

HB-1600-HD-1

Submitted on: 3/17/2022 3:33:39 PM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Benton Kealii Pang, Ph.D.	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee on Ways and Means,

I am in support of HB1600 HD1. This bill includes \$500K in operating funds and two permanent positions. I am in support of funding being provided to DLNR in account LNR906 for the Kaho'olawe Island Reserve Commission.

Mahalo for the opportunity to testify.

Sincerely,

Benton Kealii Pang, Ph.D.

Commissioner representing Native Hawaiian Organizations,

Kaho'olawe Island Reserve Commission

March 18, 2022

TO: The Honorable Senator Donovan M. Dela Cruz, Chair
Committee on Ways and Means

FROM: Carmen Hulu Lindsey, Chair
Board of Trustees at the Office of Hawaiian Affairs

SUBJECT: HB 1600, HD1 – RELATING TO THE STATE BUDGET.

Hearing: March 22, 2022, 9:30 a.m.
Via Videoconference, State Capitol

As a current KIRC Commissioner, I am providing written testimony in specific **SUPPORT** of the amendments made by the House Committee on Finance (HD1) to the funding provided to DLNR in account LNR906 for KIRC.

In 1994, the U.S. Navy conveyed the ownership of Kaho‘olawe to the State of Hawai‘i. In 2004, the U.S. Navy transferred the management and control of Kaho‘olawe to the State of Hawai‘i and the Kaho‘olawe Island Reserve Commission which is within the Department of Land and Natural Resources. I point these years out because the State has a responsibility to manage activities on Kaho‘olawe as owner and KIRC is the State’s vessel to carry out that responsibility. KIRC has done amazing work over the years to restore and preserve Kaho‘olawe after decades of bombings; however, the work is far from done. KIRC is in critical need of the Committee’s support to secure funding so that they have the resources needed to continue their important work. I humbly ask the Committee for their consideration and support of this measure. Mahalo nui iā ‘oukou for this opportunity to offer my written testimony of support.

DAVID Y. IGE
GOVERNOR



RYKER WADA
DIRECTOR
ANDREW T. GARRETT
DEPUTY DIRECTOR

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

**TESTIMONY TO THE
SENATE COMMITTEE ON WAYS AND MEANS**

For Hearing on Tuesday, March 22, 2022
9:30 a.m., Conference Room 211

BY

RYKER WADA
DIRECTOR

**House Bill No. 1600, House Draft 1
Relating to the State Budget**

CHAIR DELA CRUZ, VICE CHAIR KEITH-AGARAN AND MEMBERS OF THE
COMMITTEE:

The purpose of House Bill No. 1600, House Draft 1 is to adjust and make additional appropriations for fiscal biennium 2021-2023 to fund the operations of Executive Branch agencies and programs.

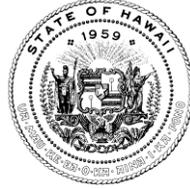
The Department of Human Resources Development (DHRD) **strongly supports** this measure as it relates to DHRD's supplemental budget requests for additional funding for the following:

- 1) Continued investments in our Learning Management System;
- 2) Two (2) Human Resources Specialist positions and funds for the Employee Classification program;
- 3) An integrated Workers' Compensation Management System; and
- 4) Three (3) positions and funding for the Student Helper/Intern and Kuana'ike programs.

House Draft 1, however, does not include the department's request to restore the Administrative Assistant position and funds. We respectfully ask for your consideration to restore this position and related funding as it provides DHRD with the resources it needs to fulfill its statutory duties pursuant to Act 57, SLH 2019. The Administrative Assistant is integral to DHRD's operations and services provided to other State agencies. Not funding this position will adversely impact our ability to make modernization changes to fit the 21st century workforce needs to support the Executive Branch.

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.



DAVID Y. IGE
GOVERNOR

JOSH GREEN
LT. GOVERNOR

**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

**Before the
Senate Committee on Ways and Means**

Thursday, March 22, 2022

9:30 a.m.

Via Videoconference

On the following measure:

H.B. 1600 H.D. 1, RELATING TO THE STATE BUDGET

Chair Dela Cruz and Members of the Committee:

My name is Catherine P. Awakuni Colón, and I am the Director of the Department of Commerce and Consumer Affairs (Department). The Department supports this bill.

The purposes of this bill are to adjust and request appropriations for fiscal biennium 2021-2023 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs.

The Department acknowledges the hard work of the House Finance Committee in incorporating all the Department's H.B.1600 budget request in the House Draft 1. The Department notes however, that the House Draft 1 does not include the Department's budget request for CCA901, as reflected in Governor's Message 11 (GM11).

This testimony mirrors the contents of the Department's Impact Statement that was provided to this committee a short time ago. Specifically, the Department

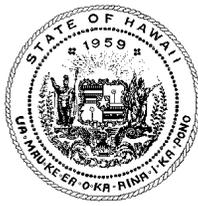
respectfully requests the following to ensure the ability of the Public Utilities Commission (PUC) to timely expend funds from the Electric Vehicle Charging System (EVCS) Subaccount:

CCA 901: The House Draft 1 did not include GM11 to add \$1,000,000 in special funds in FY 23 for the Public Utilities Commission (PUC) to expend funds from the Electric Vehicle Charging System (EVCS) Subaccount in support of the EVCS Rebate Program established pursuant to Act 142, SLH 2019, and expanded pursuant to Act 75, SLH 2021. The EVCS Subaccount receives \$0.03 per barrel of the Environmental Response, Energy, and Food Security Tax (Barrel Tax) but currently does not have any appropriation for expenditures from the subaccount for FY 23.

Also, worth noting is that there was only \$100,000 total EVCS appropriation for FY22. The PUC respectfully requests an increase to \$500,000 for FY22, with an extension of the lapse date of unexpended/unencumbered funds, to June 30, 2023, to ensure rebates can be paid, given the likely timing for the effective date of the budget bill.

Impact: Without this appropriation, the EVCS program would not be authorized to expend funds in support of the EVCS Rebate Program.

Thank you for the opportunity to testify on this bill.



STATE OF HAWAII
DEPARTMENT OF PUBLIC SAFETY

1177 Alakea Street, 6th Floor
Honolulu, Hawaii 96813

MAX N. OTANI
DIRECTOR

Maria C. Cook
Deputy Director
Administration

Tommy Johnson
Deputy Director
Corrections

Jordan Lowe
Deputy Director
Law Enforcement

No. _____

TESTIMONY ON HOUSE BILL 1600, HOUSE DRAFT 1
RELATING TO THE STATE BUDGET.

By

Max N. Otani, Director

Senate Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

Tuesday, March 22, 2022; 9:30 a.m.
Conference Room 211
Via Videoconference

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The Department of Public Safety (PSD) appreciates the support of the House Committee on Finance for PSD's Supplemental Fiscal Year 2022-2023 Budget Requests in both the Operating Budget and Capital Improvement Projects (CIP) Budget. However, the Department respectfully asks the consideration of the Senate Ways and Means Committee to amend HB 1600, HD 1 to restore critical items that were reduced in House Draft 1, as follows:

Operating Budget:

- 4.0 Deputy Sheriff positions and \$176,748 funds for the 3rd Circuit Court; and
- \$144,492 to fund Clinical Psychologist salary shortfalls.

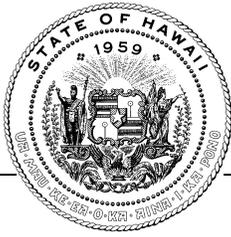
CIP:

- \$45M for Construction funds for the Halawa Correctional Facility Consolidated Health Care Unit;

- \$15M to fund project development/delivery phases involving professional services to plan, develop, facilitate, and assist the State on the solicitation, procurement, and project delivery for the new Oahu Community Correctional Center (OCCC); and
- \$4M reduction in the OCCC Laumaka Work Furlough Center Infrastructure Repairs, Renovation, and Improvements request.

Details of the impact of these reductions were provided to your staff, as requested.

Thank you for the opportunity to present this testimony.



**STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT**

DAVID Y. IGE
GOVERNOR

MARY ALICE EVANS
DIRECTOR

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Statement of
MARY ALICE EVANS
Director, Office of Planning and Sustainable Development
before the
SENATE COMMITTEE ON WAYS AND MEANS
Tuesday, March 22, 2022
9:30 AM
State Capitol, Conference Room 211

in consideration of
HB 1600, HD1
RELATING TO THE STATE BUDGET.

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Ways and Means.

The Office of Planning and Sustainable Development (OPSD) supports HB 1600, HD1 which appropriates funds for the Office of Planning and Sustainable Development in operating budget of the Executive Branch for fiscal year 2022-2023.

In addition, the Office of Planning and Sustainable Development humbly request to restore \$44,496 funding for the Secretary III position which is included in GM7. The position became vacant from January 16, 2020 and is currently filled with an 89-Day hire since December 23, 2020. This position is critical to serving the Land Use Division, to provide paralegal support for planners filing the State's position Petitions to the State Land Use Commission which has a heavy workload.

We also humbly request \$103,351 for the Esri Advantage Program (EAP). The EAP is an important supplemental resource that enables the Statewide GIS Program to support the State's GIS enterprise license. The Office of Enterprise Technology Services (ETS) funded the program until FY2021 and was not able to fund the program for FY2022 due to severe budget reductions from the economic downturn.

Subsequently, the EAP is currently funded by a collection of departments lead by DBEDT - Office of Planning and Sustainable Development which includes DOT - Highways, DLNR - Division of Forestry and Wildlife (DOFAW) and DOD – Hawai'i Emergency Management Agency (HI-EMA) to cover the cost which was not funded by ETS. The contributing departments recognize the importance of this service and are forgoing using their own funds for other program needs. This allows the Statewide GIS program to continue supporting state agency users with enhanced technical support and enterprise enhancements. With the continuing situation with COVID-19 and the Red Hill water contamination crisis there

is a significant reliance of the GIS program to provide accurate information to help the State make the best decisions.

Thank you for the opportunity to comment on this measure.

HAWAI`I EARLY INTERVENTION COORDINATING COUNCIL (HEICC)



Date: March 18th, 2022

To: Senate Ways and Means Committee
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

From: Hawai`i Early Intervention Coordination Council (HEICC)

Re: Support of Early Intervention Section (EIS) Budget Request HB1600 HD1

The Early Intervention Section (EIS) is a federal and state-mandated program that provides services to support the development of infant and toddlers from birth to three years of age. Information and support are also provided to parents to increase their knowledge about and ability to support their child's development. The Department of Health (DOH) is the lead agency for the implementation of Part C, Individuals with Disabilities Education Act (IDEA) for the State of Hawaii. Within the DOH, EIS is responsible to ensure that Hawaii meets all the requirements and regulations of Part C of IDEA.

The Hawai`i Early Intervention Coordination Council (HEICC) **strongly supports Early Intervention Section's Budget Request of \$3,601.533.20**, found within section HTH560. This will support early intervention reimbursement rate increases and the request to add five DOH EIS positions to meet federal- and state-mandated service requirements.

Early Intervention Section (EIS) contracted with the Western Interstate Commission for Higher Education to conduct a Comparative Rate and Salary Study with comparable states. **Out of the eight comparable states, Hawai`i ranked last or in the bottom three** in EI program administration salaries (e.g., Program Manager, Data Clerk, and Office Assistant) and direct service reimbursement rates for required positions such as Occupational Therapy, Physical Therapy, Speech Therapy, Care Coordinators, Special Education Teachers, General Education teachers. Recruiting and retaining qualified staff is critical for delivering quality services and ensuring our youngest keiki with disabilities receive the support needed to help them reach their developmental goals. Additionally, having the needed service providers and support staff within the DOH EIS infrastructure is critical to delivering mandated EI services both statewide and within state operated EI programs.

We anticipate the need for early intervention services will continue to increase as the state emerges from the pandemic. A preliminary study out of Columbia University showed that babies born during the pandemic scored slightly lower on developmental screening tests. The study can be found [HERE](#). For keiki to catch up, we will need to invest in our early intervention services.

EIS' budget request would assist EIS in doing the following

- Reimburse EI Program contractors at higher rates and salaries that are closer to competitive rates and salaries needed to recruit and retain EI service providers.
- Ensure 83% of EI services that are provided through contracted EI programs will receive the additional funding.
- Meet EI service provision, in particular deliver mandated EI services with the 5 DOH EIS positions.

Mahalo for your continued support to improve the health, safety and well-being of our youngest keiki an their `ohana. We appreciate you supporting the **Early Intervention Section Budget Request via HB1600 HD1**.

DAVID Y. IGE
GOVERNOR OF HAWAII

ELIZABETH A. CHAR, M.D.
DIRECTOR OF HEALTH



CAROLINE CADIRAO
DIRECTOR

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STATE OF HAWAII
EXECUTIVE OFFICE ON AGING
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Testimony in SUPPORT of HB1600 HD1
Relating to the State Budget

COMMITTEE ON WAYS AND MEANS
SENATOR DONOVAN M. DELA CRUZ, CHAIR
SENATOR GILBERT S.C. KEITH-AGARAN, VICE CHAIR

Testimony of Caroline Cadirao
Director, Executive Office on Aging
Attached Agency to the Department of Health

Hearing Date: March 22, 2022
Time: 9:30 AM

Room Number: 211
Via Videoconference

1 **EOA's Position:** The Executive Office on Aging (EOA), an attached agency of the Department
2 of Health (DOH), supports the intent of HB1600 HD1, relating to the State Budget.

3 **Fiscal Implications:** Sufficient appropriations are required to assure the health and safety of our
4 kupuna. HB1600 HD1 provides \$1.5 million for Kupuna Care and \$276,000 for 5.0 FTE
5 positions for the Long-Term Care Ombudsman Program (LTCOP). Finally, the conversion of the
6 program data research position is cost neutral.

7 **Purpose and Justification:** This measure adjusts and requests appropriations for the operating
8 and capital improvement budget of the Executive Branch for fiscal biennium funding
9 requirements of 2021-2023. The EOA stands in full support of its supplemental budget request,
10 (HTH 904) item 25 on page 37 of HB1600 HD1, for two of the three items: 1) \$1.5 million
11 dollars for the Kupuna Care program; and 2) converting the temporary program data research
12 position to a permanent, full-time equivalent position (1.0 FTE). Finally, EOA supports the
13 intent of HD 1, which increases the funding and position count for the Long-Term Care

1 Ombudsman Program from 2 FTEs to 5 FTEs and an allocation of \$276,000, provided that its
2 enactment does not reduce or replace priorities in the Administration's budget request.

