

# DEPARTMENT OF BUSINESS, **ECONOMIC DEVELOPMENT & TOURISM**

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813

Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Web site: dbedt.hawaii.gov

DAVID Y. IGE

MIKE MCCARTNEY DIRECTOR

Telephone:

(808) 586-2355 Fax: (808) 586-2377

#### Statement of MIKE MCCARTNEY Director

Department of Business, Economic Development, and Tourism before the

#### HOUSE COMMITTEE ON PUBLIC SAFETY, VETERANS, & MILITARY AFFAIRS

Wednesday, February 5, 2020 10:00 AM State Capitol, Conference Room 430 In consideration of **HB1935** RELATING TO THE MILITARY.

Chair Takayama, Vice Chair Gates and Members of the Committee.

The Department of Business Economic Development and Tourism (DBEDT) supports the intent and provides the following comments for HB1935, which establishes a task force to evaluate the economic impact of the military's presence in Hawaii. HB1935 calls for the task force to study the military's impact upon public education, Hawaii's housing supply, land use, and consumer spending by military personnel and their families.

DBEDT is currently the recipient of a Department of Defense (DoD) Office of Economic Adjustment (OEA) grant in the amount of \$399,500 to study the economic impact of DoD procurement upon the business community of Hawaii. This grant was awarded in July 2019 and focuses upon contracts, subcontracts, and grants and how DBEDT can foster greater resiliency among businesses who work with the DoD in the event of fluctuations in DoD procurement spending. To this limited extent, DBEDT is already engaged with studying the impact of the military in Hawaii. But more, pursuant to the bill, is being called for.

Due to the broad and comprehensive nature of the task force study, it is estimated that at least \$400,000 in first year funding is required; and \$100,000 thereafter is needed on a continuing basis for one FTE to implement.

Finally, DBEDT, in conjunction with its resource partners and the legislature. should be responsible for determining the composition of the task force, and should be incorporated into the overall strategic plans for DBEDT restructuring.

Thank you for the opportunity to offer these comments.

<u>HB-1935</u> Submitted on: 2/3/2020 11:44:52 PM

Testimony for PVM on 2/5/2020 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Azuma Chrupalyk	Individual	Support	No

#### Comments:

Is the state able to slow down some of their activity as well?

# HB-1935

Submitted on: 2/4/2020 7:21:51 AM

Testimony for PVM on 2/5/2020 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
John Bickel	Individual	Support	No

#### Comments:

We live in a state where housing and sustainable agriculture are big challenges. Maybe too much of our housing stock and land for agriculturre is used for the military. Do the study and find some answers.

#### HB-1935

Submitted on: 2/4/2020 8:54:50 AM

Testimony for PVM on 2/5/2020 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
cheryl	Individual	Support	No

#### Comments:

I believe strongly that we need this! As an educator, I have seen the impact of the military on schools. Not just financially but physically and emotionally on children; teachers and the community. In addition , there is the impact of the amount of personnel, their vehicles and even the daily practice flights. Culturally, seen from an ally position, there are huge impacts on our island with the continued desecration disrespect of the 'Ä• ina. Occurring at Pohakuloa, Schofield to name two. Truly looking at the impacts is important for our survival . We must do more to protect and honor this place

<u>HB-1935</u> Submitted on: 2/4/2020 9:16:08 AM

Testimony for PVM on 2/5/2020 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mary Lacques	Individual	Support	No

Comments:

<u>HB-1935</u> Submitted on: 2/4/2020 9:21:48 AM

Testimony for PVM on 2/5/2020 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michelle Cabalse	Individual	Support	No

Comments:

From: Chris Santomauro <noreply@jotform.com>

Sent: Tuesday, February 4, 2020 6:32 AM

**To:** PVMtestimony

**Subject:** Testimony in SUPPORT of HB 1935, Relating to the Military

<b>▼</b> HB 1935, Relating	g to the Military
Name	Chris Santomauro
Email	csantoma@gmail.com
Subject	In SUPPORT of HB 1935, Relating to the Military
Sample testimony. Edit the text as much as you'd like, then click to	The military's presence in Hawai'i has a strong impact on our state's economy.
submit.	According to the United States Department of Defense, over 42,000 active duty military personnel are assigned to Hawai'i as of September 2019. Additionally, the Department of Education estimates that the state hosts over 300,000 military personnel and their families.
	While these families engage in direct consumer spending and pay taxes, the military's presence also impacts our education system and housing supply. Military operations on leased lands also require environmental oversight, especially when these lands need to be restored due to degradation from military exercises and training.
	Understanding the amount of revenue generated by military spending in Hawai'i and the extent of state support afforded to military personnel will help the legislature craft sound fiscal policies. Please pass this measure to obtain data on the military's impact to our state that is necessary to safeguard the public trust.
Attending Hearing?	No

