's honestly hard to put into words. The young adults at University Laboratory School that go on access are all able to do so through our Project Pono teacher's, Miki Tomita, connection with KIRC. When I was first told I would be going to Kaho‘olawe I was beyond stoked. I could not wait, and this was at least six months before I'd actually step foot into the sand on island. Being able to be on island for three days changed my life, and I truly hope, all though for partially selfish reasons, that one day I will be able to return.
- **Brandon C (12th Grade)** In the future I hope to go to Kaho‘olawe to do restoration work with my Project Pono class. I think it's important to care for Kaho‘olawe especially because the island was abused by the United State's military and it is our duty to see the island back to its natural beauty. As our state motto goes, Ua mau ke ea o ka 'aina i ka pono o Hawai'i. E malama kakou i Hawai'i, E malama 'o Hawai'i ia kakou.
- **Ku'u K (12th Grade)** In January 2013, I was a part of a select group of students from my school that were privileged enough to do restoration on Kaho‘olawe through the Kaho‘olawe Island Reserve Commission (KIRC). During our access, we worked together to clear pathways and build rock walls. As a result of this experience, we were able to practice teamwork and bond as a class. We learned about the sacredness and importance of Kaho‘olawe to our ancestors. Kaho‘olawe is the center of our Hawaiian islands—the piko. In Hawaiian culture, the piko is the most important part of our bodies because it connects us with our past, and our future. After the

litigation was passed that forced the U.S. Navy to stop using Kaho‘olawe for target practice, the island was left in ruins without any signs of life. We need to mālama Kaho‘olawe so that we can bring back the spirit that it once had. Working on Kaho‘olawe helped me to realize how important it is to perpetuate our Hawaiian culture and to share our mana‘o with others. The work needs to continue on Kaho‘olawe so we can bring back what was taken. We’ve seen progress on the island, but there’s still so much that needs to be done. I personally feel that we owe it to our ancestors— to our kupuna, to at least, try and restore one of our islands.

- **Noah T (12th Grade)** What did I do while on Kaho‘olawe? I have been to Kaho‘olawe twice, both using a KIRC access, and both times I worked to restore the island. During my first experience I built rock walls for places to plant. We also built part of the wall at the start of base camp, outside the kitchen. My second trip was more for ideas on what Kaho‘olawe will look like by 2025. We came up with ideas and what needed to be done by then. I believe that Kaho‘olawe can be fully healed with the help of KIRC. General funds are necessary for KIRC to continue restoration work because from what I know, only half the island is cleared from bombs. Also the water table of the island cracked and the ground cannot take in the water. I believe more research should be done and more restoration should be done to help repair the land. Also KIRC should bring students who are willing to work and who want to learn about Kaho‘olawe (Hawaiian history based and environmental issues).
- **Joey C (12th Grade)** This bill is important to the continuing efforts being put towards the restoration of Kaho‘olawe because of all the hard work and effort that has been done already. There is still a lot left that can be done to restore the island of Kaho‘olawe. If work were to stop on Kaho‘olawe, then all of the previous work and the unfinished areas of Kaho‘olawe would not receive the proper care and work that it needs and deserves. I would like to go to Kaho‘olawe and work with KIRC in the restoration that is being done there and so I ask that House Bill 500 be considered to be passed allowing for additional general funds to be given to KIRC so that future generations have the opportunity to learn and participate in the restoration of the island of Kaho‘olawe.
- **Frank H (12th Grade)** Through the hard work of some very passionate people Kaho‘olawe has made significant progress in its restoration process but there is still so much more work to be done. Our military and government is responsible for the desecration of Kaho‘olawe and should also be responsible for funding its restoration. I have not had the privilege of visiting the island but hopefully one day I will have the opportunity to do my part in aiding the restoration of the island. Kaho‘olawe may never be the same but it is our duty to help it to heal and recover as much as possible. We have people who are willing to put in the work to breath life back into the island but they need the funding and resources in order to continue their work. Please support HB500 and the use of additional general funds for KIRC.

Thank you for the opportunity to provide testimony.

Sincerely,

Baylee J., Khaliah K., Kailee R., Kody R., Kai M., Brandon K., Ku‘u K., Noah T., Joey C. and Frank H.

Project Pono

University Laboratory School

1776 University Avenue 3-121

Honolulu, HI 96815

8089567833

laura_cottongim@universitylaboratoryschool.org (Faculty Contact)



Senator Jill N. Tokuda, Chair
Senator Ronald D. Kouchi, Vice Chair
Members of the Senate Committee on Ways and Means

From: Douglas Mersberg, Executive Director

Re: Testimony related to HB 500, HD1, Relating to the State Budget: In Support of Restoring \$6 Million for the Preschool Open Doors program to HMS 305

Hearing

Date: April 1, 2015

Time: 9:10 AM

Place: Conference Room 211

Wai'anae Coast Early Childhood Services has been providing preschool services on the Wai'anae Coast since 1973. 94% of our families receive some form of tuition subsidy in order to afford our services, including from the Preschool Open Doors program.

Wai'anae coast elementary school principals maintain that many of the children that enter their kindergarten classrooms are two years behind in their school readiness skills. Their schools' test scores confirm this assertion. Longitudinal studies show that quality preschool services have a positive impact on school success for low-income children. There are hundreds of children in our community who are unable to access preschool services.

This program is critical to children that will not be served due to the change in the kindergarten entry age. There are currently 1,300 children being served and over 900 are on the waiting list. Minimally the funding should be restored and more funding should be sought to serve the actual need, established by the waiting list.

Our organization is in full support of restoring \$6 million in childcare subsidies to the Preschool Open Doors program, which is HMS 305 of HB500. This is based upon our capacity to serve more children, the school readiness needs of children in our community, and the benefits that programs like ours can provide.

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Dr. Ruth Ohata, DDS

Jennifer Tanouye

Karen Teshima

March 30, 2015

To: The Honorable Jill Tokuda, Chair
The Honorable Ronald Kouchi, Vice Chair
Senate Committee on Ways and Means

From: Kathleen McGilvray, Chief Executive Officer
Lorraine Davis, Chief Operating Officer
YWCA of Hawaii Island

Re: Support of H.B. 500 H.D. 1, ATG 100 (SEQ #210-003)
Relating to Satewide Sexual Assault Services

On behalf of the board of directors, staff and the many individuals and families who benefit from YWCA Sexual Assault Support Services program, thank you for allowing us this opportunity to provide testimony in strong support of H.B. 500 H.D. 1, ATG 100 (SEQ #210-003).

This particular line item refers to funds to update the base operating budget of the Department of the Attorney General (the AG) in support of the development, delivery and maintenance of quality, sustainable programs to provide sexual assault services statewide.

We respectfully request your support to add funds in the amount of \$380,000 in FY 2017 of the Executive Budget for critically needed statewide sexual assault services. We noted that H.B. 500 H.D. 1, ATG 100 (SEQ #210-003) appropriated \$380,000 for FY 2016, but \$0 for FY 2017.

The Sex Abuse Treatment Center (SATC), a program of the Kapi'olani Medical Center for Women and Children (KMCWC) administers state funding through a master contract between the AG and the KMCWC for sexual assault services provided by the YWCA of Hawaii Island for the entire island of Hawaii. Our Sexual Assault Support Services (SASS) provide direct services that ensure survivors and their loved ones have access to the highest standard of care no matter where they may reside on the island, and that communities in our county are empowered to combat sexual violence. SATC has worked with all counties in the state of Hawaii to

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And promoting peace, justice, freedom, and dignity for all.**

A partner agency of the Hawai'i Island United Way

provide a high degree of network-wide coordination and program integrity. To that end, SATC provides technical assistance in the form of ongoing planning, oversight, and consultation.

As a provider, the technical assistance provided by SATC has been invaluable. Through their expertise and assistance, the SASS program has been able to standardize care across the island, establish victim based policies and procedures, improve systems of care and direct service, receive training otherwise not available and ground the program in practices that are beneficial to the survivor and their families. The staff and resources made available by SATC have become our "go to" experts for our program. We have used them for training, discussing difficult cases, reviewing processes and quality improvement activities.

SATC has worked closely with all sexual assault support centers across the state to standardize care, provide technical oversight, and ensure compliance as well as worked with other entities to bring the issue of sexual violence and the need for care to the forefront in our communities.

By supporting H.B. 500 H.D. 1, ATG 100 (SEQ #210-003) will allow this close, collaborative partnership between government and community entities to continue and the State of Hawaii will realize the best possible value for every dollar spent on sexual assault services. Our program has been able to benefit from the skill, wisdom, and experience possessed by its sister organizations on other islands, which would not be possible if we were working independently and without SATC's coordinating efforts. Our program believes that having integrated, statewide network of centers sharing a uniform set of practice standards, procedures, and materials, and a strong program of training and compliance monitoring is necessary to delivering quality services to our victims and their families.

Presently, base operating funds for statewide sexual assault services in the amount of \$2,000,000 per year – which has remained unchanged since 2007 – are divided between direct services and technical assistance. The resources made available with the support of H.B. 500 H.D. 1, ATG 100 (SEQ #210-003) will allow the entire \$2,000,000 to be used for direct services, including 24/7 crisis intervention, counseling, survivor advocacy, prevention and educational outreach, while still fully funding the technical assistance that supports continued development and consisting both across the network of sexual assault centers and

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systemically in association with other in-state stakeholders. The lack of change since 2007 has whittled away at the amount of technical services and the amount of direct service contract amounts that SATC has been able to provide to the outlying centers. Our center specifically has had to adjust services, staffing, and resources to be able to meet the increasing needs of the victim and the increasing costs to do business without the benefit of increased support in funding. Your support of H.B. 500 H.D. 1, ATG 100 (SEQ #210-003) will lend to the sustainability of the sexual abuse service programs across the State of Hawaii.

By guaranteeing the sustainability of our programs, your support assures that survivors and their families across the islands will receive the care that is crucial to recovery from the effects of sexual assault and equip communities statewide with the service needed to prevent acts of sexual violence.

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eliminating racism empowering women

ywca

YWCA of Kauai
3094 Elua Street
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www.ywcakauai.org

DATE: March 30, 2015

TO: The Honorable Jill Tokuda, Chair
The Honorable Ronald Kouchi, Vice Chair
Senate Committee on Ways and Means

FROM: Renae Hamilton, Executive Director
YWCA of Kaua`i

RE: Testimony in Support of H.B. 500, H.D. 1
Relating to Statewide Sexual Assault Services in State Budget

Aloha Honorable Chair Tokuda, Vice Chair Kouchi, and members of the Senate Ways and Means Committee. My name is Renae Hamilton and I am the Executive Director for the YWCA of Kauai and I would like to thank the committee to provide testimony on behalf of our Sexual Assault Treatment Program, which has been a program at the YWCA for over 20 years. We are the only Sexual Assault Service Provider on Kaua`i.

The YWCA of Kaua`i strongly supports H.B. 500, H.D. 1, ATG 100 (SEQ #210-003) for the inclusion of funds for sexual assault services as requested by the Department of the Attorney General and Governor Ige. The YWCA of Kaua`i also humbly requests the Committee to include the \$380,000 in both FY 2016 and in FY 2017.

This past fiscal year, sexual assault services suffered from a 10% budget reduction which reduced direct services available to the Kauai community by severely cutting prevention education services, and the creation of a wait list for counseling services. The passage of H.B. 500, H.D. 1 with funding for both fiscal years would ensure the restoration of the complete array of essential crisis, counseling, and prevention services to the Kaua`i community and maintain the necessary technical support that has been so beneficial to the sexual assault service providers across the state.

The statewide technical support is provided by a master contract between the Department of the Attorney General and KMCWC/SATC for sexual assault services provided by SATC, the YWCA Kaua`i, Child & Family Services Maui (including Moloka`i & Lana`i), and the YWCA Hawai`i. The statewide sexual



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assault centers partner to ensure a high standard of care across the entire for all victims of sexual assault. SATC provides the necessary oversight, consultation, and technical assistance to support the delivery of 24/7 crisis response, counseling, and education services throughout the state. This continued oversight benefits all the service providers and strengthens the system of care statewide. Since the 2007 fiscal year, the State appropriation for statewide sexual assault services has been \$2,000,000. While operational costs to deliver much needed services, including technical support have steadily increased; the funding amount has remained static and has been recently reduced.

The combination of the funding amount being static and the Office of the Attorney General reducing the allocation last year by 10%, has forced the YWCA to reduce services and we are not able to meet all the needs of sex assault victims, their families and loved ones, and the larger community.

The YWCA is the sole provider of these crucial services on Kaua`i, and to this day we continue with our efforts to keep expenses down such as; frozen salaries and long delays in hiring. However, these practices cannot continue indefinitely without compromising the quality of services provided. The Prevention Education program has a severely reduced service capacity and we are unable to fulfill all requests for education services which make our community safer. Schools, government agencies, community organizations, businesses and churches request help for educating the populations they serve, but the agency has limited personnel and resources to meet the demands. Without increased funding for the growing cost of this limited service, complete elimination of prevention education services will be necessary and the Kaua`i community will be at a greater risk of increasing the number of sexual assaults instead of progressing to reducing and eliminating this violent crime and the wait list for counseling services will remain in place.

The additional resources made available by H.B. 500 H.D. 1 will allow additional funds to be used for direct services, while still fully funding the technical assistance that supports the high quality of services across the sex assault providers across the state. Fully funded direct services and technical services go hand in hand to ensure the highest standards and quality service delivery that is essential for victims to heal and to make every community in Hawaii safer.

I humbly urge you to support H.B. 500, H.D. 1 for FY 2016 and FY 2017.

Thank you for this opportunity to testify.

Renae Hamilton, M.A.

Renae Hamilton, Executive Director



From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: mvaught@hcsugar.com
Subject: *Submitted testimony for HB500 on Apr 1, 2015 09:10AM*
Date: Tuesday, March 31, 2015 3:21:35 PM

HB500

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Mark Vaught	East Maui Irrigation Co., Ltd	Support	No

Comments:

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To: [WAM Testimony](#)
Cc: bmurph@hawaii.rr.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Tuesday, March 31, 2015 3:17:02 PM

HB500

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Rita Sandi-Palma	Community Alliance Partners (CAP) of Hawaii Island	Support	No

Comments: Thank you for your kind consideration.