3 1) **\$1.5 million for the Kupuna Care Program.** In the Governor's Administration package,
4 SB3113 SD2, the EOA is proposing to combine the two programs, Kupuna Care and
5 Kupuna Caregivers Program, for a more seamless system of supports for older adults and
6 their caregivers. In previous years, the Kupuna Caregivers Program had its own allocated
7 budget, however for purposes of combining the two programs and streamlining
8 government operations, we are requesting the \$1.5 million allocation be appropriated in
9 the Kupuna Care Program budget to be used for both the Kupuna Care and Kupuna
10 Caregivers programs.

11 2) **5.0 FTE for the Long-Term Care Ombudsman Program.** The LTCOP is required by
12 federal and state law to protect the human and civil rights of residents in all long-term
13 care settings. Based on the recommendation of the Academy of Medicine, one full-time
14 ombudsman is needed for every 2,000 residents. Hawaii has **12,895** residents in **1,779**
15 facilities statewide. Based on these statistics, the LTCOP needs 6.44 full-time long-term
16 care ombudsmen. The amended HD1 adds an additional 3 FTEs to the Administration's
17 budget, thus meeting the statewide needs of the program.

18 The Long-Term Care Ombudsman is required to visit facilities quarterly, respond to
19 complaints, engage in investigations, provide information, assistance and referrals to
20 long-term residents and their families, facilitate family councils statewide, provide
21 community education, and administer the program. Currently, LTCOP has two (2) full-
22 time staff, one full-time State Ombudsman and the Oahu Ombudsman and part time
23 contractors for our neighbor islands.

24 3) **Finally, EOA is requesting to convert the data research position from temporary to**
25 **permanent.** The primary purpose of this position is to manage EOA's statistical policies,

1 programs, and information systems; supervise statistical studies and provide data
2 consultation services to EOA staff and other agencies and entities conducting research on
3 aging and long-term care. The position provides highly technical, adequate, reliable,
4 comprehensive data indicators on the following issues: long term care, aging, caregiver
5 burden, aging and disabled populations, economics, social welfare, health, insurance,
6 housing, transportation, and service utilization. Quality, accurate, and complete data are
7 needed for EOA functions to be carried out effectively and efficiently.

8 **Recommendation:** Your favorable consideration of our three budget requests for HTH-904,
9 including the recommendation for the 5 FTEs is greatly appreciated, provided that it does not
10 reduce or replace priorities in the administrative budget.

11 Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
HOUSE BILL NO. 1600, H.D. 1

March 22, 2022
9:30 a.m.
Conference Room 221 and Videoconference

RELATING TO THE STATE BUDGET

The Department of Budget and Finance (B&F) supports House Bill (H.B.) No. 1600, H.D. 1 to the extent that it reflects the Governor's Budget Requests items that relates to the B&F Departmental Budget.

B&F is appreciative of the House for their concurrence with most of our Departmental Budget request items as reflected in the Governor's submittal to the 2022 Legislature.

Attached are our Departmental B&F comments, concerns, and impact statements relating to H.B. 1600, H.D. 1 that pertains to the Departmental programs and budget request items. Our departmental comments, concerns, and impact statements reflects what has also been submitted to your committee in response to your memo dated March 14, 2022.

Thank you for your consideration of our Departmental comments, concerns, and impact statements that pertain to H.B. 1600, H.D. 1.

DEPARTMENT OF BUDGET AND FINANCE
COMMENTS ON FY 2023 EXECUTIVE SUPPLEMENTAL BUDGET REQUESTS
IN HOUSE BILL NO. 1600, HOUSE DRAFT 1

OPERATING BUDGET

PROGRAM ID: BUF 101

Sequence #104-001 - House did not approve the Department's request to add funds for costs related to a needed evaluation of positions by the department of human resources development that would likely result in in-grade compensation adjustments/added salary costs for certain managerial positions as may be determined necessary for the core general funded B&F programs.

Impact Statement: The ability of the Department to recruit and retain qualified staff is currently hampered by its relative inability to provide competitive salaries, even as it relates to other State agencies. The Department has had diminishing success receiving adequate lists of applicants for the positions it needs to fill. Thus, an assessment of whether the Department's positions are appropriately classified should be conducted. If the Department continues to be disadvantaged in the recruitment of staff, its ability to perform core and necessary functions will continue to decline. Department of Budget and Finance (B&F) is the principal agency responsible for oversight of the State's finances. The Department's staff is responsible for coordinating and managing the preparation and execution of the Executive Budget (\$8.7 billion in general funds and \$16 billion in all funds), managing the State's investment pool (currently over \$7 billion) and the State's debt program (about \$8 billion in general obligation bond debt and \$3.9 billion in revenue bond debt). Given the central agency responsibility which impacts all departments and agencies it is imperative for these requested funds to support salary adjustments to be approved as it will enable B&F to effectively recruit and retain the high quality staff which is necessary to effectively and efficiently carry out its core statutory duties and responsibilities.

Alternative Reduction: None.

PROGRAM ID: BUF 141

Sequence #100-001

Impact Statement: House approved the requested Accountant V and funds and did not impose a six-months delay in hire which was reflected in the Executive Budget request.

Alternative Reduction: Not Applicable.

Sequence #101-001

Impact Statement: House approved the request for the ERS Investment Database Software. In addition, the House appears to have added funds for an information storage system and appurtenant funds for consultant services. The Department is appreciative of the House adjustments provided this does not jeopardize the other requested items in the Executive Budget Submittal.

Sequence #1000-001 - House added 2.00 FTE Investment Officer and \$591,168 in other funds for FY 2023 that was not requested in the Executive Budget Submittal.

Impact Statement: The Department is appreciative of this House adjustment in support of the ERS provided this does not jeopardize the other requested items in the Executive Budget request.

Alternative Reduction: None.

PROGRAM ID: BUF 721

Sequence # 60-001 - House budgeted \$222,882,090 for the State Debt Service of the total \$480,329,017 amount requested by the Governor.

Impact Statement: No impact expected on State's Debt Service obligation payments of principal and interest on bonds provided that the appropriated \$257,446,927 in General Funds for BUF 721 in FY 23 working capital loan, Act 6, First Special SLH 2021 remains available. The House Draft appropriation for BUF 721 of \$222,882,090 aligns with the FY 23 Executive Supplemental Budget, in combination with the Act 6 appropriation for BUF721 of \$257,446,927, reflects the total projected need of \$480,329,017.

Alternative Reduction: Not applicable



Written Statement of
Len Higashi
Acting Executive Director
Hawaii Technology Development Corporation
before the
SENATE COMMITTEE ON WAYS AND MEANS

Tuesday March 22, 2022
9:30 a.m.
Conference Room 211 & Videoconference

In consideration of
HB1600, HD1
RELATING TO THE STATE BUDGET

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee

The Hawai'i Technology Development Corporation (HTDC) **supports with requested amendment** HB1600, HD1 that adjusts and requests appropriations for fiscal biennium 2021-2023 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs.

HTDC supports initiatives aimed at promoting technology and manufacturing jobs. Due to budget shortfalls caused by the pandemic, HTDC did not receive an appropriation for FY21 for our three core grant programs: Hawai'i Small Business Innovation Research (HSBIR), Manufacturing Assistance Program (MAP), and accelerator (a.k.a. excelerator) programs. HB1600, HD1 includes a placeholder appropriation amount of \$1 per program. HTDC believes the 3 core grant programs provide leverage and positive economic development value for the State. HTDC respectfully requests restoration of the appropriation for these important programs.

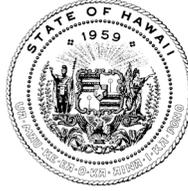
HB1600, HD1 includes two positions to support tech park development projects. HTDC is supportive of this change as it will provide needed resource to help us better fulfill our mission.

HTDC requests consideration for the following suggested amendment:

Conversion of two full-time equivalent (2.0 FTE) positions at the Hawaii Center for Advanced Transportation Technologies (HCATT) from federal funded to general funded positions and \$150,000 in General Funds for FY23 to fund the positions. Due to lack of congressional-add-on funding provided for the project, the HCATT program is at risk of being suspended. HCATT operates the only operational renewable hydrogen production and dispensing station on Oahu and over the years has brought more than \$40 million in federal funds into the State, matched by another \$23 million from private partners. The program has already been reduced from five full time staff to two. Federal funding has not been appropriated for the past two years so HTDC may not be able to retain the remaining two employees.

HCATT continues to support innovative renewable energy transportation projects for the state and is a key asset in HTDC's ability to compete for federal funding, particularly in hydrogen and sustainable aviation fuel. SB3337, SD2 appropriates general funds for the HCATT program but without correction in the budget, the funds will not be able to be used for the positions.

Thank you for the opportunity to offer these comments.



OFFICE OF ENTERPRISE TECHNOLOGY SERVICES

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Testimony of
DOUGLAS MURDOCK
Chief Information Officer
Enterprise Technology Services

Before the

SENATE COMMITTEE ON WAYS AND MEANS
MARCH 22, 2022

HOUSE BILL No.1600 HD1
RELATING TO THE STATE BUDGET

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the committee:

The Office of Enterprise Technology Services (ETS) provides comments on this measure which adjusts and requests appropriations for fiscal biennium 2021-2023 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs. ETS supports the operation budgets set forth in the bill for our operation appropriations (Item 19), however, we have additional comments to offer.

Operating Appropriation Item 19:

19. AGS131 - ENTERPRISE TECHNOLOGY SERVICES			
		96.00*	[-----96.00*]
			<u>103.00*</u>
		13.00#	13.00#
OPERATING	AGS	33,306,351A	[---33,278,873A]
			<u>35,971,098A</u>
		12.00*	12.00*
		1.00#	1.00#
	AGS	2,511,566B	2,511,566B
		33.00*	33.00*
	AGS	6,312,584U	6,312,584U
INVESTMENT CAPITAL	AGS	5,700,000C	[-----0e]
			<u>2,000,000C</u>

In addition to the amount above, GM7 requested an additional general fund appropriation of \$1,789,000 in FY 23 for the Enterprise Financial System Modernization Project. The funds are for other current expenses to shorten the time required to modernize and improve the design, development, and implementation of the modernization of the financial system. The amount

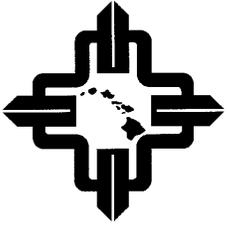
includes \$300,000 for independent verification and validation (IV&V). IV&V has been key driver in our successful modernization projects. Also included is \$1,370,000 to purchase test automation software to reduce the cycle time for system testing and reduce impact on staff; Finally, the amount includes \$80,000 for staff training and \$39,000 for staff equipment. We respectfully ask the committee to add the amount from GM7.

We also request that the Capital Improvement Project Appropriation for ETS in HB1600 be added back into the budget:

8.00	<u>DATA CENTERS, RENOVATIONS, REPLACEMENTS, AND/OR NEW, STATEWIDE PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION AND EQUIPMENT FOR COSTS RELATED TO FULL REPLACEMENT OF ETS DATA CENTER IN THE KALANIMOKU BUILDING AND OTHER DATA CENTER NEEDS, STATEWIDE.</u>	Y106			
	PLANS				1
	LAND ACQUISITION				1
	DESIGN				500
	CONSTRUCTION				24,497
	EQUIPMENT				1
	TOTAL FUNDING		AGS	C	25,000 C

Our current data center in Kalanimoku cannot be upgraded to modern data center standards. A new data center would allow us to close the Kalanimoku data center and provide a centralized data center for ETS and other departments.

Thank you for this opportunity to provide testimony on this bill.



HAWAII HEALTH SYSTEMS

C O R P O R A T I O N

Quality Healthcare For All

COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

Tuesday, March 22, 2022

9:30 p.m.

**Conference Room 211 and
Videoconference**

**Testimony in Support with Requested Amendments to
House Bill 1600, H.D.1**

RELATING TO THE STATE BUDGET.

Adjusts and requests appropriations for fiscal biennium 2021-2023 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs.

Linda Rosen, M.D., M.P.H.
President and 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 with requested amendments to H.B. 1600, H.D.1** that adjusts and requests appropriations for fiscal biennium 2021-2023 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs.

Hawaii Health Systems Corporation (HHSC) plays a vital role in the healthcare delivery system for the State of Hawaii. In fiscal year 2021, HHSC's acute discharges for the four HHSC regions were 12,374, which accounts for approximately 12% of all acute care discharges in the State of Hawaii. In fiscal year 2021, HHSC's emergency department visits for the four HHSC regions were 66,334, representing approximately 18.6% of all emergency department visits statewide.

The impact of HHSC's facilities on the neighbor islands is even more impressive:

- For residents of the County of Hawaii, HHSC's facilities cared for 70% of all acute care discharges and 82% of all emergency department visits.
- For residents of the County of Kauai, HHSC's facilities cared for approximately 21% of all acute care discharges and 37.5% of all emergency department visits.

3675 KILAUEA AVENUE • HONOLULU, HAWAII 96816 • PHONE: (808) 733-4020 • FAX: (808) 733-4028

Coronavirus Impacts

In fiscal year 2021, the Coronavirus pandemic continued to have a tremendous impact on HHSC's operations. The Coronavirus started its spread in Hawaii in the second half of March 2020, and spread quickly from that point on. Although patient volumes increased slowly from its low point in April and May 2020, acute care discharges for fiscal year 2021 were still 9% less than the same measure for fiscal year 2019 (the last pre-pandemic fiscal year). Also, emergency department visits for fiscal year 2021 were 24% less than the same measure for fiscal year 2019. The emergency use approvals of the Coronavirus vaccines from Pfizer, Moderna, and Johnson & Johnson helped to dampen the spread of the virus during fiscal year 2021 and allowed the government to slowly loosen restrictions that were put in place at the height of the Coronavirus pandemic, including the re-opening of the State economy to tourism. With the Delta variant of the Coronavirus surging in the State of Hawaii in August 2021 and subsiding toward September 2021, HHSC's facilities were at or above full capacity in the intensive care unit and emergency department. After the Delta variant surge, new Coronavirus case counts remained relatively low until the debut of the Omicron variant; although the HHSC acute average daily admissions for the first seven months of fiscal year 2022 has remained fairly consistent.