From: Leslie Baunach <noreply@jotform.com>
Sent: Tuesday, February 4, 2020 7:04 AM

**To:** PVMtestimony

**Subject:** Testimony in SUPPORT of HB 1935, Relating to the Military

HB 1935, Relating	g to the Military
Name	Leslie Baunach
Email	baunachl@yahoo.com
Subject	In SUPPORT of HB 1935, Relating to the Military
Sample testimony. Edit the text as much as you'd like, then click to	The military's presence in Hawai'i has a strong impact on our state's economy.
submit.	According to the United States Department of Defense, over 42,000 active duty military personnel are assigned to Hawai'i as of September 2019. Additionally, the Department of Education estimates that the state hosts over 300,000 military personnel and their families.
	While these families engage in direct consumer spending and pay taxes, the military's presence also impacts our education system and housing supply. Military operations on leased lands also require environmental oversight, especially when these lands need to be restored due to degradation from military exercises and training.
	Understanding the amount of revenue generated by military spending in Hawai'i and the extent of state support afforded to military personnel will help the legislature craft sound fiscal policies. Please pass this measure to obtain data on the military's impact to our state that is necessary to safeguard the public trust.
	Personally, I'm employed by the district DOE, but work 100% at a base school. Yes, some military families are locals but are still enlisted. The military is taking a full time school psychologist (Me) but I'm not afforded the DODea wage even though I work full time on the base. Unfortunately school psychologists are not even started at a similar wage to teachers in the state of Hawaii so the military recruiting and retaining their own related service providers in the schools would benefit these kids as well as free up more service providers from the district for local families.
	as well as free up more service providers from the

Attending Hearing?

No

From: Kalyn Wadsworth <noreply@jotform.com>

**Sent:** Tuesday, February 4, 2020 7:25 AM

**To:** PVMtestimony

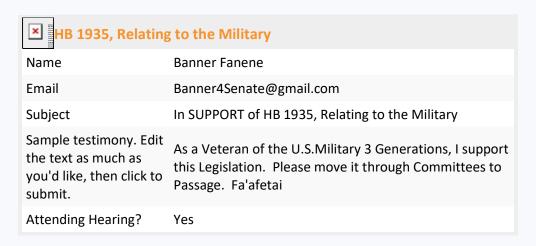
**Subject:** Testimony in SUPPORT of HB 1935, Relating to the Military

72	
HB 1935, Relating	g to the Military
Name	Kalyn Wadsworth
Email	kalyn.wadsworth@gmail.com
Subject	In SUPPORT of HB 1935, Relating to the Military
Sample testimony. Edit the text as much as you'd like, then click to	The military's presence in Hawai'i has a strong impact on our state's economy.
submit.	According to the United States Department of Defense, over 42,000 active duty military personnel are assigned to Hawai'i as of September 2019. Additionally, the Department of Education estimates that the state hosts over 300,000 military personnel and their families.
	While these families engage in direct consumer spending and pay taxes, the military's presence also impacts our education system and housing supply. Military operations on leased lands also require environmental oversight, especially when these lands need to be restored due to degradation from military exercises and training.
	Understanding the amount of revenue generated by military spending in Hawai'i and the extent of state support afforded to military personnel will help the legislature craft sound fiscal policies. Please pass this measure to obtain data on the military's impact to our state that is necessary to safeguard the public trust.
Attending Hearing?	No

From: Banner Fanene <noreply@jotform.com>
Sent: Tuesday, February 4, 2020 8:36 AM