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Cc: misc@hawaii.edu
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Tuesday, March 31, 2015 9:05:33 AM

HB500

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Teya Penniman	Maui Invasive Species Committee	Support	No

Comments: Currently the budget has no funding for the Hawaii Invasive Species Council. Last year, the legislature appropriated \$5.75 million for invasive speices work. This funding is critical to the work of the invasive species committees. Please adjust this by including \$6 million in general fund approriations. Without adequate funding the invasive species committees will be forced to cut their staff dramatically and will lose momentum on critical issues like little fire ants, coqui frogs, and miconia. Please do not let this happen.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: elamafarms@gmail.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Monday, March 30, 2015 8:47:16 PM

HB500

Submitted on: 3/30/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Patrick L. Kahawaiolaa	Keaukaha Community Association	Support	No

Comments: Aloha WAM chair and members, I am Patrick L. Kahawaiolaa the current president of the KCA and a native Hawaiian as defined by the Act as amended July 9, 1921. I ask that each of you vote to support to restore "sufficient" level of funding for the administrative & Operational budget of the DHHL. Case in point the HTA with NO CONSTITUTIONAL MADATE gets \$82m while DHHL WITH A CONSTITUTIONAL MADATE AND STATUTORY OBLIGATIONS IS DESIGNED TO RECEIVE \$6.5M to function. I am hoping those of the elected officials who sworn to uphold the Federal & State constitutions still are prepared to UNDER SERVE ITS STATUTORY OBLIGATIONS TO THE HHCA, 1920 AND ITS BENEFICIARIES.
'Owau me ka haahaa Patrick L. Kahawaiolaa

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: dan.nellis@dole.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Monday, March 30, 2015 11:50:22 AM

HB500

Submitted on: 3/30/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Daniel Nellis	Dole Food Co. Hawaii	Support	No

Comments: WAM Committee, I am Daniel Nellis, General Manager of Dole Food Company Hawaii. I previously submitted e-mail testimony in favor of this bill and would like to reiterate Dole's support for this bill. As a member of the Koolau Mountains Watershed Partnership, Dole is actively involved with efforts to conserve our watershed and protect our precious water resources for the future. Please pass this bill and restore the previously cut language that allows for the following funding requests from DLNR. · DLNR's spending ceiling on the Natural Area Reserve Fund* to \$12,934,000; · DLNR's request for \$1,000,000 in capital improvement program (CIP) funds to support watershed fencing projects; · DLNR's request for \$4,000,000 for Hawai'i Invasive Species Council (HISC) plus provide an increase of \$2,000,000 for a total of \$6,000,000 in general funds; · DLNR's spending ceiling on the Legacy Land Conservation Fund** to \$6,800,000. We must fund watershed conservation now or be faced with much more expensive decisions in the future when we will experience competition for water use between residential needs and agricultural needs. Sustainable water resources is essential to sustainable agricultural production. NO WATER;NO FOOD. Mahalo.

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Cc: ecabatu@hpsc.org
Subject: *Submitted testimony for HB500 on Apr 1, 2015 09:10AM*
Date: Monday, March 30, 2015 8:50:09 AM

HB500

Submitted on: 3/30/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Elena Cabatu	East Hawaii Region of Hawaii Health Systems Corporation	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: dkanealii02@gmail.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Sunday, March 29, 2015 9:12:20 AM

HB500

Submitted on: 3/29/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Diane Kanealii	Kailapa Community Association	Support	No

Comments: State Budget Hearing before Senate Ways and Means RE: HB 500, HD 1 April 1, 2015 9:10 AM Senate Room 211 I testify in support of increasing the DHHL administrative budget (HHL 602) to the original DHHL request of \$25 million. The Hawai`i Constitution, Art. XII, Sec. 1 requires the Legislature to provide "sufficient sums" to fund the DHHL administrative and operating budget. That constitutional mandate was designed to relieve the DHHL of relying on its general lease revenues to fund this budget. It is the only state agency that enjoys this funding mandate. However, recently, the House of Representatives CUT the already insufficient (FY 2015 - \$9.6 m) DHHL administrative and operating budget to \$6.3 m. The DHHL requested a budget of \$25 million to perform its important mission. At the same time the House reduced the DHHL budget by 34.4%, it cut the state general fund budget in comparison by only 1.4%. All legislators took an oath of office to support and defend the Hawai`i Constitution. They are obligated to fund the DHHL adequately. The current level of the DHHL budget (\$9.6 m) is less than 40% of what the Governor requested from the Legislature and less than 13% of what the DHHL originally requested (\$75 m) before the Governor cut that request for FY 2015. As a result of this shortfall, the DHHL is primarily using revenues from the general leasing of trust lands to make up the difference (\$16.4 m). As Jobie Masagatani pointed out to the House Finance Committee: . . . Any reduction from this amount [\$9.6 million] will require either an additional allocation of trust fund resources or other general lease revenues to cover the shortfall, or a reduction in services hindering our ability to meet the mission of DHHL. . . .At the present time the Department must use its special and trust funds to finance any of its administrative and operating costs not funded with general funds. These resources could have otherwise be used for direct benefits to our beneficiaries I ask you to to restore a "sufficient" level of general funding for the administrative and operating budget of the DHHL. Under the oath of office you took to assume your position, you should be doing nothing less. If you think funding is short, remember that the Hawai`i Tourism Authority has a budget of \$82 million, with no constitutional mandate similar to fund the DHHL. There is money available to fund the DHHL adequately so it receives its initial budget request of \$25 million per year. It is just a matter of you choosing the right priority as the law requires. Mahalo, Diane Kanealii

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Conservation Council
for Hawai'i

Hawai'i's voice for wildlife

Kō Hawai'i / leo no nā holoholona lōhiu



Testimony Submitted to the
Senate Committee on Ways and Means
Hearing: Wednesday, April 1, 2015 9:10 am, Room 211
Comments on HB 500 HD1 Relating to the State Budget

Aloha, Chair Tokuda, Vice Chair Kouchi, and Members of the Committee. The Conservation Council for Hawai'i offers the following comments on HB 500 HD1 relating to the state budget.

One percent of the state budget is not enough for the Department of Land and Natural Resources to meet its mandate.

We ask you to restore the following items that were cut in the House version of the budget:

- Spending authority on the Natural Area Reserve Fund to \$12,934,000;
- Spending authority on the Legacy Land Conservation Fund to \$6,800,000;
- Spending authority on the Forest Stewardship Fund to \$6,300,000;
- \$1,000,000 in capital improvement program (CIP) funds to support watershed fencing projects;
- \$4,000,000 for Hawai'i Invasive Species Council (HISC) **plus provide an increase of \$2,000,000 for a total of \$6,000,000 in general funds;**
- \$750,000 for wildlife and emergency response equipment for DLNR;
- Funding for permanent DOCARE Community Fisheries Enforcement Units on Kaua'i, O'ahu, Maui, and Hawai'i island;
- Funding for the DAR Humpback Whale Sanctuary State Co-Manager; and
- Funding for the DAR Community-based Subsistence Fisheries Area Planner and Marine Regulation and Policy Specialist to support community-based marine management, such as Ha'ena, Pupukeya, Mo'omomi, and Ka'upulehu.

Please kokua. Mahalo nui loa for the opportunity to testify.

Sincerely,

Marjorie Ziegler

Conservation Council for Hawai'i is a nonprofit, environmental membership organization dedicated to protecting native Hawaiian plants, animals, and ecosystems for future generations.

Established in 1950 and based in Honolulu, CCH is one of the largest and most effective wildlife organizations in Hawai'i with more than 5,000 members and supporters, including concerned citizens, educators, scientists, government agencies, and elected officials.

Through research, education, service, organizing, and legal advocacy, CCH works to stop the destruction of native wildlife and wild places in Hawai'i.

Since 1973, CCH has served as the Hawai'i state affiliate of the National Wildlife Federation.

Telephone/Fax: 808.593.0255 | email: info@conservehi.org | web: www.conservehi.org
P.O. Box 2923 | Honolulu, HI 96802 | Office: 250 Ward Ave., Suite 220 | Honolulu, HI 96814

President: Hannah Kihalani Springer | Vice-President: Julie Leialoha | Treasurer: Bianca Isaki | Secretary: Wayne Tanaka
Directors: Rick Barboza | Ryan Belcher | Maka'ala Ka'auomoana | Koalani Kaulukukui
Executive Director: Marjorie Ziegler | Administrator: Jonnetta Peters





HAWAI'I FOREST INDUSTRY ASSOCIATION

P. O. Box 66 ❖ 'O'ōkala, HI 96774
Phone: 808-933-9411
Email: hfia@Hawai'i forest.org
Website: www.Hawai'i forest.org

March 27, 2015

**TESTIMONY ON HB500 HD1
RELATING TO THE STATE BUDGET**

Aloha,

Thank you for giving us the opportunity to testify and provide comments on HB500 HD1. I work with Hawaii Forest Industry Association and we would like your support to help restore cuts to the DLNR's budget in budget bill HB 500 HD 1. Some areas of concern are:

- * \$13m for the Natural Area Reserve Fund, \$6.8m in the Legacy Land Fund, and \$6.3m in the Forest Stewardship Fund (all of which are supported by conveyance tax revenues that are at historic highs because of the booming residential and commercial real estate markets (which put added pressure on natural resources like fresh water);

- * \$6m in general funds for Hawai'i Invasive Species Council programs;

- * \$750,000 for wildlife and emergency response equipment for DLNR;

- * Funding for the Division of Conservation and Resource Enforcement, (DOCARE), DLNR for community fisheries enforcement units on Kaua'i, O'ahu, Maui, and Hawai'i

- * Funding for the Division of Aquatic Resources, DLNR, for the Humpback Whale Sanctuary State Co-Manager and for Community-based Subsistence Fisheries Area Planner and Marine Regulation and Policy Specialist to support community-based marine management like Hā'ena, Pūpūkea, Mo'omomi, Ka'ūpūlehu, etc.

These funds are vital in keeping Hawaii and its unique beauty preserved.

Sincerely,
Sophia Cabral-Maikui, Legislative Chair
Hawai'i Forest Industry Association



April 1, 2015

Senate Committee on Ways and Means
Senator Jill Tokuda, Chair

Re: **HB 500, HD 1, RELATING TO THE STATE BUDGET**

Chair Tokuda, Vice Chair Kouchi and members of the committee:

AARP is a membership organization of people fifty and over with nearly 150,000 members in Hawaii alone. AARP advocates for issues that matter to Hawaii families, including the high cost of long-term care; access to affordable, quality health care for all generations; providing the tools needed to save for retirement; and serving as a reliable information source on issues critical to people over the age of fifty.

AARP Hawaii submits comments on HB 500, HD 1, Relating to the State Budget.

We are submitting this testimony with respect to the funding for the Executive Office on Aging ("EOA"), program ID number HTH 904. A copy of that portion of the budget containing the appropriation for EOA is attached to this testimony.

Specifically we are writing in support of that portion of the EOA budget that provides funding for the Kupuna Care program and respectfully make two requests related to it:

- (1) That the supplemental budget amount provided for in Part I, Section 2 of SB 964, Relating to Aging, which provides supplemental funding for the Kupuna Care program, be incorporated into Kupuna Care's base budget as part of EOA's budget in HB 500; and
- (2) That this same amount be restored to the \$5,100,000 for fiscal year 2015-2016 and \$5,100,000 for fiscal year 2016-2017, which was included in in the original draft of SB 964.

This would bring the total base budget for Kupuna Care to \$9.9 million for Fiscal Year 2015-2016 and \$9.9 million for Fiscal Year 2016-2017.

Our explanations for these requests are contained herein.

We suggest a 10% increase in funding to be folded into the base budget

Since 2002 the base funding for Kupuna Care has stayed flat at approximately \$4.8 million while demand for long-term care services continued to grow. In past years, the legislature has added additional supplemental appropriations. Since 2012 these supplemental appropriations have been approximately \$4.2 million per year. As a result, funding for Kupuna Care for the past two to three years has remained at approximately \$9 million per year, through a mix of base budget and supplemental appropriations. In other words, biennium budgeting for the Kupuna Care in recent years has looked like this:

Past Biennium Budgeting for Kupuna Care

	Year 1	Year 2
Base Budget	\$4.8 million	\$4.8 million
Additional Supplemental One-Time Appropriations	\$4.2 million	\$4.2 million
Total	\$9 million	\$9 million

We recommend that the additional funding that has been given to Kupuna Care in recent years be increased from \$4.2 million to \$5.1 million and that amount be added to the Kupuna Care program's base budget in the EOA's budget. If adopted, this would change biennium budgeting for the Kupuna Care program to look like this:

Recommended Biennium Budgeting for Kupuna Care

	Year 1	Year 2
Base Budget	\$9.9 million	\$9.9 million

That would result in a modest 10% increase in overall funding for the program. Importantly, by shifting the additional monies from supplemental appropriations and into the base budget it would also provide for more stability and reliability in the program.

Adding the funds to the base budget will increase efficiencies

In order for the state and the Area Agencies on Aging ("AAAs") to most effectively manage public funds and serve older adults, they must be able to plan accordingly. Having the funds as a secured budget amount in the base budget will allow the state and the AAAs to do better advance planning, which in turn will allow them to enter into contracts for services and supports that will better serve both the agencies themselves as well as the senior they are serving.

The need will only increase as the senior population continues to grow

From 2002 until now the number of seniors ages 60 and over increased in Hawaii by approximately 70,000. Additionally, the population that the Kupuna Care program must serve

has grown still larger since legislation enacted last year expanded eligibility for Kupuna Care to Medicaid recipients.