In order to mitigate the negative impacts of the Coronavirus pandemic on its facilities, HHSC aggressively sought after federal funding for Coronavirus relief. To date, HHSC applied for and received over \$46 million in Health & Human Services Provider Relief Fund grants. HHSC also applied for and received almost \$20 million in first round Small Business Association Paycheck Protection Program (PPP) loans during fiscal year 2020, all of which were fully-forgiven by the Small Business Administration in fiscal year 2021. HHSC also has received another \$3.4 million in second round Small Business Administration PPP loans which are still outstanding. HHSC has applied and received various other grants and funding from federal, state, and county relating to the testing, treatment, and preparation costs for potential and actual Coronavirus patients. Two of HHSC's regions also applied for approximately \$14.4 million in advance payments from Medicare during fiscal year 2020. Under this program, repayment for the advance payments will be delayed until one year after the advance payment was issued; after that, repayment will be recouped over a maximum period of 29 months, after which the remaining balance must be paid in full subject to an interest rate of four percent.

Fiscal Year 2023 Supplemental Budget Request (HTH 212)

Please note that the funding amounts and requests in this section do not include the Oahu Region of HHSC, as Act 212, SLH 2021, provided for the transfer of the budget of the Oahu Region to the State Department of Health effective July 1, 2021.

In the 2021 Legislative Session, the Legislature appropriated the following general fund and capital improvement project appropriations for HTH 212 (HHSC Regions) for fiscal years 2022 and 2023:

	ACT 88 SLH 2021 FY 2022	ACT 88 SLH 2021 FY 2023
General Fund Appropriations for Operations	92,970,903	92,970,903
AMERICAN RESCUE PLAN FUNDS-Regions	33,615,400	32,315,400
STATE SUBSIDY FOR OPERATIONS	126,586,303	125,286,303
CIP APPROPRIATIONS	33,500,000	16,000,000

For HTH212, HHSC Regions, HHSC is requesting additional general fund appropriations for basic hospital operations to pay for the increase in the fringe benefit rate assumption from 50.75% to 62.78%, valued at \$26,099,000. The amount is computed as the value of HHSC's salaries and wages costs multiplied by the increase in the fringe benefit rate of 12.03%. The increase in the fringe benefit rate is something out of HHSC's control, and is the only major assumption that changed between the preparation of the biennium budget request for fiscal year 2023 and the preparation of the supplemental budget request. Unlike other State agencies, HHSC's fringe benefit costs are not funded by Budget & Finance, and any increase in fringe benefit costs must be paid for out of HHSC's own cash collections for patient services, which is not expected to increase at anywhere near a sufficient level to cover the increase in fringe benefit costs.

A summary of the amounts appropriated to HTH212 for fiscal years 2022 – 2023 in Act 88 S.L.H. 2021, requested by HHSC for FY 2023, and recommended by the Governor for FY 2023 are summarized below.

HTH 210, 212, 213: HHSC REGIONS, CORPORATE OFFICE				
Funding Type	Act 88 SLH 2021 FY 2022	Act 88 SLH 2021 FY 2023	HHSC Supplemental FY 23 Request	FY 2023 Gov Rec
General Fund Appropriations for Operations (A Funds)	92,970,903	92,970,903	26,099,000	(8,923,000)
ARPA Funds for Kauai Adolescent Mental Health (V Funds)	1,300,000	-	-	-
ARPA Funds for Operations (V Funds)	32,315,400	32,315,400	-	8,923,000
TOTAL STATE SUBSIDY AMOUNTS	126,586,303	125,286,303	26,099,000	-
CIP APPROPRIATIONS	33,500,000	16,000,000	1,949,000	1,949,000

It should be noted that HHSC's funding requests noted above do not include any amounts for collective bargaining pay increases as a result of the State of Hawaii's collective bargaining negotiations with the public sector unions. Should the Legislature provide funding for these raises, HHSC would request general fund appropriations be provided to cover these pay increases, as these costs were not under the control of HHSC as the State of Hawaii controlled the negotiations with the public sector unions.

It is important to note that at the time these requests were prepared, it was assumed that no further funding for hospitals would come from the federal government in terms of Coronavirus relief, as Congress and the President had not yet passed any further Coronavirus relief

packages. With the recent announcement of an additional phase of Provider Relief Fund distributions, HHSC is currently evaluating the funding available in these distributions to see if there are any funds available to offset HHSC's losses as a result of the Coronavirus pandemic.

HHSC's base request is what HHSC believes is necessary to continue to provide the same level of quality healthcare it has been providing to its communities without reducing services, as it did in 2016 when funding was not sufficient to maintain current operations.

This testimony addresses only the amounts that would go to HTH 212, HHSC – Regions. We expect Kahuku Medical Center, Maui Health Systems, and Oahu Region to provide their own testimony in support of the amounts appropriated for those entities in this bill.

Thank you for the opportunity to testify on this measure **in support with requested amendments.**



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTY-FIRST LEGISLATURE, 2022**

ON THE FOLLOWING MEASURE:

H.B. NO. 1600, H.D. 1, RELATING TO THE STATE BUDGET.

BEFORE THE:

SENATE COMMITTEE ON WAYS AND MEANS

DATE: Tuesday, March 22, 2022 **TIME:** 9:30 a.m.

LOCATION: State Capitol, Room 211, Via Videoconference

TESTIFIER(S): Holly T. Shikada, Attorney General,
Valerie M. Kato, First Deputy Attorney General,
Randall S. Nishiyama, Deputy Attorney General, or
David T. Moore, Administrative Services Manager

Chair Dela Cruz and Members of the Committee:

The Department of the Attorney General (Department) supports this bill -- in particular, we support those appropriations that are designated as our portion of the State Budget to support the continuing operations of our Department. This bill adjusts and provides appropriations for the fiscal biennium 2021-2023 to fund the operations of the Department. We have some significant budget requests that are designed to enhance the performance of the Department by enabling us to recruit and maintain qualified staff. The Department offers the following specific comments to support and clarify the bill.

One of our most important budget requests is for general funding for deputy attorney general salary increases. These funds are necessary to allow our Department to be competitive with other local government attorney position salaries.

In addition to the budget request for deputy attorney general salary increases, our Department is also seeking:

1. Restoration of general funding for our Administrative Services Manager that the Legislature approved to lapse funding at the end of fiscal year 2021-2022. The Administrative Services Manager position is established by statute (section 28-7.5, Hawaii Revised Statutes (HRS)) and is a crucial, executive level position that manages the fiscal, budgeting, human resources, and information technology functions within the Department. Among other administrative tasks and functions, the Administrative

Services Manager also serves as the delegated Chief Procurement, Records, and Safety Officer and manages the building operations and facility management for the thirteen Department offices located on Oahu, Maui, Kauai, and the Big Island. Restoring permanent funding to this position starting in fiscal year 2023 will allow the Attorney General to continue to delegate all administrative authority and non-legal related responsibilities for the Department to the Administrative Services Manager.

2. General funds for a deputy attorney general in the Appellate Division. Our Appellate Division has taken the lead on the most significant cases handled by our Department, including during the COVID 19 pandemic. Although they are appellate specialists, their expertise is sought on myriad issues, which has increased their duties from only case work. Appellate casework is also extremely time-consuming and labor-intensive. Bringing on another deputy will increase the Division's capacity to handle high-stakes appeals as well as its bandwidth to participate actively in a larger number of complex cases.

3. General funding for a supervising deputy attorney general and legal secretary in the Health Division. Our Health Division needs a supervising deputy attorney general. Every other division has one, and in particular, the obligations of the Health Division require a dedicated supervisor. In 2018, the Department separated the Health and Human Services Division to address the increased workloads, but the establishment of the positions of the supervising deputy attorney general and legal secretary for the Health Division was delayed by the disruptions caused by the COVID 19 pandemic. The tasks and responsibilities of the supervising deputy attorney general and the legal secretary are being temporarily absorbed by existing staff until we are able to receive the necessary funding to establish the positions to complete our department's reorganization of the Health Division. The Health Division has twelve deputy attorneys general focusing on (1) environmental health involving hazardous waste, clean air, clean water and wastewater; (2) behavioral health involving mental health, alcohol and drug abuse, developmental disabilities, and the Hawaii State Hospital; and (3) health resources involving chronic disease prevention and health promotion, disease outbreak and disease investigation and immunization, emergency medical services, services for

children and mothers, and licensing of healthcare facilities. The work that the Health Division has done to support the Department of Health and other departments during this pandemic justifies both the supervisory position as well as the legal secretary request, which is reflective of the increased workload.

4. General funding for two deputy attorneys general in the Legislative Division. Our Department reorganized the Legislative Division to provide more support to the Governor's Office and the executive departments. These deputy attorneys general also advise the Legislature. To provide these services to our clients, the Legislative Division has taken on additional responsibilities, including coordinating legislative review for our department, expanding its responsiveness to legislator's requests, transitioning to paperless testimony and assisting in automating the Governor's report process, providing training in the legislative process, improving the process of reports provided to the Legislature, and administrative rule review and consultation.

5. General funding for an assistant supervising deputy attorney general for the Criminal Justice Division. The Criminal Justice Division currently is the largest legal division with fifteen deputy attorneys general, thirteen investigators and eighteen support positions dealing not only with the prosecution of criminals, but also the responsibilities of the Internet Crimes Against Children Taskforce, the Medicaid Fraud Unit, the Tobacco Enforcement Unit, and the Electronic Smoking Device Retailer Registration Unit. This position also will assist with the changes anticipated to state law enforcement, including integration of the critical fraud function of the former Complex Litigation Fraud and Compliance Unit (CLFCU) into the Criminal Justice Division (the remaining function of the former CLFCU is complex litigation, and that is now the Complex Litigation Division (CLD)). An assistant supervising deputy attorney general is essential to assist with the supervision of this rather large division.

6. General funding for a Public Information Officer (PIO). This position was included in the 2020 budget and has only become more important as the State has responded to the pandemic. The Department is one of the few that does not have a dedicated PIO and yet we are called upon regularly to assist with public messaging on

behalf of the State. Presently, the Special Assistant to the Attorney General handles these duties, but as they properly constitute a full-time position, it is an overwhelming obligation. The need to frame for the public issues that are in litigation and/or implicate a host of legal concerns has only expanded, and the Department's PIO participates in the public media matters for nearly every department, including the Governor's Office. Not only does the Department work with other PIOs across the State, we work on myriad actions with the attorneys general of other states, resulting in numerous publications on multistate congressional letters and litigation. It is also important that the Department has the ability to communicate regularly with the public and with the media.

7. General funding for two human services professionals and one office assistant in our Victim/Witness Unit. Last session, the Legislature cut \$950,000 in funding to the counties for career criminal and victim witness assistance. As a result, the counties no longer provide these services to the State. To address this very significant gap in services to victims of crimes, this request establishes those services within the Criminal Justice Division at a fraction of the amount provided previously to the counties.

8. General funding to establish the Special Investigation and Prosecution Unit. This would consist of two deputy attorneys general, one legal assistant, and three forensic analysts. The creation of this unit will allow the transfer, as stated above, of the "Fraud" responsibilities from the former CLFCU to the Criminal Justice Division. This reassignment aligns with the Governor's priorities concerning the consolidation and reorganization of statewide law enforcement. The Criminal Justice Division presently has the Medicaid Fraud Control Unit, the Tobacco Enforcement Unit, and the Internet Crimes Against Children Unit, which have both investigators and prosecutors. This reassignment of the fraud component of the former CLFCU and creation of the Special Investigation and Prosecution Unit will enable the department to efficiently investigate and prosecute criminal cases against fraud and integrity crimes concerning the State.

9. General funding for a deputy attorney general in our Public Safety, Hawaiian Home Lands and Housing Division. The duties of the Public Safety, Hawaiian

Home Lands and Housing Division are varied and complex. They involve active litigation, advice and counsel on personnel matters, and assistance addressing homelessness issues, as well as concerns about the Department of Public Safety's facilities and services. Presently, there is a backlog on longstanding projects that would enhance the Division's operations and those of its client agencies, including review and overhaul of client agency administrative rules and other initiatives.

10. Interdepartmental funds for additional deputy attorneys general to support and service the Department of Human Services. The client agency has requested four additional deputy attorneys general using a combination of general and federal funds. The positions will provide advice and counsel as well as representation in litigation to the Department of Human Services, primarily its Social Services, Benefits, Employment and Support Services, and Vocational Rehabilitation Divisions.

11. Trust funds for a legal assistant to aid our Commerce and Economic Development Division with various opioid matters. Our Department has successfully litigated a number of opioid-related matters. We have recovered nearly \$2 million from a McKinsey settlement and have reached settlements with Johnson & Johnson to receive \$13 million (to be paid over 11 years), and approximately \$63.4 million from various opioids distributors (to be paid over 18 years). And, we have active cases continuing against Purdue, Mallinckrodt, and Insys. All of this money requires coordination with the counties and across executive departments to ensure distribution consistent with the legal requirements tied to the recovery. This legal assistant is needed to aid in the additional workload related to these opioid cases, which will be funded by the funds collected in this matter.

12. General funding for an administrator and office assistant for the Law Enforcement Standards Board. The Law Enforcement Standards Board was placed within our Department for administrative purposes by the Legislature. It is designed to create uniform law enforcement standards for all law enforcement entities (police, sheriffs, DOCARE/Harbors/DOTAX enforcement officers, attorney general investigators), establish a certification process that includes the ability to challenge certification decisions, and support the training needed to ensure compliance with the

standards. The Board cannot initiate efforts to accomplish these tasks without staff and resources and, because it is placed within our Department for administrative purposes, the budget request necessary to fulfill its mandate must come through us. There is active legislation, House Bill No. 892, that requests a funding appropriation for the Law Enforcement Standards Board; however, it is the Department's intent to permanently seek funding within its budget to ensure the Board can carry out its initiatives.

13. Federal funds for special agents to service the Internet Crimes Against Children (ICAC) Task Force. The latest federal grant provided for adding two special agents.

14. Funding for the continued operations of our various public services and programs, including the Hawaii Criminal Justice Data Center, the Child Support Enforcement Agency, and the Crime Prevention and Justice Assistance Division.

15. Funding, as mentioned in Governor's Message No. 7 (2022) for an office assistant for the Gun Violence and Violent Crimes Commission. In accordance with section 134C-3, HRS, the Gun Violence and Violent Crimes Commission was placed within our Department by the Legislature for administrative purposes only. It was designed to address gun violence and violent crimes in Hawaii and provide coordination, facilitation, and planning among state and county agencies, federal agencies, and other criminal justice partners as appropriate by identifying and sharing relevant data and statistics in reducing recidivism in gun violence and violent crimes. The Commission cannot initiate efforts to accomplish the tasks to fulfill its mandate without staff and resources and, because it is placed within our Department, the budget request must come through us.