**To:** PVMtestimony

**Subject:** Testimony in SUPPORT of HB 1935, Relating to the Military



From: Roberta Yamamoto <noreply@jotform.com>

Sent: Tuesday, February 4, 2020 9:14 AM

**To:** PVMtestimony

**Subject:** Testimony in SUPPORT of HB 1935, Relating to the Military

<b>▼</b> HB 1935, Relating	g to the Military
Name	Roberta Yamamoto
Email	yamamotohsta@gmail.com
Subject	HB 1935
Sample testimony. Edit the text as much as you'd like, then click to	The military's presence in Hawai'i has a strong impact on our state's economy.
submit.	According to the United States Department of Defense, over 42,000 active duty military personnel are assigned to Hawai'i as of September 2019. Additionally, the Department of Education estimates that the state hosts over 300,000 military personnel and their families.
	While these families engage in direct consumer spending and pay taxes, the military's presence also impacts our education system and housing supply. Military operations on leased lands also require environmental oversight, especially when these lands need to be restored due to degradation from military exercises and training.
	Understanding the amount of revenue generated by military spending in Hawai'i and the extent of state support afforded to military personnel will help the legislature craft sound fiscal policies. Please pass this measure to obtain data on the military's impact to our state that is necessary to safeguard the public trust.
Attending Hearing?	No

From: Ku Kahakalau <noreply@jotform.com>
Sent: Tuesday, February 4, 2020 4:33 AM

**To:** PVMtestimony

**Subject:** Testimony in SUPPORT of HB 1935, Relating to the Military

HB 1935, Relating	to the Military
Name	Ku Kahakalau
Email	kukahakalau@yahoo.com
Subject	In SUPPORT of HB 1935, Relating to the Military
Sample testimony. Edit the text as much as you'd like, then click to submit.	Please support HB193. The military's presence in Hawai'i has a strong impact on our state's economy.  According to the United States Department of Defense, over 42,000 active duty military personnel are assigned to Hawai'i as of September 2019. Additionally, the Department of Education estimates that the state hosts over 300,000 military personnel and their families.  While these families engage in direct consumer spending and pay taxes, the military's presence also impacts our education system and housing supply. Military operations on leased lands also require environmental oversight, especially when these lands need to be restored due to degradation from military exercises and training.  Understanding the amount of revenue generated by military spending in Hawai'i and the extent of state support afforded to military personnel will help the legislature craft sound fiscal policies. Please pass this measure to obtain data on the military's impact to our
	state that is necessary to safeguard the public trust.

From: Laura Ramirez <noreply@jotform.com>
Sent: Tuesday, February 4, 2020 5:52 AM

**To:** PVMtestimony

**Subject:** Testimony in SUPPORT of HB 1935, Relating to the Military

<b>★</b> HB 1935, Relating	g to the Military
Name	Laura Ramirez
Email	lauraramirez87@hotmail.com
Subject	In SUPPORT of HB 1935, Relating to the Military
Sample testimony. Edit the text as much as you'd like, then click to	The military's presence in Hawai'i has a strong impact on our state's economy.
submit.	According to the United States Department of Defense, over 42,000 active duty military personnel are assigned to Hawai'i as of September 2019. Additionally, the Department of Education estimates that the state hosts over 300,000 military personnel and their families.
	While these families engage in direct consumer spending and pay taxes, the military's presence also impacts our education system and housing supply. Military operations on leased lands also require environmental oversight, especially when these lands need to be restored due to degradation from military exercises and training.
	Understanding the amount of revenue generated by military spending in Hawai'i and the extent of state support afforded to military personnel will help the legislature craft sound fiscal policies. Please pass this measure to obtain data on the military's impact to our state that is necessary to safeguard the public trust.
Attending Hearing?	No

From: Randy Ching <noreply@jotform.com>
Sent: Tuesday, February 4, 2020 5:40 AM

**To:** PVMtestimony

**Subject:** Testimony in SUPPORT of HB 1935, Relating to the Military

HB 1935, Relating	g to the Military
Name	Randy Ching
Email	makikirandy@yahoo.com
Subject	In SUPPORT of HB 1935, Relating to the Military
Sample testimony. Edit the text as much as you'd like, then click to	The military's presence in Hawai'i has a strong impact on our state's economy.
submit.	According to the United States Department of Defense, over 42,000 active duty military personnel are assigned to Hawai'i as of September 2019. Additionally, the Department of Education estimates that the state hosts over 300,000 military personnel and their families.
	While these families engage in direct consumer spending and pay taxes, the military's presence also impacts our education system and housing supply. Military operations on leased lands also require environmental oversight, especially when these lands need to be restored due to degradation from military exercises and training.
	Understanding the amount of revenue generated by military spending in Hawai'i and the extent of state support afforded to military personnel will help the legislature craft sound fiscal policies. Please pass this measure to obtain data on the military's impact to our state that is necessary to safeguard the public trust.
Attending Hearing?	No