This program needs more resources to be as effective as it can be in helping Hawaii's rapidly growing population of seniors lead independent, meaningful, and dignified lives in their own homes and communities. Over a thirty-year period (1980-2010), the population of people ages 60 and over increased by approximately 139.8% while the total population increased by only 34.2%.¹ The population of residents ages 85 and over increased by 431.5% in that same thirty-year period.²

The additional funding we are requesting could serve hundreds of additional seniors beyond those who would be served with EOA's existing funding request

According to the Hawaii State Plan on Aging, there were 277,400 people in the 60 and over age bracket in 2010. The projection is that there will be 373,650 people in that same age bracket in 2020. Keeping funding flat in light of that increase makes us fear that services provided under the program will not reach as many seniors as they should as that population continues to grow.

The Executive Office on Aging noted on its factsheet³ that the \$4.1 million it has requested would support either:

- 493 people, where those people are the most frail and vulnerable with three or more ADL dependencies and eligible for nursing home level of care; or
- 3,621 people, where these are the eligible individuals with at least two ADL dependencies and at risk of becoming the most frail and vulnerable segment of our population.

The additional 10% in funding we have requested will support an additional 115 people with three or more ADL dependencies or 834 people with non-complex cases, beyond those who would already be reached with EOA's existing funding request. In other words, this increased funding would support a new total of either:

- 608 people, where those people are the most frail and vulnerable with three or more ADL dependencies and eligible for nursing home level of care; or

¹ Hawaii State Plan on Aging, October 11, 2011 – September 30, 2015, Executive Office on Aging.

² Id.

³ See Kupuna Care Fact sheet, revised 2/9/2015.

- 4,455 people, where these are the eligible individuals with at least two ADL dependencies and at risk of becoming the most frail and vulnerable segment of our population.

That's a real, tangible difference. Each one of those people is a father, mother, grandparent, or spouse that needs help.

Conclusion

For these reasons, we respectfully request that the supplemental funding for Kupuna Care described in SB 964 be incorporated into the EOA base budget described in HB 500, and that this funding be increased as described above.

This would bring the total base budget for Kupuna Care to \$9.9 million for Fiscal Year 2015-2016 and \$9.9 million for Fiscal Year 2016-2017.



BUP-10 (15)

STATE OF HAWAII PROGRAM APPROPRIATIONS

ITEM NO	PROGRAM	PROGRAM ID	EXPENDING AGENCY	FISCAL YEAR		APPROPRIATIONS	
				2015-16	F	2016-17	M
19.	CASE MANAGEMENT FOR SELF-SUFFICIENCY	HMS236	HMS	301.78	*	301.78	*
	OPERATING		HMS	14,713,264	A	14,826,239	A
			HMS	237,222	*	237,222	*
			HMS	20,955,493	N	21,081,984	N
			HMS	2,763	P	2,763	P
20.	DISABILITY DETERMINATION	HMS238	HMS	45.00	*	45.00	*
	OPERATING		HMS	7,598,795	N	7,676,959	N
21.	CHILD SUPPORT ENFORCEMENT SERVICES	ATG500	ATG	74.80	*	74.80	*
	OPERATING		ATG	4,369,352	A	4,426,722	A
			ATG	145,20	*	145,20	*
			ATG	16,194,827	P	16,194,827	P
			ATG	2,231,224	T	2,231,224	T
22.	EMPLOYMENT AND TRAINING	HMS237	HMS	469,505	A	469,505	A
	OPERATING		HMS	699,734	N	699,734	N
23.	PLANNING & DEV FOR HAWAIIAN HOMESTEADS	HHL602	HHL	1,720,000	A	1,720,000	A
	OPERATING - CUR. LEASE PAYMENTS		HHL	7,912,000	A	7,912,000	A
			HHL	115,00	*	115,00	*
			HHL	13,517,243	B	13,664,596	B
			HHL	4,00	*	4,00	*
			HHL	23,317,601	N	23,317,601	N
	INVESTMENT: CAPITAL		HHL	81,00	T	81,00	T
			HHL	11,037,323	C	11,154,080	C
			HHL	5,000,000	C	10,000,000	C
			HHL	20,000,000	N	20,000,000	N
24.	OVERALL PRGM SUPPT FOR AGING, DIS & LTC	HTH904	HTH	5.74	*	5.74	*
	EXECUTIVE OFFICE ON AGING		HTH	7,374,368	A	7,386,896	A
	OPERATING		HTH	B.26	*	B.26	*
			HTH	7,057,040	N	7,093,640	N
			HTH	972,286	P	678,810	P
25.	DISABILITY & COMMUNICATIONS ACCESS BOARD	HTH520	HTH	5.00	*	5.00	*
	OPERATING		HTH	1,302,117	A	1,327,754	A
			HTH	10,000	B	10,000	B
			HTH	2.00	*	2.00	*
			HTH	273,411	U	280,848	U

01/12/15 A1(1)

IT- 19.

A.B. NO.



23 E. Kawili St, Hilo, HI 96720 • Phone: (808) 933-3340

Testimony on HB500 HD1
Senate Committee on Ways & Means
Wednesday, April 1, 2015, 9:10AM, Room 211

Dear Senator Tokuda and members of the committee:

I am writing to ask that full and comprehensive funding be allocated to protecting Hawaii's natural environments through HB500 HD1. We urge the legislature to make protection of our forests, coastlines, and watersheds a top priority in our state, including funding for protection from invasive species, by securing the following programs:

- Restore DLNR's spending ceiling on the Natural Area Reserve Fund at \$12,934,000;
- Restore DLNR's request for \$1,000,000 in capital improvement program (CIP) funds to support watershed fencing projects;
- Restore DLNR's spending ceiling on the Legacy Land Conservation Fund to \$6,800,000;
- Fund the Hawaii Invasive Species Council request of \$6,000,000 to maintain current invasive species research, prevention, detection, and control programs;
- Albizia: Include funds for the proactive management of invasive Albizia along our state highways system. The requested \$2.1 Million is matched better than 1:1 by private, federal and county funds and will reduce future, significantly more costly, storm damage and safety issues. The HISC has been asked to receive funds as they are uniquely set up to implement this multi-agency project.

Invasive species are a serious concern not only for our natural areas, but also agriculture, tourism, trade, and human health and well-being. Last year, to make up for previous cuts in funding, the amount allocated to the HISC increased to just shy of \$6 million. Although it is still far from the \$50 million estimated by the 2002 legislative study as necessary to fully address invasive species issues in Hawaii, that allocation has had critical impacts for our state and for our island. We are asking that the state maintain that level of funding at \$6 million, so that we can move forward with the momentum created and maintain and grow the successful programs that the ISCs and other partners were able to implement in the last fiscal year.

BIISC and each of the ISC's are part of a greater network of organizations and agencies working together to protect and conserve our 'aina, and we wholeheartedly support the important work of our partners in this effort. The NARs division is responsible for protecting what is left of our most important natural spaces, places that are living legacies of Hawaii's past as well as keys to a healthy future. Our watersheds are vital as the only viable source of freshwater that can supply agriculture, tourism, and the needs of our citizens.

To remove the special funding for these and other related efforts would leave these programs vulnerable to cuts in the future. Far too often, in the face of budget tightening, environmental issues are pushed to the bottom with the belief that we can "return" to caring for our land later, when things improve. With the impacts of climate change and ever more invasive species threatening our way of life, we cannot risk losing sight of the value of protecting our most critical life support systems even for a short time. Prevention and

protection are far less expensive (and far more effective) than trying to correct a problem later, and we need to strengthen, not weaken, our commitment in these areas.

Funding for watershed protection is estimated to have a 50:1 benefit:cost ratio, meaning that every dollar allocated provides benefits for the communities of Hawai'i far exceeding the expenditure. The dollars you allocate today are not "spent"; they are *invested* in a healthful future for our state. Please restore the funding in HB500 to the NARS, CIP, HISC, and LLCF. Thank you.

Sincerely,

Springer Kaye, Manager



Princeville Utilities Company, Inc.

Testimony of Ian Kagimoto
Commenting on H.B. 500 HD 1 Relating to the State Budget
Senate Ways and Means Committee
Wednesday, April 1, 2015, 9:10 AM, Room 211

Our company is a member of the Kauai Watershed Alliance and we recognize the source of our drinking water is a system of healthy forested watersheds which capture rain and cloud moisture and deliver it efficiently to aquifers and surface sources for subsequent consumption in our daily lives and for the benefit of our island economy.

Princeville's water system, which also serves Anini and is the backup source for Hanalei, relies on three deepwells for its drinking water. The sustainable yield from these wells is directly impacted by the quantity of water that is captured in the forest lands above Princeville and seeps into the ground, recharging our groundwater aquifer.

We ask that the Senate Way and Means Committee restore the DLNR's spending ceiling for the Natural Area Reserve Fund to \$12,934,000. In addition, we support their request for a \$1,000,000 capital improvement project for watershed fencing and that the Hawaii Invasive Species Council programs be increased to \$6,000,000 in general funds. We also ask that the DLNR's spending ceiling on the Legacy Land Conservation Fund be set at \$6,800,000.

The watershed protection and invasive species programs help to ensure healthy, managed natural resources that are critical to ensuring an adequate source of clean drinking water for Hawaii's people.

We humbly ask you for your support.

Sincerely,

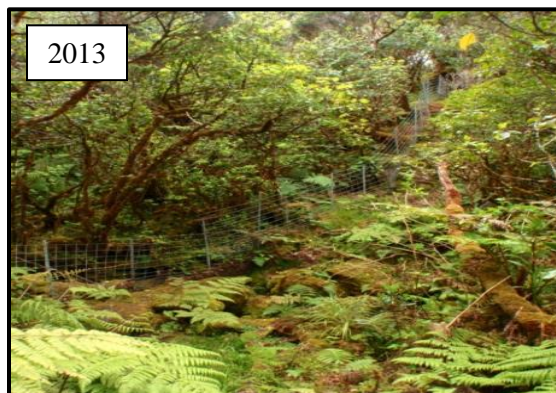
Ian Kagimoto, PE
Manager

Testimony of The Nature Conservancy of Hawai'i
Commenting on H.B. 500 HD1 Relating to the State Budget
Senate Committee on Ways and Means
Wednesday, April 1, 2015, 9:10AM, Room 211

The Nature Conservancy requests support for the following items in DLNR's budget:

- **WATERSHEDS:** Authorize \$13M spending ceiling for Natural Area Reserve Fund (LNR407) and \$1.0M CIP funds for *watershed protection* and management.
- **INVASIVE SPECIES:** Increase the Governor's \$4M general fund request (LNR402) to \$6M for the programs of the *Hawai'i Invasive Species Council*.
- **COMMUNITY-BASED MARINE MANAGEMENT:** Funding for a community-based subsistence fishing area planner and marine regulation and policy specialist (LNR 153), and a makai watch coordinator (LNR 405) to support community-based co-management of marine resources.
- **DLNR ENFORCEMENT:** Funding for the Division of Conservation and Resources Enforcement (LNR405) to operate permanent *community fisheries enforcement units* on four islands.
- **STATE SUSTAINABILITY COORDINATOR (DLNR):** Funding for the State Sustainability Coordinator position to help link resilience and self-sufficiency initiatives across State agencies.
- **LEGACY LANDS:** Authorize \$6.8m spending ceiling for Legacy Land Conservation Fund (LNR101) to protect conservation, cultural, historical, agricultural, and open space lands.
- **WILDFIRE RESPONSE:** \$750,000 in general funds for wildfire fighting equipment.

We support these budget items that we believe contribute to the resilience, sustainability and continued health of our islands' environment, economy, and quality of life. We especially note the DLNR's watershed management, invasive species and aquatic resources programs, which help to ensure that all of us can survive and thrive in the middle of the Pacific Ocean. Healthy Hawaiian forests that are not overrun by invasive species act like a sponge, slowly delivering fresh water into streams and aquifers, absorbing greenhouse gases, and reducing runoff and siltation into near shore waters during storm events. Healthy reefs that are not over-harvested or choked by alien algae or sedimentation provide protection from storms and contribute to overall food security.



Before-After
Fencing,
Animal and
Weed
Control
Alaka'i
Watershed,
Kaua'i

THE TRUST *for* PUBLIC LAND

LAND FOR PEOPLE

THE TRUST FOR PUBLIC LAND'S TESTIMONY REGARDING HB 500 HD 1 RELATING TO THE STATE BUDGET AND REQUESTING AMENDMENT TO REINSTATE CERTAIN FUNDING

Senate Committee on Ways & Means

Wednesday, April 1, 2015, 9:10 a.m., Room 211

The Trust for Public Land has comments relating to HB 500, Relating to the Budget. The budget should be amended to reinstate important conservation funding including the Legacy Land Conservation Fund (to \$6,800,000) as well as other funds (specified below) crucial to Hawai'i's natural resources, native species habitat, and fresh water supply.

Established in 2005, the LLCP receives 10% of the real estate conveyance tax, paid when a landowner sells land (other portions of the tax are allocated to the affordable housing rental trust fund, the natural area reserve fund, and the general fund). The LLCP has conserved over 6,600 acres of iconic and important land in every county – Black Pot Beach Park at Hanalei Bay on Kaua'i, the sacred waters of Kawaikapu on Moloka'i, the 1-mile of shoreline and coastal wetlands of Nu'u on Maui, the ancient Hawaiian village and marine protected areas of Lapakahi State Historical Park on Hawai'i Island, and agricultural land in Wai'anae, O'ahu that through the non-profit MA'O Organic Farm, employs and finances the college education of over 50 youth from Leeward O'ahu.