16. Funding, as mentioned in Governor's Message No. 7 (2022) for necessary funds to help our Child Support Enforcement Agency (CSEA) implement the automated child support system (KEIKI) modernization project. The KEIKI system was created in 1998 and is CSEA's collection and disbursement program database for court-ordered child support payments. After 24 years, the KEIKI system consists of outdated technological language and a cumbersome database structure that has caused constant programming issues, inefficient mainframe operating conditions, and higher

system maintenance costs. CSEA, along with the federal Office of Child Support Enforcement (OCSE), supports the KEIKI system modernization project and, as a result, has made 66 percent federal matching funds available for this project. Without the ability to complete the project, CSEA will continue to be challenged with its outdated system and its limited support that will decrease quality service and incur an increase in maintenance costs and will present more issues in attempting to maintain the current database structure.

Additionally, as a point of clarification, we are seeking to modify our budget request to correct FTE designations for three investigator positions. After further review, we inadvertently inputted the FTE for three investigator positions as permanent in our budget submission; however, in accordance with Act 88, Session Laws of Hawaii 2021, the FTE for the three Investigator positions should be designated as temporary to match the current budget.

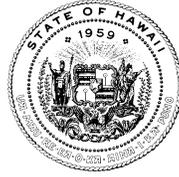
Finally, as an additional point of clarification, Governor's Message No. 7 (2022) reflects that we requested a general fund appropriation for fiscal year 2022-2023 of \$1,635,000 for the Career Criminal Program and the Victim Witness Program. We request that this amount be allocated between the programs and distributed among the counties as follows:

Career Criminal Program	
City and County of Honolulu	\$653,360
County of Hawaii	324,512
County of Maui	144,736
County of Kauai	111,314
Total	\$1,233,922
Victim Witness Program	
City and County of Honolulu	\$205,626
County of Hawaii	93,371
County of Maui	64,864
County of Kauai	37,217
Total	\$401,078

We respectfully ask the Committee to pass this bill with the recommended amendments.

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII

JOSH GREEN
LT. GOVERNOR
STATE OF HAWAII



WILLIAM J. AILA, JR.
CHAIRMAN
HAWAIIAN HOMES COMMISSION

TYLER I. GOMES
DEPUTY TO THE CHAIRMAN

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

P. O. BOX 1879
HONOLULU, HAWAII 96805

**TESTIMONY OF WILLIAM J. AILA, JR, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS
HEARING ON MARCH 22, 2022 AT 9:30AM IN CR 211**

IN SUPPORT OF

HB 1600, HD1, RELATING TO THE STATE BUDGET

March 22, 2022

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran and Members of the Committee:

Thank you for the opportunity to testify on House Bill 1600, HD1, which adjusts and requests appropriations for fiscal biennium 2021-2023 funding requirements for operations and capital improvement projects of executive branch agencies and programs. HB1600, HD1, includes \$15,795,216 in general funds as proposed in the Governor's Supplemental Budget request. DHHL respectfully requests an additional total base salary cost of \$987,226 in general funds for the remaining (19) unfunded positions in DHHL's position count as requested in DHHL's sufficient funding request.

Two additional changes were made to DHHL's Operating Budget request with a net effect of a \$5 million increase in general fund support. HB1600, HD1, eliminated and replaced DHHL's general funding request for loan capitalization for \$5 million with financing proposed through HB2511, HD2. DHHL supports the replacement of financing loan capitalization through HB2511, HD2, as it would increase opportunities for Hawaiian home beneficiaries for homeownership. DHHL supports the provision of additional financial resources in HB1600, HD1 that added general funds of \$10 million to address existing homestead communities and \$10 million in general obligation bond financing to continue developing its lands for homesteading purposes.

The Hawaiian Homes Commission approved the "Sufficient Sums" budget request, which DHHL submitted to the Governor and the Legislature as detailed in our budget testimony that can be reviewed at: https://www.capitol.hawaii.gov/session2022/testimony/Info_Testimony_WAM-HWN_01-12-22_HHL.pdf. DHHL's obligation to make this request is clear, but at minimum the increase in funding requested in this testimony is an appropriate base line given our current staffing levels and funding. We are most appreciative of the support given by the Legislature to the Hawaiian homes program. Thank you for your consideration of our testimony.



STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
PRINCESS VICTORIA KAMĀMALU BUILDING
1010 RICHARDS STREET, Room 122
HONOLULU, HAWAII 96813
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543
March 22, 2022

The Honorable Donovan M. Dela Cruz, Chair
Senate Committee on Ways and Means
The Thirty-First Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Senator Dela Cruz and Members of the Committee:

SUBJECT: HB 1600 HD1 - RELATING TO THE STATE BUDGET

The State Council on Developmental Disabilities (DD) **SUPPORTS HB 1600 HD1** relating to the specific budget item noted below. The purpose of this measure adjusts and requests appropriations for fiscal biennium 2021-2023 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs.

1. HTH 905 – Developmental Disabilities Council
Page 32, Item No 24.

HTH 905	FY 2022	FY 2023
	2.50 *	2.50 *
HTH	246,563 A	246,563 A
	5.00 *	5.00 *
HTH	514,000 N	527,570 N

The appropriation amount in HB 1600 HD1 provides the Council with its current staffing and fiscal resources to implement its 2022-2026 State Plan activities in the areas of community supports; health and children and youth; public awareness, education and training; transition and employment; and self-advocacy and self-determination. Activities include policy development, implementation and analysis; informing and educating policymakers about developmental disabilities; establishing networks and coalitions on specific issues and concerns relating to developmental disabilities; conducting legislative advocacy training; providing leadership training;

demonstrating new approaches to services and supports; fostering interagency collaboration and coordination; coordinating and sponsoring the annual Day at the Capitol, transition events, and neighbor island legislative forums, etc.

The Council respectfully ask for your favorable support of the above budget item. Thank you for the opportunity to submit testimony **supporting the above-mentioned budget item in HB 1600 HD1.**

Sincerely,



Daintry Bartoldus
Executive Administrator



STATE OF HAWAII
STATE PROCUREMENT OFFICE

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 586-0554
email: state.procurement.office@hawaii.gov
<http://spo.hawaii.gov>
Twitter: [@hawaiispo](https://twitter.com/hawaiispo)

TESTIMONY
OF
BONNIE KAHAKUI, ACTING ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE
ON
WAYS AND MEANS
Tuesday, March 22, 2022, 9:30 AM

HOUSE BILL 1600, HD1
RELATING TO THE STATE BUDGET

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the committee, thank you for the opportunity to submit testimony on House Bill 1600, HD1, which adjusts and requests appropriations for fiscal biennium 2021-2023 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs.

The State Procurement Office is in strong support of the supplemental budget request for both AGS240 / State Procurement and AGS 244 / Surplus Property Management as described on Pages 64 through 66 of HB 1600, HD1. The request for the addition of 2.00 positions and \$61,200 in funds for State Procurement (AGS 240/JA) are for the replacement/restoration of two positions and salaries:

- (1) Perm General Professional IV (1.0; \$27,600 6-month delay in hire)
- (1) Perm Purchasing Specialist VI SR26 (#92032;1.0; \$33,600 6-month delay in hire)

1. Justification for General Professional IV (1.0; \$27,600)

The General Professional IV / SR22 position replaces of the Management Analyst IV position, which was abolished by Act 88, SLH 2021. Although the position was abolished, the managerial and administrative duties related to the operations of both AGS 240 / State Procurement and AGS 244 / Surplus Property Management.

The General Professional IV position is critical as the main point of contact for managing the agency's budget, handling vendor payments, tracking the SPO's payroll and other expenses, administering and handling confidential personnel issues (staff appraisals, training, and other human resources subjects), accessing proprietary fiscal systems, analyzing data, preparing

reports, and responding to fiscal and budget inquiries from the State Legislature and other agencies.

The SPO currently does not have a position dedicated to handle these duties and has delegated such tasks to various staff members, who have incurred overtime hours.

2. Justification for Purchasing Specialist VI SR26 (#92032; 1.0; \$33,600)

The Purchasing Specialist VI / SR 26 position will oversee the SPO's eProcurement section. Although the position was abolished by Act 88, SLH 2021, tasks related to the Purchasing Specialist VI position must continue because purchasing specialists statewide depend on eProcurement including, Hawaii Electronic Procurement System (HlePRO), Hawaii Awards and Notices Database System (HANDS), and the Hawaii Compliance Express (HCE), Procurement Wizard, online Procurement Manual and the SPO website for price and vendor list contracts.

The reinstatement of the Purchasing Specialist VI position assures the prompt development, implementation, and management of the Past Performance Database, mandated by Act 88, SLH 2021. Other responsibilities related to the Past Performance Database include the adoption rules regarding information and procedures associated with the past performance database before the mandated deadline of December 31, 2023.

This critical database requires expertise in the development of new processes, procedures, templates, contract terms and conditions, and reporting requirements, and that all processes are in compliance with the Hawaii Public Procurement Code. The position is also needed to manage and implement the statewide Procurement Automation System, including eMarketplace, which will keep the State of Hawaii on par with procurement industry standards and technology.

The SPO currently does not have a position dedicated to handle existing and future duties. The existing tasks have been delegated to the SPO Acting Administrator and other staff members, who have incurred overtime hours.

Thank you.



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

JOSHUA KAAKUA, Ed.D
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‘ĀNELA EVANS
SAUMALU MATAAFA
BENTON KEALII PANG, Ph.D
MICHELLE PESCAIA

Michael K. Nāho‘opi‘i
Executive Director

Testimony of
MICHAEL K. NĀHO‘OPTI
Executive Director

Before the Senate Committee on

WAYS AND MEANS

Tuesday, March 22, 2022
9:30 AM
State Capitol, Conference Room 211

In consideration of
HOUSE BILL 1600 HD1
RELATING TO THE STATE BUDGET

House Bill 1600 House Draft 1 in addition to adjusts and requests appropriations for fiscal biennium 2021 – 2023 funding requirements for operations and capital improvements projects of Executive Branch agencies and programs, provides funds for the Kaho‘olawe Island Reserve Commission and funds for two full-time equivalent Cultural Specialist positions for the Kaho‘olawe Island Reserve Commission. The Kaho‘olawe Island Reserve Commission (KIRC) strongly supports this measure.

Act 140 SLH 2018 appropriated \$100,000 in general funds for FY 2019 to support on-island restoration efforts for Kaho‘olawe. This funding was continued in Act 113 SLH 2019 for FY 2020. For FY 2021, continuation of this funding for the second year of the biennium budget was included in the Governor’s Executive Budget and in HB2200 HD1 SLH 2020 but the second-year funding for FY 2021 was removed in the SD amendment due to the impact of COVID.

HB1600 HD1 provides much needed funding for KIRC as a critical, underfunded program established by Act 140 SLH 2018. In Act 340 SLH 1993, the creation of the KIRC and Hawaii Revised Statute Chapter 6K in 1993, the legislature found that “the extensive erosion and other ecological problems, presence of unexploded ordnance, archaeological sites and native and endangered flora and fauna that a management regime was needed to meet the challenges of restoring and presenting the island”. The funding provided in HB1600 HD1 ensures that the KIRC will be able to provide the safe and secure operations on Kaho‘olawe in order to support a long-term and meaningful island-wide restoration program.

HRS 6K-3 sets aside the Kaho‘olawe Island Reserve for four specific purposes. One of the most significant and a key distinction between the KIRC and other conservation organization is the island, and its waters were set aside for the “Preservation and practices of all rights customarily and traditionally exercised by native Hawaiians for cultural, spiritual, and subsistence purposes.” Cultural Specialists assists the Kaho‘olawe Island Reserve Commission (KIRC) in its

management of the historic and cultural resources in the Reserve by instilling traditional Native Hawaiian practices and knowledge in its day-to-day program management activities and tasks; oversees multiple preservation projects of cultural sites in the Reserve and coordinates the various requests for cultural use of the Reserve.

The Cultural Resource Project Coordinator (CRPC) position, previously established in Act 140 SLH 2018 was defunded in the FY2021 administrative budget and eliminated in FY2022 due to the impact of COVID, therefore the KIRC is seeking to fund additional Cultural Specialist positions to replace the previous duties occupied by the CRPC.

These positions are necessary to review and coordinate the various requests to use the Kaho`olawe Island Reserve for Native Hawaiian cultural practices; conduct regular surveys and project coordination of the KIRC many cultural and archaeological preservation and protection projects and to help expand the KIRC's staff ability to institute traditional native Hawaiian practices and knowledge into its many programs. With two Cultural Specialists, one will focus on historic and archaeological site protection efforts while the other will concentrate on reintegration of traditional cultural practices and coordinating with Native Hawaiian cultural practitioners' use of the Kahoolawe Island Reserve.

The KIRC has lived on a shoestring budget for the past decade, making do with whatever resources and funds we have been able to get, but at the same time been able to do amazing work on restoring one of the most devastated and remote places in Hawaii. The task ahead of the KIRC is one of the greatest challenges for this and the next generation, but to many here in Hawaii, a challenge that is worth the effort.



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Comptroller
Curt T. Otaguro

Chairperson
Lloyd I. Unebasami

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**TESTIMONY OF
THE STATE FOUNDATION ON CULTURE AND THE ARTS
TO THE COMMITTEE ON WAYS AND MEANS
Tuesday, March 22, 2022/Conference Room 211 via Videoconference 9:30am.
HB 1600 HD1
RELATING TO THE STATE BUDGET**

Chair Dela Cruz and members of the Committee, I am Jonathan Johnson, Executive Director of the State Foundation on Culture and the Arts (SFCA), and we are grateful for the opportunity to testify in **SUPPORT** of HB1600 HD1.

The State Foundation on Culture and the Arts supports HB1600 HD1 as it identifies the addition of (1) Permanent Arts Program Specialist IV SR22 (#92035; MOF B 100%) and the conversion of (1) Arts Program Specialist III SR20 (#122671; MOF B 100%) from Temporary to Permanent, both of which are critical to the growth of SFCA's public programs.

HB1600 HD1 reflects that the House does not concur to the supplemental budget request item to add (1) Permanent Deputy Director EM5 (#92034; MOF B 75% and MOF N 25%). The Deputy Director position is NOT a request for position funding. Salary and respective Collective Bargaining would be supported by SFCA funds available in MOF B .75 (Special) and MOF N .25 (Federal).