Young Progressives Demanding Action P.O. Box 11105 Honolulu, HI 96828

February 4, 2020

TO: House Committee on Public Safety, Veterans, & Military Affairs RE: Testimony in support of HB1935

Dear Representatives,

For 38 minutes on January 13, 2018, hundreds of thousands of Hawai'i residents wondered if they would ever live to see the next day. That Saturday morning, many of us received a notification on our phones that a ballistic missile threat was inbound and that we should "seek shelter."

The laughability of that recommendation was like the twist of a knife in the back. Because of our strategic value to the imperialist agenda that has dominated the United States' foreign policy for 150 years, we have a giant bulls-eye painted on us, and far too many unnecessary enemies eyeing the massive military presence in these islands.

Twenty percent of the land on O'ahu is owned and operated by the Department of Defense. The military buildup that began in the early 1940s, making Hawai'i a target for the Japanese Empire, increased dramatically after Pearl Harbor was attacked, and also sparked the service industry transformation that changed Hawai'i's economic sector from agriculture to tourism.

There is no doubt that the military's presence in Hawai'i has a strong impact on our state's economy. According to the Department of Defense, over 42,000 active duty military personnel are assigned to Hawai'i as of September 2019. Additionally, the Department of Education estimates that the state hosts over 300,000 military personnel and their family members.

While these families engage in direct consumer spending and pay taxes, the military's presence also impacts our education system and housing supply. Military housing allowances artificially inflate the cost of rent in certain areas.

The military also has an impact on our environment. The United States Armed Forces is the single biggest polluter in the entire world, bigger than 140 different countries combined. At sites across the state, the military is still using live fire to train. Marine life is still being killed or permanently injured by naval training exercises and equipment use. Military operations on leased lands require environmental oversight, especially when these lands need to be restored due to degradation from military exercises and training.

It's clear that the military has a pervasive, significant and multifaceted impact on our state, and the Young Progressives Demanding Action (YPDA) think it's about time the public knew exactly what that impact really is.

Understanding the amount of revenue generated by military spending in Hawai'i and the extent of state support afforded to military personnel will help the legislature craft sound fiscal policies. But more than that, we hope that this measure will help to construct an accurate cost-benefit analysis of the military presence in Hawai'i that goes beyond mere fiscal implications. Are we truly safer as a military outpost than we would be without the target painted on us? Is the military presence worth destroying our environment for? Can our people continue to subsist in a service-oriented economy that is set up to benefit military personnel at our expense?

I certainly do not believe that January 13, 2018 would be an important date in my mind if Hawai'i was not a functioning military outpost.

Please pass HB1935.

Mahalo for the opportunity to testify,

Will Caron 2019–2020 Co-Chair Action@YPDAhawaii.org





#### Josh Frost - President • Patrick Shea - Treasurer • Kristin Hamada Nelson Ho • Summer Starr

Wednesday, February 5, 2020

Relating to Military Testifying in Support

Aloha Chair and members of the committee,

The Pono Hawai'i Initiative (PHI) **supports HB1935 Relating to Military**, which establishes a task force to evaluate the economic impact of the military's presence in Hawai'i.

The armed forces stationed here use resources and impact our community, from schools to road wear and tear to available housing. Knowledge is power, knowing the full scope of the impact that the military has throughout our islands is essential to creating thoughtful and effective fiscal policies.

For all these reasons, we urge you to move this bill forward.

Mahalo for the opportunity, Gary Hooser Executive Director Pono Hawai'i Initiative

# Testimony to the House Committee on Public Safety, Veterans and Military Affairs Wednesday, February 5, 2020 at 10:00 A.M. Conference Room 430, State Capitol

RE: HB 1935, RELATING TO THE MILITARY



Chair Takayama, Vice Chair Gates, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **provides the following comments to** HB 1935, which would establish a task force to evaluate the economic impact of the military's presence in Hawaii.