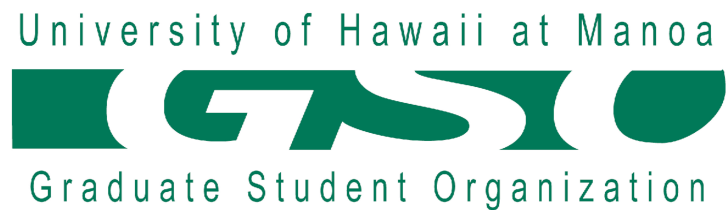
The LLCP efficiently uses funds, leveraging an average of one dollar or more for every dollar spent. For example, The Trust for Public Land assisted the State in acquiring 3,582 acres of the Honouliuli Forest Reserve in the Wai'anae Mountain Range, raising \$3,763,500 in federal funding. The LLCP contributed \$982,956, towards an over \$4 million purchase. Every dollar from the LLCP was matched by more than 3 additional federal dollars to purchase the property, which includes forests that protect clean drinking water for O'ahu residents, and habitat for over 90 rare and endangered plant and animal species, including the O'ahu Elepaio (endangered forest bird) and the famed "singing" endangered kahuli tree snail. Reducing LLCP funding thus has a far reaching effect because taking away 1 dollar of LLCP funds means an actual reduction of 4 dollars for conservation. The LLCP funds provide a reliable source of matching funding for federal conservation programs, and other public/private partnerships and should be reinstated to the full amount (\$6,800,000).

Similarly, spending authority should be reinstated for the Natural Area Reserve Fund to \$12,934,000 and Forest Stewardship Fund to \$6,300,000, as well as \$1,000,000 in capital improvement program (CIP) funds to support watershed fencing projects, \$4,000,000 for the Hawai'i Invasive Species Council (HISC) plus provide an increase of \$2,000,000 for a total of \$6,000,000 in general funds, and funding for permanent DOCARE Community Fisheries Enforcement Units on Kaua'i, O'ahu, Maui, and Hawai'i Island.

I apologize that I will not be able to attend this hearing due to a previously scheduled conflicting appointment. Mahalo for this opportunity to testify,



Lea Hong
Hawaiian Islands State Director, The Trust for Public Land



Date: April 1, 2015

Time: 9:10 AM

Place: Conference Room 211

To: Senate Committee on Ways and Means
Senator Jill N. Tokuda, Chair
Senator Ronald D. Kouchi, Vice Chair

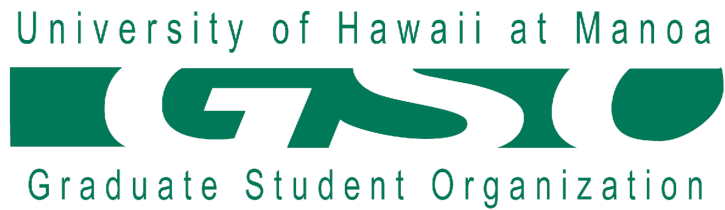
Re: Comments for HB 500 HD 1 Relating to the State Budget

Thank you for the opportunity to testify on the HB 500 HD1, Relating to the State Budget. My name is Michelle Tigchelaar, and I am writing as the President of the University of Hawai`i at Mānoa (UHM) Graduate Student Organization (GSO). The GSO represents the approximately 5,000 graduate students at the UH Mānoa campus.

State funding for the University of Hawaii (UH), Hawaii's only public system of higher education, has dropped significantly over the past decades. While UH received more than 10% of the state budget in the mid-90s, it is receiving less than 7% at present. Since 2009, general fund appropriations to UH Mānoa have dropped by \$60 million. This decline in funding continuously shifts the burden of funding higher education to students and negatively impacts the quality of education and services offered at our university. In the case of graduate students for example, departments cannot currently afford to offer fair and competitive wages to Graduate Assistants, and have been forced to reduce the number of assistantships that they are able to offer.

In addition to decreased state funding, increased electricity rates set by HECO have further burdened the UH budget, in spite of reductions in energy consumption. In this year's budget ask, the University of Hawaii requests that the state covers the costs of these increased rates in its operating budget. This would free up student tuition money so that instead of going to the electric company, it would go to improving and maintaining quality of education and student services.

Years of deferred maintenance have left the University of Hawaii with a maintenance backlog of more than \$500 million, most of which is on the Mānoa campus



(\$420 million). As a result, students, staff and faculty at UH Mānoa are currently working and taking classes in class rooms that are outdated, sometimes unsafe, and energy inefficient. The University of Hawaii Board of Regents has developed a ten year plan to improve facilities on all ten campuses of the UH System. The funding requested in the CIP budget ask is critical to ensure that our educational facilities are brought to 21st century standards.

We respectfully request your favorable consideration of the University of Hawaii budget request and your support for the students of Hawaii's only public institution of higher education. Thank you for the opportunity to testify.

Michelle Tigchelaar
UH Mānoa Graduate Student Organization, President

Email: mtigch@hawaii.edu
Phone: (808) 724-1392



West Maui Mountains Watershed Partnership

March 30, 2015

West Maui Mountains
Watershed Partnership
P.O. Box 13240
Lahaina, HI. 96761
Phone (808) 661-6600
Fax: (808) 661-6604

Watershed Partners

County of Maui
Dept. of Land & Natural
Resources
Ka'anapali Land
Company, LLC
Kahoma Land, LLC
Kahoma Land Holdings,
LLC
Kamehameha Schools
Makila Land Co., LLC
Maui County Department
of Water Supply
Maui Land & Pineapple
Company Inc
Wailuku Water Co. LLC
The Nature Conservancy

Associate Partners

U.S. Fish & Wildlife
Service
Tri-Isle RC&D

Commenting on H.B. 500 HD1
Relating to the State Budget
Senate Committee on Ways and Means
Wednesday, April 1, 2015, 9:10AM, Room 211

Aloha Legislators,

With all of its voting members in favor and one abstention, the West Maui Mountains Watershed Partnership **strongly requests that funding levels for watershed and invasive species management be reinstated** through the Dept. of Land & Natural Resources. Without this critical funding our programs are likely to be crippled or even eliminated. Please also see testimony submitted in support of provisions within this bill by Department of Land and Natural Resources Interim Chairperson, Carty S. Chang. Specifically, we request that the following budget measures:

- DLNR's spending ceiling on the Natural Area Reserve Fund remain at \$12,934,000;
- DLNR's request for \$1,000,000 in capital improvement program (CIP) funds to support watershed fencing projects; and
- Ask that DLNR's request for \$4,000,000 for Hawai'i Invasive Species Council (HISC) be supported, but also increased to \$6,000,000 in general funds as suggested in other bills such as SB544.

Here in West Maui the need for this statewide support is very evident.

In terms of watershed management, our partnership needs additional fencing to exclude feral ungulates from 24,000 acres, 50% of our watershed, to prevent further degradation. Funds are also critical to maintaining past success in managing the first 24,000 acres. We are also battling the advance of our worst invasive weeds. This includes strawberry guava which is known to consume 53% more water in times of drought as compared to native forest and capable of displacing entire forested watersheds.

Beyond our efforts, the Maui Invasive Species Committee is keeping West Maui free of new threats including fountain grass, pampas grass, coqui frogs, veiled chameleons and little fire ants. These threats require vigilant and sustained efforts. Without support, elimination of these species may not be possible and our quality of life will decrease.

Without adequate support for forest protection we cannot depend on the ecosystem services like water which nourishes all of Hawaii's economic interests. This bill should back these critical programs and will help to restore funding to levels near those prior to the recession. Without support, past gains in controlling the worst threats cannot be sustained. Any funds allocated are also necessary to leveraging county and federal sources at a rate of at least 2 to 1. Please join us in lending your support!

To: Senator Jill Tokuda, Chair
Senator Ronald D. Kouchi, Vice-Chair

Senate Committee on Ways and Means

From: Liz Chun, Early Education Policy Consultant

Date: Wednesday, April 1, 2015, 9:10 am, Conference Room 211

Subject: **HB 500, HD1: Relating to the State Budget**

I submit this testimony **urging you to amend the State Biennium Budget to include \$6million for Preschool Open Doors**. I understand that this request will continue the current fiscal year level of POD funding to provide coverage for about 1,000 four and five- year-olds to attend preschool.

Since 1990, Preschool Open Doors has offered funding for preschool tuition to families whose incomes are below 200% of the Federal Poverty Index. For example, a family of four could have a gross monthly income of up to \$4806 a month and qualify for tuition assistance. For many families this is their only alternative for access to preschool. Even this year the program could only serve half of the number who applied.

Across the State, parents have come forward to plead for investment in a statewide preschool system. Kindergarten teachers tell us children who have not attended preschool – especially those at risk – are not ready. Local advocates for young children have made the research case as to why a state investment in early learning is essential for Hawaii.

Please do not take another step to decrease Hawaii’s support for our keiki.

Families in Hawaii have lost access to Junior Kindergarten. Much to our disappointment, the Amendment which would have allowed funding to increase early childhood education spaces did not pass in November 2014. Please DO NOT continue this downward trend by also denying children access to preschool by eliminating the Preschool Open Doors program.

Preschool involvement is an important predictor of low-income and gap group children’s future success in school. The well-known report [From Neurons to Neighborhoods](#) states that, “Striking disparities in what children know and can do are evident well before they enter kindergarten. These differences are strongly associated with social and economic circumstances, and they are predictive of subsequent academic performance.” Preschool experiences help to alleviate these disparities.

Are we truly sincere about addressing the school readiness and success of our youngest? Only you, Legislators, can show that the future of our state is important by demonstrating support for Preschool Open Doors.

Thank you for your attention.

Contact Information: lizchun@hawaii.rr.com

HOUSE COMMITTEE ON WAYS AND MEANS

Senator Jill N. Tokuda, Chair
Senator Ronald D. Kouchi, Vice Chair

Testimony submitted by
Allen Allison, PhD

Regarding HB 500, HD1

Madam Chair and distinguished members of the Hawai`i State Senate Committee on Ways and Means, my name is Allen Allison and I am a biologist at the Bernice Pauahi Bishop Museum, the State Museum of Natural and Cultural History. I am, however, submitting this testimony as a private citizen.

In 1992, the Bishop Museum was designated by state legislation as the Hawai`i Biological Survey and assigned the task of compiling a complete inventory of the plants and animals – terrestrial, freshwater and marine – introduced and native – in the State of Hawai`i. With funding primarily from the John D. and Catherine T. MacArthur Foundation, and with the help of experts in Hawai`i and around the world, we produced comprehensive checklists of all major groups of plants and animals found within state boundaries. Hawai`i is the only U.S. state to have completed this task. This information, and the Museum's enormous biological collections, are essential to helping guide the care and management of our ecosystems and to preventing the introduction of harmful alien species.

Hawai`i has one of the most extraordinary assemblages of biodiversity in the world. Most of its plants and animals are found nowhere else. Although the Galapagos Islands often come to mind when thinking about biologically interesting places, Hawai`i has a much larger flora and fauna, and many, many more examples of the evolutionary diversification of species.

The state agencies that are charged with the care and management of our natural resources have been chronically underfunded. However, in recent years there has been growing appreciation and support for managing the state's Natural Area Reserves, preventing the introduction of alien species and bringing additional areas of the state under formal conservation protection.

The House of Representatives in its version of the budget has drastically cut funding for the care and management of our natural resources. This is truly discouraging and imperils the many advances that we have made in recent years. This action is especially discouraging in view of fact that Hawai`i will be hosting the 2016 World Congress of the International Union for the Conservation of Nature (IUCN).

Many of us who worked to bring the IUCN World Congress to Hawai`i did so to help showcase the good work being done by the Department of Land and Natural Resources and other state agencies to protect Hawai`i's natural history. Please restore funding to the Natural Area Reserve Fund, the Legacy Land Conservation Fund, the Forest Stewardship Fund, the Hawai`i Invasive Species Council and to the other areas of the DLNR budget cut by the House.

Thank you for your consideration of this testimony and for allowing me to share my views on HB 500, HD1.

Since I reside in Senate District 9, I am sending a copy of this testimony to Senator Sam Slom.

**Colette Y. Machado
PO Box 142
Kaunakakai, HI 96748**

March 31, 2015

**HB500 SD1 – Relating to the State Budget
Senate Committee on Ways and Means
Wednesday April 1, 2015 9:10 am
Conference Room 211**

I strongly support HB500 SD1 with the inclusion of funds for the Kaho‘olawe Island Reserved Commission to continue its innovative restoration program and management of the Kaho‘olawe Island Reserve Commission. I am the elected Office of Hawaiian Affairs, Trustee for the islands of Molokai and Lanai. My testimony reflects my own personal testimony and does not reflect the Board of Trustees of OHA. I am a member of the Protect Kaho‘olawe Ohana and previously served as a Commissioner with Kaho‘olawe Island Reserved Commission.

Kaho‘olawe was critical to the Hawaiian cultural renaissance, and continues to serve as an integral education center for traditional navigation, hula, natural resource management, and other cultural tradition and disciplines.

As the only Island Reserve set up entirely in trust for a Native Hawaiian Sovereign Entity, the Kaho‘olawe Island Reserve Commission is well poised to change the economic landscape and life quality of Native Hawaiians and the communities in which they reside by means of a truly unique experience on the island of Kaho'olawe. To many, Kaho‘olawe is a symbol of resilience, hope for the future of the Hawaiian Nation, and an opportunity to rebuild a cultural heritage.

With 25% of the island still uncleared of unexploded ordnance and only 10% cleared for intensive use, Kaho‘olawe Island Reserve Commission’s continuing presence on Kaho‘olawe is needed to ensure the protection of the general public. Without the funding the Commission will have to terminate on-island operations and close the doors to public access to Kaho‘olawe.

The mission of the Kaho‘olawe Island Reserve Commission is to implement the vision for Kaho'olawe Island in which the kino (body) of Kaho'olawe is restored and na poe o Hawai'i (the people of Hawai'i) care for the land. The Commission has pledged to provide for the meaningful and safe use of Kaho‘olawe for the purpose of the traditional and cultural practices of the native Hawaiian people and to undertake the restoration of the island and its waters.

The State must maintain the responsibility of supporting the Kaho‘olawe Rehabilitation Trust Fund. This measure is critical to ensure that the struggle, hard work and dedication and lives given to the island will not be wasted. Please fulfill the State’s responsibility to fund the Kaho‘olawe Island Reserve Commission and look for alternate language that will be appropriate for revenue generation regarding Kaho‘olawe.

Mahalo for the opportunity to testify on this important measure.