A Deputy Director position within the SFCA is essential in supporting the growth of the visitor industry that Hawai'i is experiencing. A Deputy Director will allow SFCA's Executive Director to focus on greater collaborations with the Tourism Industry, and a focus on developing cultural policy. By developing cultural policy that creates economic incentives for the private sector to put financial backing behind culture and the arts, we create economies of belonging that are sustainable, and can absorb the visitor impact. A thriving cultural economy cannot be fulfilled by grants, it needs to be strengthened through policy. A Deputy Director position would support this effort at NO additional cost to the State.

The ability of the agency to achieve its goals are limited by the demands of running the agency's internal operations. The Executive Director needs to play a larger, more visible leadership role in Hawai'i. Establishment of a Deputy Director is key to ensuring that the agency's administration of funding and personnel matters are addressed, allowing the Executive Director to be focused on supporting the creative and cultural industries for the State of Hawai'i including; identifying public-private partnerships and offering expertise for forthcoming associated Destination Management Action Plans, Tourism Management and Branding as an ex officio member of HTA's Board of Directors.

The State Foundation on Culture and the Arts is a multi-faceted State Agency providing support for statewide culture and arts programming, and outreach to residents and visitors. SFCA's Table 14 of more than 140 active contracts is reflective of SFCA's robust efforts in supporting Hawaii's economy and community.

SFCA will continue to do the best work possible with the resources available. Without a Deputy Director position, the opportunity to connect Hawaii's arts, culture and tourism industries will be less effective.

Thank you for the opportunity to submit testimony on this matter.



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

Date: 03/22/2022
Time: 09:30 AM
Location: CR 211 & Videoconference
Committee: Senate Ways and Means

Department: Education

Person Testifying: Keith T. Hayashi, Interim Superintendent of Education

Title of Bill: HB 1600, HD1 RELATING TO THE STATE BUDGET.

Purpose of Bill: Adjusts and requests appropriations for fiscal biennium 2021-2023 funding requirements for operations and capital improvement projects of executive branch agencies and programs. (HD1)

Department's Position:

The Hawaii State Department of Education (Department) supports the restoration of the base budget with recurring general funds and the additional resources provided to advance education. The Department would like to offer comments regarding HB 1600, HD1, which adjusts and requests appropriations for Fiscal Biennium 2021-23 funding requirements for operations and capital improvement projects (CIP) of Executive Branch agencies and programs.

For the Department and the State to effectively meet its obligations for a sound school finance system, it is incumbent upon State leaders to work together to secure a predictable and stable source of K-12 education funding. Restoring and stabilizing the Department's base budget will allow the Department to move forward with its plans to respond to students' learning loss and social emotional needs.

HB 1600, HD1 provides recurring general fund restoration of the drastic cuts made to the Department's base funding due to the economic fallout from the COVID-19 pandemic. The Department appreciates the following restorations made to the general fund operating budget:

General Fund Restorations (Priorities #1, #2 and #3)			
EDN	Executive Budget	HB1600 HD1	Difference
100	\$79,080,011	\$79,080,011	-
150	\$5,209,366	\$5,209,366	-

200	\$7,059,979	\$7,059,979	-
300	\$13,482,475	\$13,482,475	-
400	\$58,436,200	\$58,436,200	-
500	\$167,922	\$167,922	-
Total	\$163,435,953	\$163,435,953	-

Although greatly appreciated, the restorations only reinstate the operating budget to near Fiscal Year (FY) 2019 levels despite significant inflationary pressure and increased workload expectations and demands.

The Department also appreciates the additional general funds provided to advance education. However, there were four requests totalling \$74,119,983 in EDN 100 that were not included:

- \$180,000 and 2.00 FTE for JROTC instructors;
- \$4,326,507 for virtual school funding;
- \$6,360,000 for resources for new school facilities that was changed from general to federal American Rescue Plan Act funds [MOF V]; and
- \$63,253,476 in one-time funding items.

For the \$63,253,476 in one-time funding, the House Committee on Finance indicated an intention to address this during the conference phase, as the level to be provided will be determined by the federal Maintenance of Effort (MOE) requirements contained in the American Rescue Plan Act. The specific impacts of the requests not included have been provided to Committee staff.

Additional General Funds to Advance Education (Priority #4)			
EDN	Executive Budget	HB 1600, HD1	Difference
100	\$76,590,140	\$2,470,157	-\$74,119,983
150	\$2,679,012	\$2,679,012	-
200	\$3,366,629	\$3,366,629	-
300	\$6,704,899	\$6,704,899	-
400	\$16,510,502	\$16,596,086	\$85,584*
500	\$ -	\$ -	\$ -
Total	\$105,851,182	\$31,816,783	-\$74,034,399

*HB 1600, HD1 includes as a House Adjustment 2.00 FTE and \$85,584 in EDN 400/OC.

The Department is aware that additional adjustments will be required. With the MOE requirements associated with federal Elementary and Secondary School Emergency Relief (ESSER) funds, the Department looks forward to collaborating with the Legislature to determine the general fund support for our public schools.

To reiterate our previous testimony, the Department's operating budget requests for Fiscal Year 2023, most notably our general fund requests totaling approximately \$270 million, were developed around five priorities or focus areas:

1. Rebuild the Department's foundation by restoring resources lost during the pandemic;
2. Restore stability and assurances by reverting position funding back to permanent general funding;
3. Address pre-existing shortfalls as well as new shortfalls;
4. Advance education to address essential operations, student success, professional

- development, and workforce development; and
5. Ensure the Department's resources are categorized correctly through housekeeping.*

*HB 1600, HD1 also includes general fund housekeeping items in EDN 150 (-\$250,261) and in EDN 200 (\$250,261) for a net-zero effect on the budget.

Fully funding priorities #1, #2, and #3 is essential to allow the Department to move forward with new initiatives, which priority #4 represents.

The improved revenue forecast by the Council on Revenues (21% increase for Fiscal Year 2022 and 6% increase for Fiscal Year 2023) on March 10, 2022 and the restoration of the Department's general fund base budget in HB 1600, HD1 provides the opportunity for the planning and discussion on the best use of the approximately \$63.2 million in one-time general fund dollars to help our schools, teachers, and students successfully emerge from a very trying time.

In addition, with the improved revenue forecast, HB 1600, HD1 may provide an opportunity for the Committee to consider Department requests that were not included in the measure as introduced. The budget form, Form B, provided to Committee staff prior to the start of session can help with this endeavor.

The Department remains open to discuss with the Legislature on how best to advance education and to ensure the Department's base budget is adequately funded for years to come.

Capital Improvement Program (CIP) Budget

In regards to the CIP budget, HB 1600, HD1 indicates favorable support to our CIP budget request. The requested CIP budget will allow the Department to address its most critical needs, such as:

1. Providing improvements at existing campuses for special education and support facilities;
2. Continuing to address compliance with federal Title IX gender equity and the Americans with Disabilities Act requirements;
3. Addressing immediate health and safety needs and support ongoing CIP projects; and
4. Providing funding for deferred maintenance projects.

For budget requests related to EDN 450 and EDN 700, the Department defers to the School Facilities Authority and Executive Office on Early Learning, respectively.

As our budget makes its way through the legislative process, the Department looks forward to continuing to work with the Legislature to shape the future of quality education for our students in Hawaii's public schools.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE
GOVERNOR

GWEN S. YAMAMOTO LAU
EXECUTIVE DIRECTOR

HAWAII GREEN INFRASTRUCTURE AUTHORITY

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Testimony of
Gwen Yamamoto Lau
Executive Director
Hawaii Green Infrastructure Authority
before the
SENATE COMMITTEE ON WAYS AND MEANS

Tuesday, March 22, 2022
9:30 A.M.
State Capitol, Conference Room 211 & Videoconference

in consideration of
HOUSE BILL NO. 1600, HD1
RELATING TO THE STATE BUDGET

Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee on Ways and Means:

Thank you for the opportunity to testify in **support** of House Bill 1600, which appropriates funds for the Hawaii Green Infrastructure Authority's ("HGIA") (BED 138) lending ceiling, bond ceiling and operating budget for the upcoming fiscal year. This will allow HGIA to continue its green infrastructure financing programs and assist underserved ratepayers in lowering their energy costs.

Thank you for this opportunity to testify in support of HB 1600, HD1.

Policy Advisory Board for Elder Affairs

Testimony to the Senate Committee on Ways and Means
Tuesday, March 22, 2022
9:30 a. m.
Conference Room 211 and via videoconference

Re: HB 1600 HD 1, RELATING TO THE STATE BUDGET

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Honorable Members of the Senate Committee on Ways and Means:

I am Gary Simon, Chair of the Policy Advisory Board for Elder Affairs (PABEA), which is an appointed board tasked with advising the Executive Office on Aging (EOA).

I am testifying as on behalf of PABEA as an individual who has worked in healthcare for over thirty years.

PABEA strongly supports the appropriation of funds to EOA for five permanent program specialist positions in the Office of the Long-Term Care Ombudsman.

The role of ombudsman is critical in ensuring that residents are receiving quality, safe care and attention. The ombudsman serves as the public's eyes and ears when visiting these facilities. Having access to the residents twenty-four hours per day, seven days a week, the ombudsman is their advocate and can bring their concerns and complaints to the facility and appropriate state agencies' attention to be addressed immediately and resolved.

For decades, the Office of the Long-Term Care Ombudsman has been severely understaffed. Currently, Hawaii has only one full time ombudsman serving nearly 13,000 residents residing among the 1,779 facilities spread over 6 islands. Our elderly and frail residing in our long-term care facilities deserve better from us. They deserve immediate access to someone who can assist them.

In 1995, the National Institute of Medicine recommended a minimum of one full-time ombudsman for every 2,000 residents. If this bill passes, Hawaii will finally meet that 1995 standard. Please provide the additional staff so that each island will have at a full-time, permanent ombudsman specialist.

We urge you to support the appropriation of funds to EOA for five permanent program specialist positions in the Office of the Long-Term Care Ombudsman.

On behalf of PABEA, I thank you for seriously considering the appropriation.

Very sincerely,



Gary Simon
Chair
Policy Advisory Board for Elder Affairs
No. 1 Capitol District
250 South Hotel Street, Suite 406
Honolulu, Hawaii 96813
Email garysimon@hawaii.rr.com

TO: Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S. C. Keith-Agaran , Vice Chair
Senate Committee on Ways and Means

FROM: Robert G. Peters, Chair
Early Learning Board

SUBJECT: Measure: H.B. 1600, HD 1
Hearing Date: Tuesday, March 22, 2022
Time: 9:30 A.M.
Location: Videoconference and Room 211

Description : RELATING TO THE STATE BUDGET – Adjusts and requests appropriations for fiscal biennium 2021 - 2023 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs. (HD 1)

Early Learning Board Position: Support

Aloha. I am Robert G. Peters, Chair of the Early Learning Board (ELB), offering testimony in support of H.B. 1600, HD 1. The ELB respectfully requests your consideration of funding for EDN700, EOEL's program ID, as contained in the Executive Supplemental Budget FY 2023, approved by the Board.

As the governing board for EOEL, we thank the Legislature for its support of EOEL's work to increase access to high-quality early learning. EOEL is statutorily responsible for the development of the State's early childhood system that shall ensure a spectrum of high-quality development and learning opportunities for children throughout the state, from prenatal care until the time they enter kindergarten, with priority given to underserved or at-risk children.

We request the Legislature's support to help reach its goal of expanding access to early learning, which passage of this budget bill will encourage.

Recognizing the dire economic situation our State faced due to the COVID-19 pandemic, ELB appreciates the Legislature's commitment to maintaining EOEL's funding and ensuring its ability to maintain existing programs and services for young children and their families. Support of the budget bill will demonstrate the Legislature's investment in quality early care and education, recognizing that it not only provides immediate support to Hawaii's working families and boosts the economy by providing jobs and it provides substantial long-term benefits for our keiki and community as well. High-quality early childhood programs help "build the foundations for stronger family lives that result in larger gains for their children" and have "substantial second-generation effects on education, employment, crime, school suspensions, and health" (Heckman, James, and Ganesh Karapukula, 2019).

The proposed EDN700 budget reflects an appropriation ceiling request of \$100,000 for the Early Childhood Educator Special Fund, established through Act 210, SLH 2021. The Early Childhood Educator Stipend Program provides upfront funding to eligible students pursuing early childhood coursework and credentials. The program requires that recipients provide two consecutive years of early care and education services in one of the early learning systems as described in Section 302L-2, for children birth to five years of age. If recipients fail to meet any requirements of the program, they will be required to pay some or all the funds back.

The ELB respectfully requests the legislature adopt the requests for EDN700 as reflected in the FY 2023 Supplemental Executive Budget. Thank you for the opportunity to testify on this bill.



STATE OF HAWAII
Executive Office on Early Learning
2759 South King Street
HONOLULU, HAWAII 96826

March 20, 2022

TO: Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Senate Committee on Ways and Means

FROM: Coleen Momohara, Interim Director
Executive Office on Early Learning

SUBJECT: **Measure:** H.B. No. 1600 H.D. 1
Hearing Date: Tuesday, March 22, 2022
Time: 9:30 a.m
Location: Videoconference and Room 308

Bill Description: RELATING TO THE STATE BUDGET – Adjusts and requests appropriations for fiscal biennium 2021-2023 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs (HD1).

EXECUTIVE OFFICE ON EARLY LEARNING'S POSITION: Supports

Aloha. I am Coleen Momohara, Interim Director of the Executive Office on Early Learning (EOEL). EOEL respectfully requests your consideration of funding for EDN700, EOEL's program ID, as contained in H.B. 1600 H.D. 1.

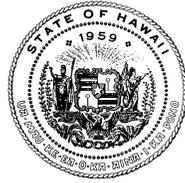
We thank the Legislature for its support of EOEL's work to increase access to high-quality early learning. EOEL is statutorily responsible for the development of the State's early childhood system that shall ensure a spectrum of high-quality development and learning opportunities for children throughout the state, from prenatal care until the time they enter kindergarten, with priority given to underserved or at-risk children.

We request the Legislature's support to help reach its goal of expanding access to early learning. EOEL provides comments on the EDN700 budget proposal and details of our requests.

Recognizing the dire economic situation our State faced due to the COVID-19 pandemic, we appreciate the Legislature's commitment to maintaining EOEL's funding and ensuring our ability to maintain existing programs and services for young children and their families. **Investing in our youngest keiki is both a short-term and a long-term relief package. Investing in quality early care and education not only provides immediate support to Hawaii's working families and boosts the economy by providing jobs, it also provides substantial long-term benefits as well.** High-quality early childhood programs help "build the foundations for stronger family lives that result in larger gains for their children" and have "substantial second-generation effects on education, employment, crime, school suspensions, and health" (Heckman, James, and Ganesh Karapukula, 2019).