The Chamber is Hawaii's leading statewide business advocacy organization, representing 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

According to the Department of Defense's (DoD) Office of Economic Adjustment (OEA), the DoD spends roughly \$7.8 billion annually, with about \$2 billion of that invested in the state to provide DoD with a variety of goods and services, which includes food products, IT services and construction. In 2016, this total included more than 1,000 small businesses in our state that received around 2,000 contracts worth more than \$1 billion total.

The DoD also continues to play a large role as a civilian employer in our state. For example, the Pacific Missile Range Facility located on Kauai is the largest technical employer on the island of Kauai. Pearl Harbor Naval Shipyard is the state's largest industrial employer providing roughly 6,000 locally born and raised civilian employees with a variety of jobs that range from welders, electricians, engineers, and IT managers.

Additionally, the Hawaii Military Affairs Council (MAC) was established in 1985 as part of the Chamber, and advocates on behalf of Hawaii's military, and is comprised of business leaders and retired U.S. flag and general officers. The MAC works to support Hawaii's location as a strategic U.S. headquarters in the Indo-Asia-Pacific region. Given the MAC's strong partnership with the military for over 30 years, we also request that the committee consider including a position on the task force for a representative of the MAC.

Furthermore, the Chamber and MAC note that the Department of Business, Economic Development, and Tourism (DBEDT), in conjunction with OEA has already undertaken an effort to further study military spending in Hawaii and the effects that it has on various segments of our state's economy. Through the Hawaii Defense Economy website, they are able to provide

the public with accurate information about direct DoD employment, total dollars spent by the DoD in Hawaii, the indirect benefits of those dollars spent on various business segments, and the challenges faced by local businesses that are working with the DoD. The MAC has received \$1 million to date from OEA to assist with this purpose and plans to continue its collaboration and funding partnership into the future.

Thank you for the opportunity to provide comments on HB 1935.

From: Lurline Bettencourt <noreply@jotform.com>

Sent: Tuesday, February 4, 2020 11:26 AM

**To:** PVMtestimony

**Subject:** Testimony in SUPPORT of HB 1935, Relating to the Military

HB 1935, Relating to the Military	
Name	Lurline Bettencourt
Email	lurline94510@yahoo.com
Subject	In SUPPORT of HB 1935, Relating to the Military
Sample testimony. Edit the text as much as you'd like, then click to submit.	The military's presence in Hawai'i has a strong impact on our state's economy.
	According to the United States Department of Defense, over 42,000 active duty military personnel are assigned to Hawai'i as of September 2019. Additionally, the Department of Education estimates that the state hosts over 300,000 military personnel and their families.
	While these families engage in direct consumer spending and pay taxes, the military's presence also impacts our education system and housing supply. Military operations on leased lands also require environmental oversight, especially when these lands need to be restored due to degradation from military exercises and training.
	Understanding the amount of revenue generated by military spending in Hawai'i and the extent of state support afforded to military personnel will help the legislature craft sound fiscal policies. Please pass this measure to obtain data on the military's impact to our state that is necessary to safeguard the public trust.
Attending Hearing?	No

From: Robert Conlan <noreply@jotform.com>
Sent: Tuesday, February 4, 2020 4:06 PM

**To:** PVMtestimony

**Subject:** Testimony in SUPPORT of HB 1935, Relating to the Military

HB 1935, Relating to the Military	
Name	Robert Conlan
Email	RobertJ.Conlan@gmail.com
Subject	In SUPPORT of HB 1935, Relating to the Military
Sample testimony. Edit the text as much as you'd like, then click to submit.	The military's presence in Hawai'i has a strong impact on our state's economy.
	According to the United States Department of Defense, over 42,000 active duty military personnel are assigned to Hawai'i as of September 2019. Additionally, the Department of Education estimates that the state hosts over 300,000 military personnel and their families.
	While these families engage in direct consumer spending and pay taxes, the military's presence also impacts our education system and housing supply. Military operations on leased lands also require environmental oversight, especially when these lands need to be restored due to degradation from military exercises and training.
	Understanding the amount of revenue generated by military spending in Hawai'i and the extent of state support afforded to military personnel will help the legislature craft sound fiscal policies. Please pass this measure to obtain data on the military's impact to our state that is necessary to safeguard the public trust.
Attending Hearing?	No