Colette Y. Machado

Aloha my name is Eva Hubbard and I am submitting testimony in favor of HB500. As an island resident I feel it is our obligation to maintain and take care of ALL our islands within the Hawaiian Chain. Having taken the opportunity to visit, work, and learn on Kaho'olawe and I can only stress that we still have not done enough. Many of you know some of the history of this island and many of you do not. Many of you have visited and offered support and labor yet; many others have not and have only seen from a distance. If you are committed to protecting the future of our islands and its people I can only ask that you stand committed to continue also protecting and preserving Kaho'olawe. At present, the Kaho'olawe Rehabilitation Trust Fund will be depleted in July 2015. Unless we secure the commitment of the government and the people of Hawaii, this depletion will halt the restoration project, the education opportunities and the commitments through the Kaho'olawe Island Reserve Commission has worked so hard to accomplish. The passage of this measure is critical to ensure that the hard work and dedication given to the island thus far will not be wasted, but in hopes that it forms an even stronger foundation for Kaho'olawe's role as one of our islands. If a family member asked for help would we not step forward to do so? I believe this is what truly sets us apart from the rest of the world that no one can duplicate. Hawai'i's Aloha and its 'ohana have the opportunity to set a standard for the world in so many ways in preservation, conservation and resourcefulness. I implore you to release funding for your future generations.

TO: Senate Ways & Means Committee
Sen. Jill Tokuda, Chair
Sen. Ronald Kouchi, Vice Chair

FROM: Teresa Bill tbill808@gmail.com Honolulu Resident

RE: Testimony **Strong Support** HB500,HD1
Specifically Relating to Statewide Sexual Assault Services
Wed. April 1, 2015 9:10 a.m. Conference Room 211

I am Teresa Bill, testifying in **strong support of HB500, HD1** specifically for the inclusion of funds requested by the Department of the Attorney General for statewide sexual assault services. An additional \$380,000 has been allocated for FY2016, but not FY2017. The additional funds for **both FY 2016 and FY 2017** are needed. (ATG 100 SEQ #210-003)

As a community member and staff of the UH Women's Center, I rely on the services of SATC (Sex Assault Treatment Center) to provide needed and otherwise unavailable services to survivors of sex assault. I refer students to their services because they do incredible work. I am also aware that there is insufficient funding to serve all who need these services.

Increased community conversations and increased awareness bring the need for increased funding and resources. The contract to provide both direct client services and technical assistance has not increased since 2007 while demand for services increases. This funding will increase the funds for direct survivor services, and also ensure that technical assistance to ensure and coordinate care across the islands.

Please support this request for additional funds for very important work.

Thank you for this opportunity to testify.

March 30, 2015

TO: Senate Committee on Ways and Means

FROM: Mary Ikagawa, Kailua

RE: Restoring conservation funding to H.B. 500 HD1 (Relating to the State Budget); hearing
Wednesday, April 1, 2015, 9:10AM, Room 211

Aloha Senators,

As an ecologist concerned with forest health and watershed function, I urge the Ways and Means Committee to restore the funding requested in the Governor's budget for conservation programs including an increased Natural Area Reserve Fund (NARF) ceiling for DLNR-funded programs, funding for the state's Watershed Partnership Program, Invasive Species Committees, and other vital conservation personnel and support funds. The House Finance version, HB 500 HD1, would strangle programs that are already underfunded as they struggle to hold the line and maintain the natural resources the islands depend on. We cannot continue to take from future generations, using natural resources but not funding their preservation.

The NARF was created to provide some stability in conservation funding, helping to prevent the interruption of vital work needed to stem the loss of irreplaceable natural and cultural resources, including watershed quality. Climate change is not an abstract concept but one that means we must *increase* resources to protect our fresh water supply and biodiversity, not take resources away or leave them completely vulnerable to political winds by eliminating special funds.

I, Terri Gavagan, support HB500.

It is imperative that you provide a line item for the Kaho'olawe Island Reserve Commission

This funding is important for future generations of Hawai'i's people. The young people who have had the opportunity to do restoration work on the island have been inspired by it to pursue careers in marine biology, restoration, and Hawaiian Studies as well as other fields with the desire to not only continue the restoration work on Kaho'olawe and the continuation of the perpetuation of Hawaiian culture but to work in other areas of Hawai'i. My daughter is one such young person. She intends to pursue both marine biology and astronomy with the goal of being a marine biologist in the Kaho'olawe Island Reserve in order to protect the ocean life within it.

As a taxpayer, I realize that there are many areas which need the financial resources for the State. However, I believe that when the State of Hawaii accepted the Reserve from the Navy it took on the responsibility for the Reserve, including financial responsibility. The Reserve has received no state funding except for capital improvement projects since its inception. The annual budget of \$2.7 million is quite small when one considers that the staff of the Kaho'olawe Island Reserve Commission provides all the services that the counties and State provide on the other islands--safety, water, refuse, electricity, etc.

Again, I ask you to fulfill the State's responsibility to care for the Reserve until such time as a Native Hawaiian sovereign entity is recognized.

Mahalo.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: chefg@maui.net
Subject: *Submitted testimony for HB500 on Apr 1, 2015 09:10AM*
Date: Tuesday, March 31, 2015 3:26:23 PM

HB500

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Daniel J. Southmayd	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: bmurph@hawaii.rr.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Tuesday, March 31, 2015 3:19:51 PM

HB500

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Elizabeth Naholowaa Murph	Individual	Support	No

Comments: Hawaii Island desperately needs this funding. Thank you for your kind consideration.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: alannakagawa@mac.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Tuesday, March 31, 2015 2:41:43 PM

HB500

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Alan Nakagawa	Individual	Support	No

Comments: Time to hold these groups accountable for results and meeting goals

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: jen_fordyce@hotmail.com
Subject: *Submitted testimony for HB500 on Apr 1, 2015 09:10AM*
Date: Tuesday, March 31, 2015 10:59:43 AM

HB500

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Jen Fordyce	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: mmsantos@kirc.hawaii.gov
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Tuesday, March 31, 2015 9:15:25 AM

HB500

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Mei Mailou-Santos	Individual	Support	No

Comments: The funding being sought in this measure is to provide a bridge to allow the KIRC to develop community-wide partnerships, establish collaborative enterprises with other state and federal government entities, and launch long-term revenue generation and sustainable funding opportunities supporting the future of Kaho`olawe. The passage of this measure is critical to ensure that the struggle, hard work, dedication and lives given to the island will not be wasted, but forms the foundation for Kaho'olawe's role as the spiritual, cultural and physical piko (center) of the people of Hawai`i.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: jmie_bruch@yahoo.com
Subject: *Submitted testimony for HB500 on Apr 1, 2015 09:10AM*
Date: Tuesday, March 31, 2015 8:46:54 AM

HB500

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
James Bruch	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: scoleman@surfrider.org
Subject: *Submitted testimony for HB500 on Apr 1, 2015 09:10AM*
Date: Tuesday, March 31, 2015 8:25:48 AM

HB500

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Stuart Coleman	Individual	Support	No

Comments:

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To: [WAM Testimony](#)
Cc: lfanning3@gmail.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Monday, March 30, 2015 5:54:20 PM

HB500

Submitted on: 3/30/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Lisa Fanning	Individual	Support	No

Comments: There are fantastic cultural and educational opportunities present on Kaho'olawae. How tragic it would be if we cut off these beautiful opportunities for our children and our future generations.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: jkimof@msn.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Monday, March 30, 2015 5:28:55 PM

HB500

Submitted on: 3/30/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
james Kimo Falconer	Individual	Support	No

Comments: Dear Members of the WAM committee, Please support our watersheds and our water resources. Hawaii needs to keep this valuable work ongoing. Your support is greatly appreciated. Aloha, James Kimo Falconer

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: 2kahaulea@gmail.com
Subject: *Submitted testimony for HB500 on Apr 1, 2015 09:10AM*
Date: Monday, March 30, 2015 4:31:25 PM

HB500

Submitted on: 3/30/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Kylee Mar	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: anelamarie@gmail.com
Subject: *Submitted testimony for HB500 on Apr 1, 2015 09:10AM*
Date: Monday, March 30, 2015 12:33:47 PM

HB500

Submitted on: 3/30/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Anela Evans	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: c_noneza@hotmail.com
Subject: *Submitted testimony for HB500 on Apr 1, 2015 09:10AM*
Date: Monday, March 30, 2015 10:51:19 AM

HB500

Submitted on: 3/30/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Carmela Noneza	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: potterrosina@gmail.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Monday, March 30, 2015 10:38:43 AM

HB500

Submitted on: 3/30/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Rosina Potter	Individual	Support	No

Comments: I, Rosina Potter, strongly support this measure - with the inclusion of funds for the Kaho`olawe Island Reserve Commission to continue its innovative restoration program and management of the Kaho`olawe Island Reserve. As stated in the Federally-mandated Kaho`olawe Island Conveyance Commission (KICC) final report to Congress in 1993, "in the short term, federal funds will provide the bulk of the program support for specific soil conservation projects and related activities. In the longer term, however, state revenues will be needed to continue and enhance those activities initiated with federal funds." For the past 20 years, the initial Federal funding has allowed the KIRC to establish many of its innovative programs that emphasize ancestral and traditional knowledge, provide a cultural approach of respect and connectivity to the environment, and integrate ancient and modern resource management techniques. GM 207 is critical to the KIRC as these trust funds will run out by the end of 2016. With 25% of the island still uncleared of unexploded ordnance and only 10% cleared for intensive use, the KIRC's continuing presence on Kaho`olawe is needed to ensure the protection of the general public. Without funding, the KIRC will have to terminate on-island operations and close the doors to public access to Kaho`olawe. The funding being sought in this measure is to provide a bridge to allow the KIRC to develop community-wide partnerships, establish collaborative enterprises with other state and federal government entities, and launch long-term revenue generation and sustainable funding opportunities supporting the future of Kaho`olawe. The passage of this measure is critical to ensure that the struggle, hard work, dedication and lives given to the island will not be wasted, but forms the foundation for Kaho'olawe's role as the spiritual, cultural and physical piko (center) of the people of Hawai`i.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: kmchugh@kirc.hawaii.gov
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Monday, March 30, 2015 10:05:44 AM

HB500

Submitted on: 3/30/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Kelly McHugh	Individual	Support	No

Comments: I, Kelly McHugh, strongly support HB500 with the inclusion of the appropriation of general funds for the Kaho`olawe Island Reserve Commission to continue its work restoring, protecting, preserving and providing access to Kaho`olawe.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: puumakani1@yahoo.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Sunday, March 29, 2015 7:18:20 PM

HB500

Submitted on: 3/29/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
ceci	Individual	Support	No

Comments: I testify in support of increasing the DHHL administrative budget (HHL 602) to the original DHHL request of \$25 million. The Hawai`i Constitution, Art. XII, Sec. 1 requires the Legislature to provide "sufficient sums" to fund the DHHL administrative and operating budget. That constitutional mandate was designed to relieve the DHHL of relying on its general lease revenues to fund this budget. It is the only state agency that enjoys this funding mandate. However, recently, the House of Representatives CUT the already insufficient (FY 2015 - \$9.6 m) DHHL administrative and operating budget to \$6.3 m. The DHHL requested a budget of \$25 million to perform its important mission. At the same time the House reduced the DHHL budget by 34.4%, it cut the state general fund budget in comparison by only 1.4%. All legislators took an oath of office to support and defend the Hawai`i Constitution. They are obligated to fund the DHHL adequately. The current level of the DHHL budget (\$9.6 m) is less than 40% of what the Governor requested from the Legislature and less than 13% of what the DHHL originally requested (\$75 m) before the Governor cut that request for FY 2015. As a result of this shortfall, the DHHL is primarily using revenues from the general leasing of trust lands to make up the difference (\$16.4 m). As Jobie Masagatani pointed out to the House Finance Committee: . . . Any reduction from this amount [\$9.6 million] will require either an additional allocation of trust fund resources or other general lease revenues to cover the shortfall, or a reduction in services hindering our ability to meet the mission of DHHL. . . .At the present time the Department must use its special and trust funds to finance any of its administrative and operating costs not funded with general funds. These resources could have otherwise be used for direct benefits to our beneficiaries I ask you to to restore a "sufficient" level of general funding for the administrative and operating budget of the DHHL. Under the oath of office you took to assume your position, you should be doing nothing less. If you think funding is short, remember that the Hawai`i Tourism Authority has a budget of \$82 million, with no constitutional mandate similar to fund the DHHL. There is money available to fund the DHHL adequately so it receives its initial budget request of \$25 million per year. It is just a matter of you choosing the right priority as the law requires. Mahalo, Ceci Davenport

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: moikehajr@gmail.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Sunday, March 29, 2015 9:25:09 AM

HB500

Submitted on: 3/29/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Roger Kanealii	Individual	Support	No

Comments: RE: HB 500, HD 1 I testify in support of increasing the DHHL administrative budget (HHL 602) to the original DHHL request of \$25 million. The Hawai`i Constitution, Art. XII, Sec. 1 requires the Legislature to provide "sufficient sums" to fund the DHHL administrative and operating budget. That constitutional mandate was designed to relieve the DHHL of relying on its general lease revenues to fund this budget. It is the only state agency that enjoys this funding mandate. However, recently, the House of Representatives CUT the already insufficient (FY 2015 - \$9.6 m) DHHL administrative and operating budget to \$6.3 m. The DHHL requested a budget of \$25 million to perform its important mission. At the same time the House reduced the DHHL budget by 34.4%, it cut the state general fund budget in comparison by only 1.4%. All legislators took an oath of office to support and defend the Hawai`i Constitution. They are obligated to fund the DHHL adequately. It is time you as our representatives to treat DHHL fairly for the benefit of the beneficiareis of the trust. The current level of the DHHL budget (\$9.6 m) is less than 40% of what the Governor requested from the Legislature and less than 13% of what the DHHL originally requested (\$75 m) before the Governor cut that request for FY 2015. As a result of this shortfall, the DHHL is primarily using revenues from the general leasing of trust lands to make up the difference (\$16.4 m). As Ms. Masagatani pointed out to the House Finance Committee: . . . Any reduction from this amount [\$9.6 million] will require either an additional allocation of trust fund resources or other general lease revenues to cover the shortfall, or a reduction in services hindering our ability to meet the mission of DHHL. . . .At the present time the Department must use its special and trust funds to finance any of its administrative and operating costs not funded with general funds. These resources could have otherwise be used for direct benefits to our beneficiaries I ask you to to restore a "sufficient" level of general funding for the administrative and operating budget of the DHHL. Under the oath of office you took to assume your position, you should be doing nothing less. If you think funding is short, remember that the Hawai`i Tourism Authority has a budget of \$82 million, with no constitutional mandate similar to fund the DHHL. There is money available to fund the DHHL adequately so it receives its initial budget request of \$25 million per year. Please choose the right priority as the required by law. Thank you Roger "Maha" Kanealii