The proposed EDN700 budget reflects an appropriation ceiling request of \$100,000 for the Early Childhood Educator Special Fund, established through Act 210, SLH 2021. The Early Childhood Educator Stipend Program provides upfront funding to eligible students pursuing early childhood coursework and credentials. The program requires that recipients provide two consecutive years of early care and education services in one of the early learning systems as described in Section 302L-2, for children birth to five years of age. If recipients fail to meet any requirements of the program, they will be required to pay some or all the funds back. Recouped payments shall be deposited into the Hawaii Early Childhood Educator Special fund.

We respectfully request the legislature adopt the requests for EDN700 as reflected in the FY 2023 Supplemental Executive Budget. Thank you for the opportunity to testify on this bill.



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

**Testimony in SUPPORT of HB1600 HD1
RELATING TO THE STATE BUDGET.**

SENATOR DONOVAN M. DELA CRUZ, CHAIR
COMMITTEE ON WAYS AND MEANS

Hearing Date: March 22, 2022

Room Number: 211/Videoconference

1 **Fiscal Implications:** Sufficient resources are required to meet existing and emerging public
2 health priorities.

3 **Department Testimony:** The Department of Health (DOH) supports HB1600 HD1 and
4 requests amendments.

5 The five highest priorities for which DOH requests appropriations by the Legislature and that are
6 not in HB1600 HD1 total 2.0 new FTE with \$129,336 salary and \$12,809,000 for CIP. Other
7 priorities are described in the attached Impact Statements in descending order of priority,
8 inclusive of the top five priorities, for which budget adjustment are respectfully requested.

- 9
- 10 • HTH840/FG
 - 11 ○ Seq. #101-001
 - 12 ○ Add funds for salary for **filled** permanent Environmental Engineer IV in the Clean
 - 13 Water Branch
 - 14 ○ Sole engineer for surface water pollution (beaches and streams) enforcement
 - 15 required to fulfill chapter 342D and federal Clean Water Act mandates
 - 16 ○ \$62,136
 - 17 • HTH907/AP
 - 18 ○ Seq. #101-001
 - Add position and funds for permanent Program Specialist VI (#93104H)

- 1 ○ Creates Administrative Rules Drafter position to write Hawaii Administrative
- 2 Rules on behalf of all programs in DOH to significantly improve the timeliness of
- 3 promulgation and amendment
- 4 ○ A specific example of a program benefitting from outside assistance with
- 5 rulemaking is the medical cannabis dispensary program in the Office of Medical
- 6 Cannabis Control and Regulation (OMCCR). Eight bills passed between 2016 and
- 7 2021 made major statutory changes affecting this program, which was not
- 8 allocated a staff position with responsibility and expertise in rulemaking. An
- 9 external expert worked with OMCCR to draft new interim rules in about six
- 10 months (effective February 24, 2022), but OMCCR will need continued support
- 11 for additional updates and to adopt permanent administrative rules through the
- 12 chapter 91 rulemaking process.
- 13 ○ DOH has approximately 120 chapters of administrative rules, many of which are
- 14 years or decades out of date due to competing priorities and lack of staff
- 15 ○ 1.0 FTE and \$33,600 with 6-month delay in hire
- 16 • HTH907/AP
- 17 ○ Seq. #102-001
- 18 ○ Add position and funds for permanent Program Specialist VI (#93103H)
- 19 ○ Creates Climate Change & Human Health Specialist position to collaborate on
- 20 state sustainability and climate change activities, but with a focus on human
- 21 health impacts that include evolving vector-borne diseases, cesspool pollution,
- 22 heat illness, drinking water quality, stress and mental health, and climate change
- 23 equity
- 24 ○ There is no dedicated full-time resource in the Executive Branch, including the
- 25 University of Hawaii, that is responsible for planning and advocating for climate
- 26 change-related human and population health issues
- 27 ○ 1.0 FTE and \$33,600 with 6-month delay in hire
- 28 ○ See also [HB1842](#)

- 1 • HTH100
 - 2 ○ Capital Improvement Project for Kalaupapa Settlement design and construction to
 - 3 close landfills as mandated by law
 - 4 ○ \$7,809,000 total, or \$4,309,000 more than provided for in HB1600 HD1
- 5 • HTH430
 - 6 ○ Capital Improvement Project for Hawaii State Hospital campus for water/fire
 - 7 suppression system upgrades critical to workplace and patient safety
 - 8 ○ \$5, 300,000
 - 9 ○ \$0 in HB1600 HD1

10 HB1600 HD1 also includes trade-off transfer requests which consist of housekeeping
11 adjustments to reduce negative personal services adjustment budget lines and other housekeeping
12 requests to fold in statutorily exempt positions and align the budget to previously acknowledged
13 reorganizations. Federal fund adjustment requests are also included to align the federal budget
14 ceiling with updated actual and anticipated federal fund awards.

15 The DOH continues to address the health of our State through a combination of population
16 health management and strategic partnerships to address the needs of our most vulnerable
17 populations. We look forward to advancing Hawaii’s health agenda through the leveraging of
18 resources and capitalizing on health care reform options which support accessible, affordable,
19 and quality health care.

20 Thank you for the opportunity to testify.

				Executive Request					HB1600 HD1			Change between Executive Request and HB1600 HD1				
Dept	Prog ID	Seq. #	Dept Priority	Description of adjustment	MOF	FY23 FTE (Perm)	FY23 FTE (Temp)	FY 23 (\$)	FY23 FTE (Perm)	FY23 FTE (Temp)	FY 23 (\$)	FY23 FTE (Perm)	FY23 FTE (Temp)	FY 23 (\$)	Impact of adjustment	Alternate Reduction
HTH	840/FG	101-001	FY-43	Add Funds to Fully Fund Salary for FILLED Permanent Engineer (Environmental) IV in the Clean Water Branch.	A			62,136			-	0.00	0.00	(62,136)	Leaves FILLED position with budgeted salary of \$0. This is the sole engineer for surface water pollution enforcement. General funds, including for this Engineer's salary, are crucial to providing the required State match for the receipt of approximately \$2 million in annual federal grant awards. The branch will need to rely on vacancy savings within the branch or division to cover the position's salary. If this position is not funded, the Clean Water Branch (CWB) fails to fulfill the mandates of Hawaii Revised Statutes, Chapter 342D and the federal Clean Water Act (CWA). The U.S. Environmental Protection Agency (EPA) could rescind the CWA delegation to the State for not carrying out our responsibilities. This request impacts Objective 5 and Policy 5A3 of the Hawaii State Plan for the Department of Health. Objective 5 states Environmental Programs to protect and enhance the environment. Policy 5A3 involves the development and implementation of a comprehensive Recreational Water Quality Monitoring Strategy. There would be a potential significant increase of water pollution and detrimental impacts to water quality at beaches and streams throughout the state if this request is not approved.	The Clean Water Branch (CWB) has no funds to trade off to provide a funded salary. CWB's general fund Other Current Expenses (OCE) budget was reduced by 33% for FY23 in Act 88, SLH 2021, as part of the Program Review Reductions that the Legislature adjusted and authorized.
HTH	907/AP	101-001		Add position and funds for permanent Program Specialist VI, Administrative Rules Drafter, with six-month delay in hire	A	1.00		33,600	0.00		-	-1.00		(33,600)	Create a new HAR Drafter to work with program subject-matter experts on promulgation and amendment of HAR on their behalf to increase department responsiveness to changes in statute, regulatory environment, and community standards. DOH has over 120 rules, some of which are decades out-of-date due to	
HTH	907/AP	103-001		Add position and funds for permanent program Specialist VI, Climate Change and Human Health Specialist, with six-month delay in hire	A	1.00		33,600	0.00		-	-1.00		(33,600)	Create a new Climate Change & Human Health Specialist to serve as statewide subject-matter expert and collaborate on ongoing State sustainability and climate change activities to assure human health impacts are addressed. There is no position within the Executive Branch, including the University of Hawaii System dedicated to identifying, planning for, and mitigating against impacts to human health such as increasing vector-borne diseases, cesspool pollution, heat illness, drinking water quality, stress and mental health, and climate change equity.	
HTH	HTH420/HL	10-001	UP-5	Change position for trade-off/transfer	A	-1.00		(126,588)	-1.00		(126,588)	0.00	0.00	-	Pos. #22239, RN V is needed because initially it was assessed that other Adult Mental Health Division (AMHD) staff and other Community Mental Health Centers' (CMHC) RN Vs could cover the quality management responsibilities for this position. We have since come to realize that this is not a viable or sustainable alternative. All of the other RN Vs have robust workloads. Pos. # 22239, RN V would provide day-to-day quality management and oversight to assure that the Hawaii County CMHC is offering and maintaining the highest level of care for our consumers on a consistent basis. The position will: 1. Review the quality and quantity of the services being provided by reviewing all medical records; 2. Review and update CMHC policies and procedures on an on-going basis which is critical to meet CARF accreditation standards; 3. Continually assess personnel and process performance trends and data; 4. Compare performance trends and data against current practices; 5. Collect additional information, formulate a plan, and provide valuable feedback and improvement recommendations to AMHD management; 6. Provide nursing assistance to direct service staff including direct service nursing staff; and 7. Monitor staff training needs and create training plans to meet critical needs. Continued below.	If additional general funds are not appropriated for pos. # 34295, Administrative Specialist IV, an alternate position for the trade-off/transfer is pos. #121480, Human Services Professional (HSP) IV. Pos. #121480, HSP IV provides case management services in the West Hawaii, Kona Clinic. The Kau Clinic currently has two HSP IV positions to provide case management services. The vacant HSP IV position in the Kau Clinic will be relocated to the Kona Clinic because there is a much greater need for case management services in Kona. The Kau case management needs can be adequately handled by one HSP IV.
HTH	HTH420/HL	10-001	UP-5	Change position for trade-off/transfer	A			126,588			126,588	0.00	0.00	-	This position will be critical in the Hawaii County CMHC in providing nursing services to cover for vacant nurse positions and maintaining their CARF accreditation. Without this position, the Branch Chief and other supervisors will need to assume many of the non-direct service duties of this position.	
HTH	430/HQ	100-001	OR-1	Additional operating funds necessary to cover increased expenses of the new forensic building	A			3,487,000			3,487,000	0.00	0.00	-	The NPF is a 180,000-sf sophisticated state of the art forensic building, containing more square footage under roof than all current HSH patient units combined. Will be exponentially more expensive to maintain compared to rest of HSH campus requiring a robust operations budget. Additional operating funds are needed to cover increased expenses of the larger building and higher patient census including utilities (electric, water, sewer), maintenance contracts for infrastructure and patient treatment mall operations. It's extremely critical these funds are provided as recurring. The details of this modern secured building projects highlight the need for a robust operating budget. There are electronics in fracture wired throughout, anti-ligature hardware featured in patient care areas is high quality. Robust, heavy duty detention doors and hardware permeate in all areas. The building will experience wear and tear issues soon as patients are transferred to the facility. The replacement costs for interior hardware items will run 3-4x higher compared to the lower campus units. HSH utility cost actually increase by 50% after the building was brought online. And this is before any patient units have commenced operations. The hospital budget is already strained by the added costs experience by high patient census and related overtime costs. Not permanently increase the operating budget will exasperate an ongoing budget deficit and hamstring the hospital's ability to provide required levels of patient care, potentially create an unsafe environment for patient when identified in fracture maintenance and projects are delayed, even threatening the hospital's Joint	

HTH HB1600 HD1 Impact Statements (Provisions)

Section	Dept	Prog ID	Provision	Department Impact Statement



S E A C
Special Education Advisory Council
1010 Richards Street Honolulu, HI 96813
Phone: 586-8126 Fax: 586-8129
email: spin@doh.hawaii.gov
March 22, 2022

**Special Education
Advisory Council**

Ms. Martha Guinan, *Chair*
Ms. Susan Wood, *Vice Chair*

Ms. Sara Alimoot
Ms. Virginia Beringer
Ms. Mary Brogan
Ms. Deborah Cheeseman
Ms. Annette Cooper
Ms. Shana Cruz
Mr. Mark Disher
Ms. Mai Hall
Ms. Melissa Harper Osai
Dr. Kurt Humphrey
Mr. Kerry Iwashita
Ms. Melissa Johnson
Ms. Tina King
Ms. Jennifer Leoiki-Drino
Ms. Cheryl Matthews
Dr. Paul Meng
Ms. Kiele Pennington
Ms. Carrie Pisciotto
Ms. Kau'i Rezentes
Ms. Rosie Rowe
Ms. Ivalee Sinclair
Mr. Steven Vannatta
Ms. Lisa Vegas
Ms. Paula Whitaker
Ms. Jasmine Williams
Ms. Susan Wood

Ms. Annie Kalama, *liaison to
the Superintendent*
Ms. Wendy Nakasone-Kalani,
*liaison to the military
community*

Amanda Kaahanui, Staff
Susan Rocco, Staff

Senator Donovan M. Dela Cruz, Chair
Committee on Ways and Means
State Capitol
Honolulu, HI 96813

RE: HB 1600, HD 1 - Relating to the State Budget

Dear Chair Dela Cruz and Members of the Committee,

The Special Education Advisory Council (SEAC) supports funding of the Hawaii Department of Education (HIDOE) budget request for FFY 2023 and, more specifically, funding for EDN 150 (special education). After a budget briefing by Budget Director Alex Kagawa at our February 11, 2022 SEAC meeting, our membership agreed with DOE's priority of **making the budget whole again**. By rebuilding this foundation, the Department will be better able to improve outcomes for students with disabilities through evidence-based initiatives providing by qualified and effective educators. Specifically, we ask your support for the following:

SEQ # 100-001 Special Education and Student Services \$4,431,663
EDN 150 monies lost to the base budget during the pandemic

SEQ # 101-001 SPED & Student Support Services \$97,202

SEQ # 102-001 SPED & Student Support Services \$193,740

SEQ # 103-001 SPED & Student Support Services \$197,904

Monies needed to restore general fund salaries for positions that were converted to temporary federal funds during the pandemic.

SEQ # 104-001 SPED & Student Support Services \$189,559

SEQ # 105-001 SPED & Student Support Services \$99,298

Five office support staff positions and one Educational Specialist position lost to shortfalls.

