



STATE OF HAWAII
DEPARTMENT OF HEALTH
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Testimony COMMENTING on S.B. 703, S.D. 1
RELATING TO SOLID WASTE

SENATOR JILL TOKUDA, CHAIR
SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date: March 4, 2015
Hearing Time: 1:35 p.m.

Room Number: 211

1 **Fiscal Implications:** Unknown.

2 **Department Testimony:** We appreciate the intent of this measure but defer to the Governor's
3 Executive Budget request for the Department of Health's appropriation and personnel priorities.
4 The Department would also like to offer the following comments.

5 The solid waste management surcharge is the primary funding mechanism for the Department's
6 solid waste regulatory program that regulates solid waste management facilities, such as landfill,
7 waste-to-energy, recycling, composting, and waste treatment operations in the state. The
8 surcharge is also intended to support other mandated solid waste activities, such as solid waste
9 planning, waste minimization/diversion, lead-acid battery and tire recycling outreach,
10 environmentally preferable purchasing tracking, and leaf blower enforcement; however, these
11 services have been eliminated because of decreasing revenue over the last six years, and
12 increasing programmatic costs. The surcharge was last increased in 1997, and at 35 cents a ton,
13 Hawaii has the lowest surcharge that has been imposed by state regulatory programs.

14 Our current expenditure with reduced services and vacancy is about \$660,000, which is expected
15 to increase to \$860,000 by the end of FY 2017. The increase is due to personnel costs and the
16 need to fund indirect costs by FY 2016, which this program is not currently paying. With an
17 annual deficit of about \$200,000 to \$400,000 per year, we expect to be insolvent by FY 2017.

Based on the original language in S.B. 703 and 2014 disposal tonnage, with no additional waste-to-energy facilities, we anticipate that the proposed revenue will increase from about \$475,000 to \$1.2M per year. This revenue will help with current expenses, vacancy, and the return of many of the mandated but eliminated services.

The Department also offers the following amendments.

Offered Amendments: (1) Page 2, line 11: Delete “reduction.” The term adds ambiguity, as transfer stations tend to compact waste, but not necessarily reduce the amount of waste. (2) Page 2, line 15: After “within the State that” insert “has already paid the surcharge on the waste resulted in ash and.” The exemption on ash disposal should only apply to entities that already paid the surcharge. Those that generate ash for disposal and have not yet paid for waste disposal should still pay the surcharge. (3) Page 2, line 20 through page 3 line 3: Delete “; provided that there shall be no surcharge for solid waste disposal of within the State at permitted waste-to-energy facilities that accept less than 150,000 tons of solid waste annually.” This exemption was initially included to accommodate a proposed waste to energy facility whose project financing was endangered by the inclusion of the surcharge. The facility has not been constructed and we understand that efforts to construct it have ceased. We, therefore, recommend that this exemption be deleted. We note that 150,000 tons per year is greater than the municipal solid waste disposal rates for most landfills in the state, including Waimanalo Gulch Sanitary landfill. If all counties move to waste-to-energy, this exemption could cause the State to see significantly less surcharge revenue than currently anticipating. (4) Amend HRS Ch. 342G-13 (4) to read: “(4) Serve as the state solid waste management agency for compliance with the federal Resource Conservation and Recovery Act of 1976 (42 United States Code section 6901 et seq.) and any other federal or state law regarding solid waste; and”. (5) Amend HRS Ch. 342G-63 (c)(1) to read: “(1) Partially fund the operating costs of the [~~program~~] department including its regulatory functions and the development of waste reduction and diversion activities as mandated by chapter 342G[;], 342H, and 342I;” The recommended amendments are a housekeeping measure that will align funding authorization with a revised administrative organization.

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

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SB703

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 13:35PM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|-------------------------------|-------------------------------|
| Anthony Orozco | Individual | Oppose | No |

Comments:

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SB703

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 13:35PM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------------|--------------|--------------------|--------------------|
| Javier Mendez-Alvarez | Individual | Support | No |

Comments:

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