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: ianleeloy@hotmail.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Sunday, March 29, 2015 9:21:58 AM

HB500

Submitted on: 3/29/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Ian B. Lee Loy	Individual	Support	No

Comments: Senator Jill Tokuda, Chairperson Senate Ways and Means Committee I testify in STRONG SUPPORT of INCREASING the DHHL administrative budget (HHL 602) to the original DHHL request of \$25 million. The Hawai'i Constitution, Art. XII, Sec. 1 REQUIRES the Legislature to provide "sufficient sums" to fund the DHHL administrative and operating budget. All legislators have sworn an oath to protect and fulfill the provisions of the Hawai'i Constitution and are therefore OBLIGATED to satisfy the DHHL budget request. Without sufficient administrative and operating funds, DHHL will be forced to use its general lease revenues for the unfunded administrative and operating costs instead of its intended purpose, which is develop homesteads of native Hawaiian beneficiaries of the Hawaiian Homes Commission Act. The DHHL requested a budget of \$25 million to perform its important mission. At the same time the House reduced the DHHL budget by 34.4%, it cut the state general fund budget in comparison by only 1.4%. The current level of the DHHL budget (\$9.6 m) is less than 40% of what the former-Governor Abercrombie requested from the Legislature and less than 13% of what the DHHL originally requested (\$75 m) before the Governor cut that request for FY 2015. As a result of this shortfall, the DHHL is primarily using revenues from the general leasing of trust lands to make up the difference (\$16.4 m). As Jobie Masagatani pointed out to the House Finance Committee: . . . Any reduction from this amount [\$9.6 million] will require either an additional allocation of trust fund resources or other general lease revenues to cover the shortfall, or a reduction in services hindering our ability to meet the mission of DHHL. . . . At the present time the Department must use its special and trust funds to finance any of its administrative and operating costs not funded with general funds. These resources could have otherwise be used for direct benefits to our beneficiaries Restoring "sufficient" level of general funding for the administrative and operating budget of the DHHL is necessary if DHHL is expected to fulfill its mission. If sufficient funding is not provided to DHHL, the State Legislature has knowingly failed its constitutional obligation. If you think funding is unavailable, remember that the Hawai'i Tourism Authority has a budget of \$82 million, with no similar funding constitutional mandate as compared to DHHL. This is a matter of choosing the right political priority and adequately fund DHHL as the constitution requires. Sincerely, Ian B. Lee Loy, constituent House District 2 Senate District 1

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: wmhan@hawaii.edu
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Monday, March 30, 2015 12:05:05 PM

HB500

Submitted on: 3/30/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
william han	Individual	Support	No

Comments: I, William Michael Han, strongly support this measure - with the inclusion of funds for the Kaho`olawe Island Reserve Commission to continue its innovative restoration program and management of the Kaho`olawe Island Reserve. As stated in the Federally-mandated Kaho`olawe Island Conveyance Commission (KICC) final report to Congress in 1993, "in the short term, federal funds will provide the bulk of the program support for specific soil conservation projects and related activities. In the longer term, however, state revenues will be needed to continue and enhance those activities initiated with federal funds." For the past 20 years, the initial Federal funding has allowed the KIRC to establish many of its innovative programs that emphasize ancestral and traditional knowledge, provide a cultural approach of respect and connectivity to the environment, and integrate ancient and modern resource management techniques. GM 207 is critical to the KIRC as these trust funds will run out by the end of 2016. With 25% of the island still uncleared of unexploded ordnance and only 10% cleared for intensive use, the KIRC's continuing presence on Kaho`olawe is needed to ensure the protection of the general public. Without funding, the KIRC will have to terminate on-island operations and close the doors to public access to Kaho`olawe. The funding being sought in this measure is to provide a bridge to allow the KIRC to develop community-wide partnerships, establish collaborative enterprises with other state and federal government entities, and launch long-term revenue generation and sustainable funding opportunities supporting the future of Kaho`olawe. The passage of this measure is critical to ensure that the struggle, hard work, dedication and lives given to the island will not be wasted, but forms the foundation for Kaho'olawe's role as the spiritual, cultural and physical piko (center) of the people of Hawai`i.

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E. Yadao POB 861 Lihue HI 96766 Email: leeydao@gmail.com

COMMITTEE ON WAYS AND MEANS

Senator Jill N tokunaga chair

Senator Ronald Kouchi

NOTICE OF HEARING

Wednesday April 1 2015

9:10 AM

Conference room 211

State capital

415 S. Beretania St.

RELATING TO THE STATE BUDGET.

Appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2015-2016 and 2016-2017. (HB500 HD1)

Aloha Chair Tokuda and Committee Members,

Site specific revenues (fines/penalties, etc.) or profits (visitor fees, etc.) for the state are diverted away from DLNR to other islands and other departments sometimes completely unrelated to DLNR. DLNR is being shorted by the state on their operating costs.

Today I witnessed the horror of what is being done in the Kokee forest on the island of Kauai. A DLNR officer was busy with visitors making sure they picked up their trash, found their hiking destinations, etc. But when asked why so many trees have been cut down, he said they were invasive species eucalyptus, pine trees and strawberry guava which is strange because 12" diameter wide branches and trunks of Koa and Ohia were lying on the side of the road in numerous locations. A long logging flatbed was stacked with Koa logs and parked at the Pu'u ka pele State Park overnight for storage. By doing this they are also stripping the Maile out. They could have started this somewhere else with Albizia trees.

After investigation we discovered the 'logging project' is actually a Forest Stripping Assault of Kauai's forest occurring right now over thousands of acres; we were able to cover only 10 miles until we became sick and tired.

Perhaps this is a state project through the ADC done without an EIS, EA or any distinct oversight; it looks like a free-for-all that is out of control. This is where enforcement should come in.

1. If DLNR needs additional enforcement/conservation funds then why aren't they being provided?
2. Where are these mountain size piles of cut trees going?
3. Who is authorizing the destruction of the forest and why is a DLNR officer unaware of what's going on?
4. Who is profiting from this Environmental Terrorism?
5. Who is in charge of oversight and determining how much is too much?
6. Is this what lack of funding looks like for DLNR.

Whether or not this is sanctioned by the state in a money making scheme through unofficial public private partnerships, it certainly appears to be illegal. You don't give permission to rape these islands in massive resource theft. I can assure you if I had taken one single plant or branch I'd be standing in front of a dozen DLNR officers giving me a citation and then appearing before a judge.

Necessary funding needs to be provided to DLNR.

Mahalo.

Commenting on H.B. 500 HD1

Relating to the State Budget

House Committee on Ways and Means

Wednesday, April 1, 2015, 9:10AM, Room 211

Aloha Legislators,

As a Kanaka 'oiwi, community member and employee of the West Maui Mountains Watershed Partnership I strongly requests that funding levels for watershed and invasive species management through the Dept. of Land & Natural Resources be reinstated. Therefore, I request these spending levels

- DLNR's spending ceiling on the Natural Area Reserve Fund* to \$12,934,000;
- DLNR's request for \$1,000,000 in capital improvement program (CIP) funds to support watershed fencing projects;
- DLNR's request for \$4,000,000 for Hawai'i Invasive Species Council (HISC) **plus provide an increase of \$2,000,000 for a total of \$6,000,000 in general funds;**
- DLNR's spending ceiling on the Legacy Land Conservation Fund** to \$6,800,000.

The protection of our natural resources is vital to the survival of Hawaii's native species and of the people who call this place their home.

Mahalo, Kainoa Marchello

Testimony of Kimberly Thayer

Commenting on H.B. 500 HD1 Relating to the State Budget
Senate Committee on Ways and Means
Wednesday, April 1, 2015, 9:10AM, Room 211'

Aloha mai kākou,

As a 4th generation kama'aina with a young family, and as an employee of the West Maui Mountains Watershed Partnership (WMMWP), I humbly urge you to restore the following items relating to DLNR funding that were cut in the House version of the budget:

- DLNR's spending ceiling on the Natural Area Reserve Fund* to \$12,934,000 (*this is the primary source of DLNR's funding for Watershed Partnerships, Forest Reserves, Natural Area Reserves, Natural Area Partnerships, and the Hawaii Youth Conservation Corps.*);
- DLNR's request for \$1,000,000 in capital improvement program (CIP) funds to support watershed fencing projects;
- DLNR's request for \$4,000,000 for Hawai'i Invasive Species Council (HISC) **plus provide an increase of \$2,000,000 for a total of \$6,000,000 in general funds;**
- DLNR's spending ceiling on the Legacy Land Conservation Fund to \$6,800,000.

At WMMWP, a *significant* portion of our funding for watershed protection comes from DLNR, and the same goes for our partners in conservation. This funding enables us to build fences that exclude destructive ungulates (pigs, goats, deer); combat invasive species like strawberry guava; monitor the health of our forests and streams; educate our community about the importance of our native forests; and encourage volunteer stewardship. The young men and women on our WMMWP field crew do this work because of their love for the mountain, the forests, the streams, the sights, sounds, and smells, and the multitude of plants and animals that are unique to Hawaii. They have a strong desire to protect all of it—for themselves, their families, and the communities they live in—and they find fulfillment each day. The cuts in DLNR funding would *severely* cripple our crew and diminish our capabilities.

Hawaii's native forests and watersheds are where all life in Hawaii begins. The mountains and forests catch fog, mist, and rain clouds that provide *all* of the fresh water that we *all* depend on every day. The verdant mountain slopes are the picturesque backdrops that attract millions of visitors each year, bolstering the State's economy. The elements of our native forests—birds, trees, ferns, snails, and mosses, even the rocks, mists, and rains—are intimately intertwined with Hawaiian culture itself. Young families like mine cherish days and nights spent hiking and camping in the mountains, loving our forests, and instilling this love in our keiki. Deep down, we all find happiness in the health of our natural environment. We need to give DLNR the strength to protect all of this for the future and well-being of Hawaii Nei.

With your voice and with your vote, you have the power to help safeguard the resources that sustain us. Please restore funding to DLNR.

Mahalo nui loa

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: evernw@aol.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Tuesday, March 31, 2015 3:57:28 PM

HB500

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Evern Williams	Individual	Oppose	No

Comments: Please do the right thing and provide the necessary funding for DLNR to take care of our environment.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: jessinal@hawaii.edu
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Tuesday, March 31, 2015 2:03:56 PM

HB500

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Jessina A K Fernandez	Individual	Oppose	No

Comments: Aloha mai kaua, O Anela Kuuipo Kealani O Maunakea ku'u inoa. No Makaha mai au and I am a past recipient of HYCC with Kupu Hawaii. I am submitting my testimony to request to restore budget cuts to DLNR's budget in HB500 HD1. My experience in HYCC was priceless. I was able to help with conservation, eradication, preservation, restoration, education and more and it has helped define who I am, restored my foundation and has helped with opening doors in that field. Our aina is important and cannot advocate on its on it needs the continuous stewardship that HYCC provides. Please help keep it going. The importance of conservation programs is to help educate and prepare the future generation with the Kuleana they need to on continuing to be a steward for the aina when we pass. It is essential for my Keiki to have a program such as HYCC so that they may also help with Malama aina but to also be mindful on sustainability. It is our Kuleana to teach them what is Pono and our Kuleana to provide them with that opportunity. We don't need anymore development on this island, we are over congested as it is what we need is more aina. Being aina aware, aina conscious and aina aloha. We eat here. We live here and we must protect what is here. Mahalo

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: douglasperrine@yahoo.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Tuesday, March 31, 2015 1:51:12 PM

HB500

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Douglas Perrine	Individual	Oppose	No

Comments: The House seems to have taken the position that preservation of Hawaii's natural environment is the lowest priority for government activity. This is exactly contrary to what our priorities should be. Please restore funding for · Spending authority on the Natural Area Reserve Fund to \$12,934,000; · Spending authority on the Legacy Land Conservation Fund to \$6,800,000; · Spending authority on the Forest Stewardship Fund to \$6,300,000; · \$1,000,000 in capital improvement program (CIP) funds to support watershed fencing projects; · \$4,000,000 for Hawai'i Invasive Species Council (HISC) plus provide an increase of \$2,000,000 for a total of \$6,000,000 in general funds; · \$750,000 for wildlife and emergency response equipment for DLNR; · Funding for permanent DOCARE Community Fisheries Enforcement Units on Kaua'i, O'ahu, Maui, and Hawai'i island; · Funding for the DAR Humpback Whale Sanctuary State Co-Manager; and · Funding for the DAR Community-based Subsistence Fisheries Area Planner and Marine Regulation and Policy Specialist to support community-based marine management, such as Ha'ena, Pupukea, Mo'omomi, and Ka'upulehu.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: 808nateyuen@gmail.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Tuesday, March 31, 2015 8:22:46 AM

HB500

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Nathan Yuen	Individual	Oppose	No

Comments: I am writing to urge the Hawaii State Legislature to restore funding levels to the Department of Land and Natural Resources so that our long-term sources of fresh water can be secured. I am Nathan Yuen. For the past 18 years I have been hiking to remote parts of the island to photograph the native plants and animals of the Hawaiian Islands. I have a blog – HawaiianForest.Com – which documents some of the rarest and most endangered species on the planet. In 2013, I was appointed to the hiking seat on the State of Hawaii’s Natural Area Reserves System (NARS) Commission which oversees issues relating to the most biologically sensitive and geologically interesting lands owned by the State of Hawaii. Water is vital to life. Almost daily we hear in the national media that California is in a state of emergency with only one year’s water supply left. While the situation is not nearly as dire in Hawaii, researchers at the University of Hawaii have determined that the Hawaiian Islands have been undergoing a drying trend since 1978. Less rainfall expected for the Hawaiian Islands according to scientists <http://manoa.hawaii.edu/news/article.php?ald=5724> With less rainfall anticipated in the coming decades, the ability of the land to capture and retain water becomes increasingly important. The Honolulu Board of Water Supply has conducted long term studies which show the superiority of native forests to alien and introduced forests to absorb and store water. Healthy Watersheds Ensure Our Water for Life http://www.boardofwatersupply.com/files/Watershed%20Brochure_Website3.pdf In these uncertain times of global climate change we must use our limited resources wisely. Desalinization plants that create fresh water from sea water are costly and cannot possibly provide enough water for agriculture and to keep the golf courses and mountains green. Protecting native forests and enhancing their ability to recharge our aquifers is the least expensive way to secure our future source of fresh water. Please restore funding levels to the Department of Land and Natural Resources to ensure adequate protection of our watersheds and native forests. Mahalo.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: daniel.dano.gardner@gmail.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Monday, March 30, 2015 1:11:54 PM

HB500

Submitted on: 3/30/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Dan Gardner	Individual	Oppose	No

Comments: Why was funding for the DLNR 2016 Programs dropped? This makes no sense and we request that the Senate WAM Committee correct this mistake.