SEAC also supports the the following EDN 150 **initiatives that advance education** for students with disabilities:

SEQ # 107-001 18 Skilled Nursing Positions \$2,404,936

Additional Complex Area Registered Nurses and a School Nursing Section Administrator needed to address the unmet health needs of



all students, including students with disabilities who have chronic health conditions such as seizures, asthma, diabetes, and life- threatening allergies.

SEQ # 108-001	Systems Analyst IV - Medicaid Claiming	\$52,956
SEQ # 109-001	Office Assistant IV - Medicaid Claiming	\$31,056

These additional funds for staff to assist in reclaiming Medicaid monies for expenses incurred in providing related services to Medicaid eligible students with disabilities will help to bring additional federal dollars back to the state.

Finally, SEAC asks your Committee’s consideration in considerable increasing funding for the following budget request to adjust pay rates for skilled nursing services:

SEQ # 106-001	Skilled nursing hourly rate increase	\$274,076
---------------	--------------------------------------	-----------

The Governor only left \$274,076 in his budget request to adjust the current hourly rate for contracted skilled nursing services to be in alignment with the Medicaid fee-for-service reimbursement rate for nursing services in Hawaii. **For the Department to meet student medical needs at a competitive rate, it would need a total of \$10,462,677 to move from the current rate of \$50/hour to the competitive rate of \$90/hour for skilled nursing services.** Contracted skilled nursing services are critical to Hawaii’s medically fragile students in order to allow them to attend school and benefit from their individualized education services. When there are staff shortages, it can prevent these students from being able to come on campus, and their educational progress is jeopardized. Providing competitive pay rates makes it more likely that schools can maintain an adequate supply of nursing personnel.

Thank you for the opportunity to support this important legislation.

Respectfully,


Martha Guinan
Chair

DAVID Y. IGE
GOVERNOR

JOSH GREEN
LIEUTENANT GOVERNOR



ANNE E. PERREIRA-EUSTAQUIO
DIRECTOR

JOANN A. VIDINHAR
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
www.labor.hawaii.gov

March 22, 2022

To: The Honorable Donovan M. Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair, and
Members of the Senate Committee on Ways and Means

Date: Tuesday, March 22, 2022
Time: 9:30 a.m.
Place: Conference Room 211, State Capitol

From: Anne Perreira-Eustaquio, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. No. 1600 HD1 RELATING TO THE STATE BUDGET

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee,

My name is Anne E. Perreira-Eustaquio, Director of the Labor and Industrial Relations. I am testifying in strong support of the DLIR's budget requests contained in HB1600 as well as two adjustments made by the House.

The DLIR is respectfully requesting restoration of the funding for two Elevator Inspector positions in the Executive Budget. The restoration will assist the Boiler and Elevator Branch in continuing to work through the backlog in the inspections of elevators and kindred equipment.

The Department also strongly supports the restoration of capacity to the Wage Standards Division and increasing the resources for the Office of Community Services to process and properly oversee the anticipated increase in CIP/GIAs assigned to OCS.

The DLIR is also respectfully requesting approval of various housekeeping items that will help enable the department to continue to improve services to the community.

Thank you for the opportunity to provide testimony on these important matters.



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR
MIKE MCCARTNEY
DIRECTOR
CHUNG I. CHANG
DEPUTY DIRECTOR

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

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

Statement of
MIKE MCCARTNEY
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON WAYS AND MEANS
Tuesday, March 22, 2022
9:30 AM
State Capitol, Conference Room 211
In consideration of
HB1600, HD1
RELATING TO THE STATE BUDGET.

Chair Dela Cruz, Vice Chair Keith-Agaran and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) **supports with amendments** HB1600, HD1, specifically as it relates to DBEDT's executive budget.

Since the State was faced with the economic crisis of dealing with the pandemic, our department pivoted and undertook new programs to help alleviate some of the hardships that businesses as well as residents experienced. At the same time, we also had to deal with difficult budget cuts. While the State has not fully recovered from the crisis, we believe the state is on its path to economic stability.

DBEDT has submitted to the committee our department's impact statements on the House Draft of the budget. We would like to highlight a few requests that were omitted in the House Draft.

- Currently, in the HD1, there are no authorized staffing positions or operating funds for the Hawaii Tourism Authority. We request funding to be restored as outlined in the executive budget for 25 positions with \$60,000,000 of general operating funds and an expenditure ceiling for the Convention Center Enterprise Special Fund at \$28,500,000. As you know there are major international issues that are ongoing in the world such as global supply chain disruptions, COVID-19 variants, and the war between Russia and Ukraine, which could impact Hawaii's economic recovery. Funding for HTA, the State's agency responsible for developing, coordinating, and implementing policies and directions for tourism, helps to keep the State nimble and flexible while working through potential crisis such as those listed. They are also

responsible for the statewide branding message and works with stakeholders to address tourism issues and educate visitors on Hawaii's natural and cultural assets to maintain Hawaii as a world-class destination.

- The Hawaii State Energy Office (HSEO) is requesting an expenditure ceiling of \$2,500,000 out of the ESSF funds to provide adequate cost match and/or working capital for federal grant applications. Without this funding, the HSEO's ability to pursue federal funding opportunities will be limited and may need to forego competing for federal funds under the Infrastructure Investment and Jobs Act.
- The Hawaii Technology Development Corporation has three grant funding programs that were not included in the HD1:
 1. \$500,000 for Accelerator Awards. In 2021, this program supported 49 startups through the 5 Accelerators awarded.
 2. \$1,000,000 for HSBIR Phase II and III Awards. The HSBIR is a matching grant program that has historically brought in \$20 federal dollars per State dollar. In FY20 when this program was funded, companies received Federal matching funds of \$53M providing an estimated 509 new jobs.
 3. \$500,000 for MAP Awards. This manufacturers Assistance grant program supports manufacturers in upgrading equipment as well as upgrading their workforce. This program has saved jobs as well as created new jobs. When this program was funded in FY20, company investment was estimated at \$9M providing an estimated 281 new jobs.
- Governor's Message #7, requests to restore funding of \$44,496 in General Funds for FY23 to restore funding to the Secretary III position (Position #121006) for the Land Use Division, within the Office of Planning and Sustainable Development. The position is the only clerical position in LUD and was defunded during the 2020 Legislative Session due to budget cuts in response to the COVID-19 pandemic.

CIP requests that were omitted:

- We would like to request the full funding of \$64,000,000 for Convention Center Rooftop Terrace deck repairs. The rooftop deck will continue to leak, and costs will escalate if the damage is not repaired. Additionally, the structural integrity may be comprised. The health and welfare of the state employees, contractors and center users may be impacted which will cause irreparable reputational damage to the State should anything happen.
- We would like to request \$25,000,000 for repair of the Fisherman's Wharf Bulkhead. The bulkhead/dock is located on the Ewa side of Kewalo Basin

Harbor, which was built in 1924, nearly 100 years ago. Currently, due to its deteriorated state, vessels and pedestrians are prohibited. It is a matter of public safety and costs for repairs will only increase if repairs are further delayed. If the committee desires to split the project into phases, the alternative would be to fund \$15,000,000 for Phase I, which would include repair of the most deteriorated sections of the bulkhead as well as due diligence to identify alternative options to stabilize the area. There would be a future request of \$10,000,000 or more for Phase II to complete the balance of the work required in order to accommodate commercial and private vessel usage.

- We request that the MOF for the \$12,125,000 funding for Saratoga Avenue electrical and communication infrastructure improvements be changed back from D (general obligation reimbursable bond funds) to C (general obligation bond funds). HCDA does not have sufficient funds to pay the debt service on the bond. The available fund balance of the Kalaeloa Community Development Special Fund is approximately \$750,000.

We ask for your favorable consideration of the above requests. DBEDT believes that by working together with the Legislature, community and stakeholders that we can provide opportunities for Hawaii to be globally competitive in the new digital economy.

Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
HONOLULU, HAWAII 96817

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

SENATE COMMITTEE ON WAYS AND MEANS

Tuesday, March 22, 2022
9:30 AM – Videoconference – Room 211, Hawaii State Capitol

In consideration of
HB 1600, HD1
RELATING TO THE STATE BUDGET

Honorable Chair Dela Cruz, and Members of the Senate Committee on Ways and Means, thank you for the opportunity to provide testimony concerning House Bill (HB) 1600, HD1, relating to the state budget.

The Hawaii Public Housing Authority (HPHA) supports, with amendments the enactment of HB 1600, HD1, which adjusts and requests appropriations for fiscal biennium 2021-2023 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs.

Program ID - HMS220

I. Lump Sum CIP Appropriation (\$10,000,000) for Public Housing Development, Improvements, and Renovations Statewide

“Lump Sum” Designation ~~Removed~~

The HPHA is very appreciative of the CIP appropriation towards public housing capital repairs and improvements in the HD1 version, but respectfully requests to have the “lump sum” designation reinserted into the SD1 version.

Due to the age of our public housing inventory, and the unexpected issues that often occur, the HPHA respectfully requests your consideration for a “lump sum” designation for its CIP budget appropriation (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, allow the HPHA to shift funds

between projects due to unforeseen needs, as well as assist in securing lower bids if the bidders don't know how much each project has to spend as is the case with silo appropriations.

HPHA's Modernization and renovation projects are much more complex and filled with a high likelihood of unexpected issues as opposed to new construction. Without "lump sum" flexibility, the HPHA may either have to cancel CIP projects and lapse remaining contract balances if unforeseen needs cannot be funded, or possibly lapse funds because the appropriated amount is not enough to cover the bid amount at a time when COVID-19 is making prices very unpredictable. Additionally, these vacant units will remain vacant for at least one more year until the following Legislative Session and will lead to lower HUD Real Estate Assessment Center inspection scores, and ultimately lead to less Federal subsidy.

As you know, the HPHA receives Federal subsidy based on occupied units and is mandated by Federal law to keep its inventory of public housing units in safe, decent, and sanitary condition. The CIP funds appropriated will go toward shovel worthy projects that address the HPHA's pressing needs to:

1. Improve the health and safety of the housing provided to existing public housing residents;
2. Protect the physical assets of our housing inventory from further deterioration, thereby reducing future expenditures for rehabilitation or new construction;
3. Visually improve the properties of the neighborhoods within which public housing is located; and
4. Comply with Federal requirements for property condition standards issued annually by the HUD Real Estate Assessment Center.

Program ID - HMS222

I. Increase Federal Fund Ceiling

For Program ID HMS222, the HPHA is requesting a federal fund ceiling increase for FY23 based on the Department of Budget and Finance/Office of Federal Awards Management method of comparing the following:

1. Federal fund appropriations under Act 88, SLH 2021; and
2. FFs that were finalized in the DataMart/FAMS Form FF Budget Execution workflow.

The requested ceiling increase is needed due to the anticipated grant award being more than the appropriation.

Program ID	MOF	Act 088/21 FY23 Auth. Appropriation/Allocation	Amount of Increase Requested	Total FY 23 Expenditure Ceiling Required
HMS222	N	42,933,231	3,833,904	46,767,135

II. Position Requests

- 2.00 N-funded permanent Public Housing Specialist II
- 1.00 N-funded permanent Office Assistant III
- 3.00 N-funded permanent Housing Quality Standards Inspector II

The HPHA recently received an additional 182 Emergency Housing Vouchers through the American Rescue Plan Act of 2021. The HPHA's goal is to build upon the momentum it achieved during the last fiscal year when 846 newly qualified households were enrolled in the Section 8 program which also brought approximately \$12 M in additional funding.

The HPHA anticipates additional Congressional funding and a growing demand for hundreds of Section 8 Program Vouchers due to the economic uncertainties caused by the pandemic. Additional staff will be needed to properly distribute caseloads, minimize delays to the processing of new applications, and reduce overtime.

III. Add General Funds (\$500,000) to Maintain the Current Rent Supplement Subsidies for the State Rent Supplement Program

The RSP is a State funded program that was originally set up to assist middle-income families, who were not threatened by poverty, but were not economically sound to afford the high cost of living in Hawaii. The program was originally designed to assist teachers, policemen, and firemen. The program was later extended to include the general-public and has a maximum rental subsidy of \$500. This program is the most impactful and cost-effective program in homelessness prevention. As of November 2021, the Rent Supplement Program is helping 224 participating households remain housed.

The RSP program is facing a deficit of approximately \$500,000 for the upcoming fiscal year. The HPHA hopes that the Legislature can provide the funding needed to continue assisting the current families who are using this financial support to avoid homelessness.

Program ID - HMS 229

I. Position Conversions in the Construction Management Branch

1. 15.00 N-Funded Positions to W-Funded Positions
2. 2.00 W-Funded Positions from Temp to Perm
3. 1.00 N-Funded Position to W-Funded Position and change from Temp to Perm

The HPHA's position conversion requests will enhance the program effectiveness and efficiency of the Construction Management Branch and its many functions.

The conversion of 15.00 federally funded positions to revolving funded positions will more

accurately reflect the workload of the branch's positions. All positions within the branch work on projects which involve both Federal and State funds.

The conversion of temporary positions to permanent positions will help the HPHA in its recruitment efforts and enable it to better compete with the private sector and other public sector agencies recruiting for similar positions.

Additional funds are also requested to replace old and outdated office equipment.

The HPHA appreciates the opportunity to provide the Committee with the HPHA's testimony. We thank you very much for your dedicated support.



**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

547 Queen Street, Honolulu, Hawaii 96813
Telephone: (808) 594-0300 Fax: (808) 587-0299
Web site: <http://dbedt.hawaii.gov/hcda/>

DAVID Y. IGE
GOVERNOR

SUSAN TODANI
CHAIRPERSON

CRAIG K. NAKAMOTO
INTERIM EXECUTIVE DIRECTOR

Statement of
CRAIG NAKAMOTO
Interim Executive Director
Hawaii Community Development Authority
before the

SENATE COMMITTEE ON WAYS AND MEANS

Tuesday, March 22, 2022
9:30 A.M.
State Capitol, Conference Room 211 & Videoconference

In consideration of
HB 1600, HD1
RELATING TO THE STATE BUDGET.

Aloha, Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee. The Hawaii Community Development Authority (HCDA) **supports HB 1600, HD1 with amendments.**

Saratoga Avenue Electrical and Communication Infrastructure Improvements
(\$12,125,000)

Thank you for supporting the CIP request for Saratoga Avenue Electrical and Communication Infrastructure Improvements.

HD 1 changed the MOF from C (general obligation bond funds) to D (general obligation reimbursable bond funds).