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Testimony of Allan Rietow, Private Citizen
Commenting on H.B. 500 HD1 Relating to the State Budget
House Committee on Ways and Means
Wednesday, April 1, 2015, 9:10AM, Room 211

I am neither an economist nor an accountant; however I do understand what it takes to keep a valuable asset in good usable condition so that I will continue to receive benefits that I expect from it. This is the conundrum of our living space, the Hawaiian Islands (emphasis on Islands). We are in the middle of the Pacific Ocean and cannot receive any saving grace from a neighboring state. We are talking here about the air we breathe, the water we drink, the open spaces –natural resources (mountains, valleys, forests, cliffs, beaches, reefs, and all the living things that are part of these systems). We the people living here, like the homes we live in, create wear and tear on our natural resources through our habits and our degradation of these resources (conversion of natural resources, trans-locating invasive plants and animals and polluting our island living space).

How long do you believe we can continue to act this way without dire consequences for the generations to come? Our Natural Resources must be preserved for our health and wellbeing! They cannot (no matter how much money we think we can spend) be restored or re-created once they are severely damaged and broken down. We must take responsibility to put the money, time and energy into them every year to keep them in good condition in order to guarantee that our generations to come will have a place to thrive as we do! **Healthy natural resources equals healthy people.....can you argue against this?**

Your job is to recognize this need and fund it. There are already in place public and private entities trained and prepared to do the work! There are no alternatives, you cannot just go about your business as usual and know at the end of the day that you, your children and their children will have a safe, healthy and prosperous place to live. It all begins and ends clearly with our natural resources which make the Hawaiian Islands such an amazing place to live and pass on the next generation.

Saying to yourself and others – well we will fund it next year or it's all ok our resources just take care of themselves does nothing. I do not need to be prophet to relate to you what might happen a number of generations from now if we do nothing. Spending 1% of the annual State budget on protecting our natural resources does not get the job done!

Think of your children and the future generations. You cannot wait and throw money and time at them later and expect good results; this is not housing, education, transportation, budget & finance, health, the University of Hawaii or a CIP project with limited benefits. Our Natural Resources are the bottom line for all of these other, yet important issues, for not one of them are really important with no place to live!!

Please vote for and support putting money into protecting our Natural Resources this session! Your bill is HB 500 HD1, please put the needed funding into it and get it passed.

Please continue reading below. Thank you for your consideration and support.

Best regards,
Allan Rietow
Private Citizen

New formula assigns dollar value to natural resources

Date: June 10, 2014

Source: Arizona State University

Summary:

A first-of-its-kind, interdisciplinary equation to measure the monetary value of natural resources has been developed by researchers. The equation uses principles commonly used to value other capital assets. In assigning natural capital monetary value, the approach will have widespread implications for policymakers and various stakeholders, and will also advocate for the creation of robust asset markets for natural capital, a much-needed advance.

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Researchers found that the value of preserving live reef fish in the Gulf of Mexico was more than \$3 a pound in 2004, a price that jumped to almost \$9 in 2007 after policymakers implemented management reforms that incentivized conservation.

Credit: John Rae



Researchers found that the value of preserving live reef fish in the Gulf of Mexico was more than \$3 a pound in 2004, a price that jumped to almost \$9 in 2007 after policymakers implemented management reforms that incentivized conservation.

Credit: John Rae

Imagine that you are considering selling stocks that you own in a company. You would probably consider how much the shares are worth today, how much they might be worth in the future and how much you might receive in dividend payments for each year you hold onto the stock. Much of your decision is informed by market wisdom and research.

Now imagine that you manage acres of old-growth forest -- or another natural resource, like some fish in the ocean. How do you decide whether to use the resource now or conserve it as natural capital for the future?

In a study published recently in the *Journal of the Association of Environmental and Resource Economists*, researchers from Arizona State University and Yale University have developed a first-of-its-kind, interdisciplinary equation to estimate the current monetary value of natural resources such as fish stocks, groundwater or forests in the United States. In assigning natural capital monetary value, the approach will have

widespread implications for policymakers and various stakeholders, and will also advocate for the creation of robust asset markets for natural capital, a much-needed advance.

Nature is capital

"It is often said that nature is capital, but this has largely been a metaphor thus far; former measurement methods have lacked necessary inputs from experts from various disciplines, resulting in vast gaps of information," said Joshua Abbott, associate professor at ASU's School of Sustainability who coauthored the study with Eli Fenichel, assistant professor at the Yale School of Forestry and Environmental Studies.

"This approach to valuation is forward-looking and inherently interdisciplinary," added Fenichel. "It accounts for the role of ecological dynamics in shaping the future direction of natural capital stocks, and also incorporates the role of human behavior in shaping this direction, as well as how real-world management policies mold this behavioral feedback."

Unlike earlier approaches, the method takes into consideration the "opportunity cost" of losing future units of natural capital that could have helped replenish the resource, providing economic benefits in the long run. It is underpinned by the economic principles also used to value physical or human capital.

The value of a fish in water

Consider the example of reef fish in the Gulf of Mexico. During their research, Abbott and Fenichel found that the value of preserving live reef fish was more than \$3 a pound in 2004, a price that jumped to almost \$9 in 2007 after policymakers implemented management reforms that incentivized conservation. Under the scheme, fishermen were assigned individual tradable quotas or shares of the fish stock, which created a market for the fish as a capital asset.

The Gulf's reef fish contributed more than \$256 million to U.S. national wealth in 2004 -- and three times that after management reforms.

"We know from experience in the corporate world that changes in management practices can enhance the overall value of a company's assets; it is no different with natural capital -- our management of it can either enhance or detract from its value," said Abbott.

According to him, what goes unmeasured often goes unvalued. The ability to treat fish in the water as a capital asset encouraged fishermen to preserve the natural resource, in turn enhancing sustainable fishing practices that led to higher returns.

Implications for sustainable policymaking

In assigning a dollar value to natural capital, Abbott and Fenichel's approach will have widespread implications for policymakers and various stakeholders, putting natural capital on an equal footing with other, more easily measured parts of society's wealth. The researchers hope to apply the method to measure the value of all U.S. fish stocks, as well as other natural assets like groundwater and forests.

"Sustainability can be defined as ensuring that the assets the next generation inherits are worth at least as much as they were when the previous generation received them," said Abbott. "As humans, we are not going to have zero impact on the environment, but we want to make sure that the value of human, physical and natural capital that we pass on to future generations is worth no less than when we inherited them. We are pursuing

this research to help provide better measurements of society's wealth, so we can know whether we're moving in a sustainable direction."

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Story Source:

The above story is based on [materials](#) provided by **Arizona State University**. *Note: Materials may be edited for content and length.*

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Journal Reference:

1. Eli P. Fenichel, Joshua K. Abbott. **Natural Capital: From Metaphor to Measurement.** *Journal of the Association of Environmental and Resource Economists*, 2014; 1 (1): 1 DOI: [10.1086/676034](https://doi.org/10.1086/676034)

To: Senate Ways & Means Committee
From: Karen Chun, Maui
Re: HB500 referencing DLNR

Please restore Department of Land and Natural Resource funding for these programs which was cut from the House budget. We should be INCREASING DLNR funding instead of cutting it. We're 49th in the nation on funding natural resource protection, yet our economy is heavily based on tourism. Our environment IS our economy and we need to take proper care of it.

Natural Area Reserve Fund (NAR) – Governor's FY2016 request of \$13m spending authority;
House reduced to \$0 (FY2015 spending authority for NAR Fund had been \$8m)

Legacy Land Conservation Fund – Governor's FY2016 request of \$6.8m spending authority;
House reduced to \$0 (FY2015 spending authority had been \$5.1m)

Forest Stewardship Fund – Governor's FY2016 request of \$6.3m spending authority;
House reduced to \$5m (same level as the FY2015)

Hawai'i Invasive Species Council programs – Governor's FY2016 request of \$4m general funds;
House reduced to \$0 (FY2015 Legislature provided \$5.75m to HISC programs)

Native Resources & Fire Protection – Governor's request for \$750,000 in general funds for wildfire and emergency response equipment **was cut from the budget.**

DOCARE (Department of Conservation and Resource Enforcement) - NO funding was included in the House budget for:

- Community Fisheries Enforcement Unit on Kaua'i, O`ahu,
- Makai Watch Coordinator on Maui, Hawai'i island

Division of Aquatic Resources – NO funding was included in the House budget for:

- Humpback Whale Sanctuary State Co-Manager
- Community-based Subsistence Fisheries Area Planner and Marine Regulation and Policy Specialist to support community-based marine management like H`ena, Pupukea, Mo`omomi, Ka`upulehu, etc.

The NAR Fund and Forest Stewardship Fund use conveyance tax revenue to manage forest and watershed resources through the State Natural Area

Reserves (**mostly ceded lands**), Forest Reserves, Watershed Partnerships, Natural Area and Forest Stewardship partnerships with private landowners, and the Hawai'i Youth Conservation Corps.

The Legacy Land Fund provides State-matching funds to purchase and protect cultural, natural, agricultural, historical, and recreational resource lands.

The Hawai'i Invasive Species Council provides funding for critical invasive species prevention, eradication, control, research, and education programs. This is penny wise – pound foolish as it is far, far more expensive to eradicate an invasive species rather than interdict it in the first place.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: tsuneyos@lycos.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Tuesday, March 31, 2015 1:08:16 PM

HB500

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Amy Tsuneyoshi	Individual	Comments Only	No

Comments: Testimony of Amy Tsuneyoshi Commenting on H.B. 500 HD1 Relating to the State Budget Senate Committee on Ways and Means Wednesday, April 1, 2015, 9:10AM, Room 211 In regards to H.B. 500 HD1, I urge the Senate WAM committee to RESTORE funding for the following items that was cut by the House: •DLNR's spending ceiling on the Natural Area Reserve Fund to \$12,934,000; •DLNR's request for \$1,000,000 in capital improvement program (CIP) funds to support watershed fencing projects; •DLNR's request for \$4,000,000 in general funds for Hawai'i Invasive Species Council (HISC) plus provide an increase of \$2,000,000 for a total of \$6,000,000 in general funds; •DLNR's spending ceiling on the Legacy Land Conservation Fund to \$6,800,000 in general funds; •DLNR's spending ceiling for the Forest Stewardship Fund to \$6,300,000 in general funds; •DLNR's Native Resources & Fire Protection to \$750,000 in general funds for wildfire and emergency response equipment. Please restore the funding to these important watershed management programs and actions.

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To: [WAM Testimony](#)
Cc: kauaimichelle@gmail.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Tuesday, March 31, 2015 11:18:43 AM

HB500

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Michelle Clark	Individual	Comments Only	No

Comments: Please restore and increase funding for DLNR Programs. The DLNR is responsible for managing our natural resources. Loss of funding for key programs, such as the Natural Area Reserve Fund, Hawaii Invasive Species Council , DOCARE, DAR and wildlife emergency response would have a devastating effect on our watersheds, biodiversity, economy and health. The department barely has enough funding as it is to perform critical functions for our islands that directly affect our economy and well-being.

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From: [Jill LaBram](#)
To: [WAM Testimony](#)
Subject: Testimony for Jill LaBram, Commenting on HB 500 HD1
Date: Tuesday, March 31, 2015 10:44:40 AM

March 31, 2015

Testimony of Jill LaBram

Commenting on H.B. 500 HD1 Relating to the State Budget

Senate Committee on Ways and Means

Wednesday, April 1, 2015, 9:10AM, Room 211

Aloha Legislators,

I sincerely urge you to restore funding to the Department of Land and Natural Resources, specifically:

- DLNR's spending ceiling on the Natural Area Reserve Fund* to \$12,934,000;
- DLNR's request for \$1,000,000 in capital improvement program (CIP) funds to support watershed fencing projects;
- DLNR's request for \$4,000,000 for Hawai'i Invasive Species Council (HISC) **plus provide an increase of \$2,000,000 for a total of \$6,000,000 in general funds;**
- DLNR's spending ceiling on the Legacy Land Conservation Fund** to \$6,800,000.

I am an employee with the West Maui Mountains Watershed Partnership (WMMWP) and I know how crucial it is to monitor and control invasive species. They are a huge threat to our native forested watersheds, which are the source of fresh drinking water to all the people of Hawai'i. Healthy and diverse Hawaiian forests that are not degraded by invasive species act like a sponge by collecting rain and cloud moisture and delivering it to our aquifers and streams. The native forests are also an essential cultural and recreational resource for locals as well as tourists. Nature is the foundation of Hawai'i's tourism industry. If we don't support invasive species programs and response, this could have a huge effect on our economy. Native forests also help prevent erosion. Without these forests intact, erosion can increase thereby allowing more runoff into our streams and ocean, which in turn can smother coral reefs and affect all organisms living in that ecosystem. Our diverse ocean life provides jobs, livelihoods, recreation and food for our families. Additionally, outdoor and forest recreation programs are a way for the people of Hawai'i to stay connected to the land, and it is so

important to maintain these programs to enable our keiki to continue to feel that connection. This connection also empowers local residents to want to conserve and protect these areas.

Everything is connected and invasive species can and will have a huge detrimental effect on all of us who are proud to call Hawai'i home as well as all those visitors that plan their whole lives to come to Hawai'i. Preventing the introduction and spread of invasive species is our first line of defense, and it is our kuleana to protect these beautiful islands. Organizations like WMMWP (and many others throughout the state) depend heavily on funds from DLNR to maintain our past successes and to keep up with the on-going threats to our watershed. Without this funding, our programs will be severely cut, potentially crippled, if not eliminated. Mahalo for your support.

Sincerely,

Jill LaBram

Natural Resource and GIS Technician

West Maui Mountains Watershed Partnership

--

Jill LaBram

Natural Resource/GIS Technician

West Maui Mountains Watershed Partnership

(808) 661-6600

labram@westmauiwatershed.org

From: [Lisa Ferentinos](#)
To: [WAM Testimony](#)
Subject: RESTORE Natural Area Reserve Fund and DLNR Requests to HB500
Date: Tuesday, March 31, 2015 6:08:22 AM

TO Senate Ways and Means:

Please consider the implications to our economy and our children's future of some of Hawaii's most important environmental programs currently threatened by the draft budget.

It is imperative that you restore the following items that were cut in the House version of the budget:

- DLNR's spending ceiling on the Natural Area Reserve Fund* to \$12,934,000;
- DLNR's request for \$1,000,000 in CIP funds to support watershed fencing projects;
- DLNR's request for \$4,000,000 for Hawai'i Invasive Species Council (HISC) ;
- DLNR's spending ceiling on the Legacy Land Conservation Fund** to \$6,800,000.

The Natural Area Reserve Fund was created due to the difficulty in securing sustainable general funds from the legislature for some of Hawaii's most important environmental programs.

Without funding to protect our mauka forests we will find ourselves back in the same situation we were in at the turn of the twentieth century when Honolulu's water supplies were decimated due to deforestation and invasive species. Since kingdom times, the link between forests and water has been clearly understood by Hawaii's governmental leaders. Let's not have to learn this lesson all over again while threatening tourism, agriculture and our children's future.

Here's a one minute video that explains the link between our forests and our faucets:

<https://vimeo.com/85955497>

Please take a moment to review this article in Hawaii Business, where UH researchers report a return on investments of 50:1 for forest protection in Hawaii.

<http://www.hawaiibusiness.com/whats-hawaiis-environment-worth/>

Although the House has indicated they may provide general funds to make up for the lack of special funds, there are currently no general funds for NARF funded programs, like watershed partnerships, in the budget. Like other NARF programs, watershed partnerships are able to leverage state money to find matching funds from federal, county, and private sources. Without a state commitment we stand to lose these other funds as well.

The special fund is the best vehicle for stability in forest protection. Deferring maintenance on natural infrastructure is just like deferred maintenance on your home. It will end up costing you way more in the long run if you don't take care of your investment.

Please do all you can to ensure our forests and water supplies are protected by reinstating funding through the Natural Area Reserve Fund!

Mahalo,
Lisa Ferentinos
Waimanalo, HI

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: mk38@hawaii.edu
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Monday, March 30, 2015 11:54:07 PM

HB500

Submitted on: 3/30/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Matthew Kahooohanohano	Individual	Comments Only	No

Comments: Aloha, As a youth of Hawai'i I am growing up in a time of rapid change and controversy. Hawai'i has always been identified by its unique biological diversity that is under heavy threat of degradation. I am currently enrolled in the University of Hawai'i at Hilo where I go to school with like minded people who hope to pursue a career that are fueled by the funds that are being excluded in the 2016 State budget bill. Cutting conservation funds in next years budget would not be in the best interest of Hawai'i. Mahalo nui, Matthew Kaho'ohanohano

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: sumit.52@hotmail.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Monday, March 30, 2015 5:15:21 PM

HB500

Submitted on: 3/30/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Susan Mitnik	Individual	Comments Only	No

Comments: Conservation of land and wildlife is important to me. Please return all the conservation funding that was removed from this bill to the Senate version. This is extremely important!

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: shawnjamesleavey@gmail.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Monday, March 30, 2015 2:15:27 PM

HB500

Submitted on: 3/30/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Shawn James Leavey	Individual	Comments Only	No

Comments: Please restore funding for Watershed Partnerships, Invasive Species Committees, the NARs, and the Legacy Lands fund. Mahalo!

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From: [Noel Kent](#)
To: [WAM Testimony](#)
Subject: Restoring cuts to programs in HB500 HD1
Date: Monday, March 30, 2015 1:45:39 PM

Dear legislators: I am an avid hiker and supporter of Hawai'i's a'ina. Our special environment needs special protection. The cuts to programs such as the Natural Reserve Fund, the Legacy Land Conservation Fund, the Forest Stewardship Fund, water fencing projects, etc. threaten our integrity of our environment. Please restores budgets for these programs to what they were and provide more funding. Noel Kent Professor UH Manoa

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: bianca@kahea.org
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Monday, March 30, 2015 1:45:33 PM

HB500

Submitted on: 3/30/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Bianca Isaki	Individual	Comments Only	No

Comments: I'm writing to ask WAM to restore the following items that were cut in the House version of the budget: Spending authority on the Natural Area Reserve Fund to \$12,934,000; Spending authority on the Legacy Land Conservation Fund to \$6,800,000; Spending authority on the Forest Stewardship Fund to \$6,300,000; \$1,000,000 in capital improvement program (CIP) funds to support watershed fencing projects; \$4,000,000 for Hawai'i Invasive Species Council (HISC) plus provide an increase of \$2,000,000 for a total of \$6,000,000 in general funds; and Funding for permanent DOCARE Community Fisheries Enforcement Units on Kaua'i, O'ahu, Maui, and Hawai'i island

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: tcolleencole@gmail.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Monday, March 30, 2015 1:26:01 PM

HB500

Submitted on: 3/30/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Colleen Cole	Individual	Comments Only	No

Comments: Aloha Members of the Senate Ways and Means Committee, Hawaii serves as a powerful example to the rest of the country in how it conserves, protects, and manages its extremely precious and unique natural resources. Let us continue to be a leader to the rest of the nation, the Pacific and the world in how we manage our resources for future generations. I am asking you to please restore the following items that were cut in the House version of the budget: - DLNR's spending ceiling on the Natural Area Reserve Fund* to \$12,934,000; - DLNR's request for \$1,000,000 in capital improvement program (CIP) funds to support watershed fencing projects; - DLNR's request for \$4,000,000 for Hawai'i Invasive Species Council (HISC) plus provide an increase of \$2,000,000 for a total of \$6,000,000 in general funds; - DLNR's spending ceiling on the Legacy Land Conservation Fund** to \$6,800,000. Mahalo, Colleen Cole, Volcano

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: 2kalkout@gmail.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Monday, March 30, 2015 12:39:05 PM

HB500

Submitted on: 3/30/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Kenneth A Likout	Individual	Comments Only	No

Comments: HB 500, WAM Rm211 Apr 1,2015 9:10 A.M. Aloha, My name is Kenneth Likout and I am sending this in regards to the most recent decisions/yet to be made decisions in funding for DLNR and the DOCARE division... I am a very active conservationist and as a result am an individual who is very aware and concerned about the very fragile environment of the Wonderful and Beautiful Islands we call home. That is why I m finding it very disturbing the budget cuts and lack of funding for DLNR recently passed by the House and forwarded to the Senate. I watch over the Honu when they on the beach of Ho'okipa to help prevent violations of the Endangered Species Act with out reach and education...I do the same as a Monk Seal Response Team member on the various beaches here on Maui...and I ask, What am I to do if I witness a violation and there is no DOCARE, the local Police have little or no interest nor the experience on how to deal with such matters, so who do I call if the is no DOCARE....I work with another organization that is trying to restore the cloud forests to provide habitat for the most Endangered Species of forest bird on Maui, the Kiwiku, we are planting these trees in the newly reclaimed grazing areas on the south side of Haleakala. Being a former grazing area means it is mostly grasses, very susceptible to fire if someone were to be careless with fire while driving highway below.on We need the Funding requested by the governor for Native Resources and Fire Protection, every dime of it. As you well know it is in our State Constitution to preserve and protect the culture, the land and the waters of these Islands and that is why I am respectfully requesting the following be addressed and in acted; * \$13m for the Natural Area Reserve Fund, \$6.8m in the Legacy Land Fund, and \$6.3m in the Forest Stewardship Fund (all of which are supported by conveyance tax revenues that are at historic highs because of the booming residential and commercial real estate markets (which put added pressure on natural resources like fresh water); * \$6m in general funds for Hawai'i Invasive Species Council programs; * \$750,000 for wildlife and emergency response equipment for DLNR; * Funding for the Division of Conservation and Resourc Enforcement, (DOCARE), DLNR for community fisheries enforcement units on Kaua'i, O'ahu, Maui, and Hawai'i * Funding for the Division of Aquatic Resources, DLNR, for the Humpback Whale Sanctuary State Co-Manager and for Community-based Subsistence Fisheries Area Planner and Marine Regulation and Policy Specialist to support community-based marine management like Ha'ena, Pupukea, Mo'omomi,

Ka'upulehu, etc. Mahalo Nui, Kenneth Likout Ha'iku, Maui

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Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Monday, March 30, 2015 11:39:08 AM

HB500

Submitted on: 3/30/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Anne Thurston	Individual	Comments Only	No

Comments: We urgently need to restore and increase funding to DLNR programs which are essential for protecting Hawaii's natural resources, land, water and cultural sites that are held in trust for present and future generations. Apart from our responsibility as stewards of this beautiful land, how embarrassing it would be to have the world witness the unfortunate situation when Hawaii hosts the the International Union for Conservation of Nature's World Conservation Congress in September 2016. Please fix the present oversight.

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Cc: kiele1@msn.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Monday, March 30, 2015 10:54:25 AM

HB500

Submitted on: 3/30/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Anne-Marie Forsythe	Individual	Comments Only	No

Comments: The restoration of Kaho`olawe is extremely important and I support this bill

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Cc: bondma@cs.com
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Sunday, March 29, 2015 2:58:59 PM

HB500

Submitted on: 3/29/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Bond	Individual	Comments Only	No

Comments: PLEASE INCREASE, NOT REDUCE, DLNR Funding!!! DLNR manages the resources that are the reason most tourists come to Hawaii. Don't take our tourism revenue away! Please increase funding for DNLN. Under no circumstances reduce it. The Bond Ohana -- Hawaii, Oahu, Maui and Molokai

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Cc: dannygr@hawaiiantel.net
Subject: Submitted testimony for HB500 on Apr 1, 2015 09:10AM
Date: Sunday, March 29, 2015 1:22:14 PM

HB500

Submitted on: 3/29/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Daniel Grantham	Individual	Comments Only	No

Comments: Please restore and increase funding to DLNR programs which are essential for protecting Hawaii's natural resources, land, water and cultural sites that are held in trust for present and future generations. Cut from DLNR's budget: Natural Area Reserve Fund (NAR) - Governor's FY2016 request of \$13m spending authority; House reduced to \$0 (FY2015 spending authority for NAR Fund had been \$8m) Legacy Land Conservation Fund - Governor's FY2016 request of \$6.8m spending authority; House reduced to \$0 (FY2015 spending authority had been \$5.1m) Forest Stewardship Fund - Governor's FY2016 request of \$6.3m spending authority; House reduced to \$5m (same level as the FY2015) Hawai'i Invasive Species Council programs - Governor's FY2016 request of \$4m general funds; House reduced to \$0 (FY2015 Legislature provided \$5.75m to HISC programs) Native Resources & Fire Protection - Governor's request for \$750,000 in general funds for wildfire and emergency response equipment was cut from the budget. DOCARE (Department of Conservation and Resource Enforcement) - NO funding was included in the House budget for: Community Fisheries Enforcement Unitson Kaua`i, O`ahu, Makai Watch Coordinator on Maui, Hawai`i island Division of Aquatic Resources - NO funding was included in the House budget for: Humpback Whale Sanctuary State Co-Manager Community-based Subsistence Fisheries Area Planner and Marine Regulation and Policy Specialist to support community-based marine management like Ha`ena, Pupukeya, Mo`omomi, Ka`upulehu, etc. The NAR Fund and Forest Stewardship Fund use conveyance tax revenue to manage forest and watershed resources through the State Natural Area Reserves (mostly ceded lands), Forest Reserves, Watershed Partnerships, Natural Area and Forest Stewardship partnerships with private landowners, and the Hawai`i Youth Conservation Corps. The Legacy Land Fund provides State-matching funds to purchase and protect cultural, natural, agricultural, historical, and recreational resource lands. The Hawai`i Invasive Species Council provides funding for critical invasive species prevention, eradication, control, research, and education programs. Mahalo

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HB500

Submitted on: 3/29/2015

Testimony for WAM on Apr 1, 2015 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Denise Antolini	Individual	Comments Only	No

Comments: Please RESTORE the funding for DLNR's programs to the levels requested by the agency. DLNR has a vast responsibility for land, water, and ocean management of Hawaii's natural and cultural resources. The budget for DLNR has already been slashed and squeezed for years to the level that is simply not functional and not proportionate to the importance of the resources or befitting the major kuleana of DLNR. Now is the time to INCREASE, not decrease, DLNR funding. Mahalo!

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