However, the HCDA does not have sufficient funds in the Kalaeloa Community Development Special Fund to pay the debt service on the bond. Additionally, improvement district assessments, if utilized, would recover an estimated 10% of the total project costs.

The HCDA respectfully requests the change in MOF from D to C.

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Repair of the Fisherman's Wharf Bulkhead - Kewalo Basin Harbor
(Revised: \$15,000,000).

HD1 removed the project from the budget.

Despite the cost of the repair, the necessity of completing this repair is more critical than ever given the continued deterioration of the wharf and the likelihood of escalating repair costs if the repair is deferred.

The cost to repair the entire bulkhead is \$25,000,000. However, in consideration of the reluctance to fund the entire amount, HCDA respectfully requests the restoration of the project with the revised amount of \$15,000,000 (MOF C). This amount will be sufficient to repair the most deteriorated sections of the bulkhead. To support cost saving efforts, the revised amount will include due diligence to identify alternative options to stabilize the area.

In 2012, the HCDA lost a significant amount of recurring revenues from its leasing and management activities when a significant portion of its land holdings and associated rents were transferred to the Office of Hawaiian Affairs under Act 15 of the 2012 legislative session. Since then, HCDA operations have become largely dependent on State allotments and development activity in its districts. The bulkhead is a state-owned asset that HCDA is obligated to repair with State allotments.

Both requests have the support of the respective neighborhood board, and the resolutions are attached.

Thank you for your continued support, and the opportunity to testify on this measure.

Enc: Neighborhood Board 34 Resolution Supporting the Appropriation of Sufficient Funds for the Saratoga Avenue Electrical and Communication Infrastructure Improvements

Neighborhood Board 11 Resolution Supporting Repair of the Fisherman's Wharf Bulkhead



MAKAKILO/KAPOLEI/HONOKAI HALE NEIGHBORHOOD BOARD NO. 34

c/o NEIGHBORHOOD COMMISSION • 925 DILLINGHAM BLVD SUITE 160 • HONOLULU, HAWAII, 96817
PHONE (808) 768-3710 • FAX (808) 768-3711 • INTERNET: <http://www.honolulu.gov>

RESOLUTION

SUPPORTING THE APPROPRIATION OF SUFFICIENT FUNDS FOR THE SARATOGA AVENUE ELECTRICAL AND COMMUNICATION INFRASTRUCTURE IMPROVEMENTS

WHEREAS, the current electrical infrastructure in Kalaeloa community development district (KCDD) is owned and managed by the US Navy; and

WHEREAS, the KCDD has struggled with unreliable utilities for years that is an impediment to further community development in the KCDD; and

WHEREAS, the state budget includes an appropriation for an electrical and communications infrastructure corridor to be constructed, with a 12kV underground electrical distribution line built to HECO standards, on Saratoga Avenue from Enterprise Avenue to Hornet Avenue, at a cost of \$12,125,000 (the "Project"); and

WHEREAS the Project will provide reliable power to residents, businesses, and landowners in that downtown area of KCDD; and

WHEREAS, the Project will also support economic growth, including additional housing and commercial development resulting in additional jobs and opportunities; and

BE IT RESOLVED that the Makakilo/Kapolei/Honokai Hale Neighborhood Board No. 34 supports the appropriation of sufficient funds for the Saratoga Avenue Electrical and Communication Infrastructure Improvements; and

BE IT RESOLVED FURTHER RESOLVED that Neighborhood Board No. 34 supports the intent of S.B. 2176 (2022) and H.B. 1600 (2022), and requests that the Hawaii State Legislature appropriate CIP funds in the amount of at least \$12,125,000 for the Saratoga Avenue Electrical and Communication Infrastructure Improvements to the Department of Business, Economic Development & Tourism - Hawaii Community Development Authority (BED150) for the Project; and

BE IT FURTHER RESOLVED that copies of this resolution be transmitted to the Governor, Senate President, Speaker of the House, Mayor of the City and County of Honolulu, Honolulu Council Members, Director of the Department of Business, Economic Development & Tourism, Executive Director of the Hawaii Community Development Authority, and all Neighborhood Boards.

Adopted by Makakilo/Kapolei/Honokai Hale Neighborhood Board No. 34 at its February 26, 2022 Regular Board Meeting, 7-0-0.





ALA MOANA-KAKA'AKO NEIGHBORHOOD BOARD NO. 11

NEIGHBORHOOD COMMISSION • 925 DILLINGHAM BOULEVARD, SUITE 160 • HONOLULU, HAWAII, 96817
PHONE (808) 768-3710 • FAX (808) 768-3711 • INTERNET <http://www.honolulu.gov/nco>

RESOLUTION SUPPORTING REPAIR OF THE
FISHERMAN'S WHARF BULKHEAD

WHEREAS, Hawaii Community Development Authority (HCDA) staff presented information about the condition of the bulkhead, or loading dock between the Fisherman's Wharf property and the waters of Kewalo Basin Harbor, in Kaka'ako as follows:

- (i) The condition of the bulkhead has deteriorated and has created a health and safety issue due to deep deterioration,
- (ii) The deterioration had increased significantly and is visibly apparent from the surface, not just underwater. Access is now restricted over the entire deck,
- (iii) The older portion of the deck is almost 100 years old, built in 1924 to support the tuna packing operations that used to be located in the Kewalo Basin,
- (iv) In 1968, the deck was extended, this newer section is over 50 years old and has essentially reached the end of its useful life,
- (v) Repairs were made on the older portion in the 80s, but there are no records or visible evidence of repairs to the newer, 50-year-old portion. The need for repairs has now become critical, and
- (vi) Without repairs the bulkhead will continue to deteriorate; and

WHEREAS, the state budget includes an appropriation for the plans, design and construction for replacement of wharf concrete deck including repair of concrete spalling, bulkhead beams, pile caps, and piles that have been deemed unsafe, at an estimated cost of \$25,000,000 (the "Project");

WHEREAS, the Project will also support economic growth, including jobs and support small business in the area as well as other opportunities; and

WHEREAS upon completion, the loading dock would be available to fully service vessels in Kewalo Basin and pedestrians could once again use the deck and the nearby areas; and

BE IT RESOLVED that the Ala Moana-Kaka'ako Neighborhood Board No. 11 supports the HCDA's request to the Hawaii State Legislature to appropriate CIP funds in the amount of \$25,000,000 for the Repair of the Fisherman's Wharf Bulkhead – Kewalo Basin Harbor, Kaka'ako, Oahu to the Department of Business, Economic Development & Tourism - Hawaii Community Development Authority (BED150) for the Project; and

BE IT FURTHER RESOLVED that copies of this Resolution Supporting Repair of the Fisherman's Wharf Bulkhead – Kewalo Basin Harbor, Kaka'ako, Oahu be transmitted to: Hawaii State Legislature, the Governor of the State of Hawaii, Mayor of the City and County of Honolulu, Council Members, Department of Business, Economic Development & Tourism, Hawaii Community Development Authority, and all Neighborhood Boards.

ADOPTED by the Ala Moana-Kaka'ako Neighborhood Board No. 11 at its regular meeting on Tuesday, February 22, 2022, by a unanimous vote of 10-0-0.

RYAN TAM, Chair



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

Testimony of **Linda Chu Takayama**
Chief of Staff, Office of the Governor

Before the
Senate Committee on Ways and Means
March 22, 2022
9:30 a.m., Via Video Conference
Conference Room 211

In consideration of
House Bill No. 1600, HD1
RELATING TO THE STATE BUDGET

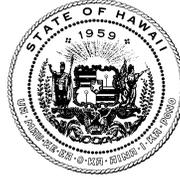
Chair Dela Cruz, Vice Chair Keith-Agaran, and Committee Members:

Thank you for the opportunity to testify on House Bill 1600, HD1 which appropriates funding for the fiscal year 2022- 2023 supplemental operating budget and capitol improvement program (CIP) projects of executive branch agencies and programs.

The Office of the Governor (Office) supports and appreciates the funding provided to restore the Intergovernmental Relations and Policy Unit which was abolished last year. The unit was comprised of 7 full-time equivalent (FTE) positions which serve an essential function in the office - to support and assist in stakeholder coordination and policy analysis in order to advance State programs, services, and initiatives. The \$288,773 general fund request includes a six-month delay in hire to serve the next Administration.

The Office also respectfully requests further consideration of our second budget request for \$100,000 for Gubernatorial transition costs. This is a non-recurring request required pursuant to Section 30-6, Hawaii Revised Statutes (HRS). This request will assist the next administration with a smooth transition and resources to carry out essential services and functions of the Office of the Governor to best serve the people of Hawai'i.

We appreciate your time and consideration of these requests and are available to answer any questions. Thank you for your continued support of the Governor's Office budget.



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

SENATE COMMITTEE ON WAYS AND MEANS
Tuesday, March 22, 2022

9:30 am

Via Conference Room 211 & Videoconference

By Stacey A. Aldrich
State Librarian

HB 1600, HD1 RELATING TO THE STATE BUDGET

To: Chair Donovan M. Dela Cruz
Vice Chair Gilbert S.C. Keith-Agaran
Members of the Senate Committee on Ways and Means

The Hawaii State Public Library System (HSPLS) appreciates the opportunity to provide testimony on HB 1600, HD1, relating to the State Budget.

HSPLS strongly supports HB 1600, HD1 as it provides support for the HSPLS operating and capital improvement project budgets for fiscal biennium 2021-2023.

Specifically, HB 1600, HD1 includes amendments to Act 88, Session Laws of Hawaii 2021, for EDN407 which includes the following:

- \$130,000 to increase student helper hours
- \$1,000,000 for additional security (security contract, external security cameras)
- \$100,000 to purchase a new van and retrofit existing vans with lifts
- \$5,000,000 in CIP funds for health and safety projects statewide
- \$5,000,000 in CIP funds for electrical and conduit improvements statewide
- \$3,000,000 in CIP funds for Pearl City Public Library
- \$2,000,000 in CIP funds for the Princeville Public Library

Operating Budget

HSPLS continues to have 69 permanent positions that are unfunded. Many of these positions are critical to the ongoing operation of a statewide public library system, including critical regional branch manager positions on neighbor islands. In order to maintain services in all communities, HSPLS filled some of the most critical unfunded permanent positions using some of the existing student helper funds; the remaining student helper funds provide student helper hires at 8 libraries with the highest circulation. The requested \$130,000 would allow us to pay for additional student helper hours at these same 8 libraries. Ideally, at some point, we hope to have funding restored to our vacant permanent positions, rather than relying on temporary student helper hires to support core public service hours.

The additional \$1,000,000 is requested in anticipation of an expected increase in the cost of our security services contract (approximately \$200,000), and for the installation of exterior security cameras at 11 libraries statewide (approximately \$800,000). During the pandemic, there has been an increase in vandalism and other undesirable behaviors outside some of our library buildings. The additional funding would allow us to install exterior cameras at the following libraries: Hilo, Kailua-Kona, Kahului, Kihei, Pearl City, McCully, Liliha, Waikiki/Library for the Blind and Print Disabled, Ewa Beach and Princeville.

The \$100,000 request for a new van also includes approximately \$40,000 to retrofit existing vans with lifts to make it easier for our delivery drivers to lift heavy boxes in/out of their delivery vans.

CIP Funding

The \$5,000,000 in lump sum CIP funds will allow HSPLS to complete previously initiated projects and to start new ones. Many of our public libraries are 60+ years old and in need of major and minor repairs and renovations. The requested funding will ensure that we can continue to make improvements to our buildings, including making improvements for energy efficiency.

Improvements to electrical and conduit infrastructure are needed at many libraries statewide to complement the upgrade of our network that is currently in progress. The \$5,000,000 will allow HSPLS to perform a statewide assessment of all libraries and initiate upgrades at those libraries with the most critical needs.

The \$3,000,000 in CIP funds for Pearl City Public Library will provide funding for the design work to include improvements to the current library (e.g., a/c replacement, structural improvements, parking lot expansion and improvements) and the design of a new programming space (Community Library Learning Center) on an area adjacent to the current library parking lot. Improvements to the Pearl City Public Library will allow HSPLS to better utilize the existing library space and expand programming desired by the community. The pandemic has highlighted the fact that libraries are one of the few hubs within the community where individuals have access to resources, such as computers and printers, as well as identify resources for individuals to expand their knowledge and training.

The \$2,000,000 in CIP funds for the Princeville Public Library will provide the funding necessary for the construction of health and safety improvements, including roofing and drainage, parking lot repaving, other related exterior improvements, equipment and appurtenances. HSPLS respectfully requests that the language for this appropriation be amended to include "Planning, design and..." so that the funding may also be used for planning and design work related to the improvements, if necessary.

Thank you for the opportunity to provide comments on this Bill and your continued support of the Hawaii State Public Library System.



Hawai'i Convention Center
1801 Kalākāua Avenue, Honolulu, Hawai'i 96815
kelepona tel 808 973 2255
kelepa'i fax 808 973 2253
kahua pa'a web hawaii tourism authority.org

David Y. Ige
Governor

John De Fries
President and Chief Executive Officer

Statement of
JOHN DE FRIES

Hawai'i Tourism Authority
before the
COMMITTEE ON WAYS AND MEANS

March 22, 2022
9:30 a.m.
State Capitol
Conference Room 211 & Videoconference

In consideration of
HOUSE BILL NO. 1600 HD 1
RELATING TO THE STATE BUDGET

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee on Ways and Means.

The Hawai'i Tourism Authority (HTA) appreciates the opportunity to offer **comments** on HB1600 HD1, and respectfully request that our proposed budget be restored.

Tourism is the largest single source of private capital for Hawai'i's economy, a significant contributor to state tax revenues, and a driver of economic diversification by supporting many entrepreneurs, small businesses, and social enterprises. In recent years, HTA has shifted its focus from destination marketing to destination management. This includes kuleana to protect and support Hawai'i's natural environment, host culture, and community spirit – the qualities that collectively define Hawai'i's unmatched global brand. In support of that, our in-market efforts to reach potential visitors have transitioned from marketing to branding and visitor education.

Destination management is a collaborative effort with community organizations, government agencies, and the visitor industry. HTA's role is to convene, facilitate, and in some cases resource projects and initiatives. In addition to our strategic plan, our work is guided by the community-generated Destination Management Action Plans – clear roadmaps to address kama'āina concerns, mitigating negative impacts and amplifying positive impacts of visitor activity. While many of the specific actions are outside of the jurisdiction or expertise of HTA, we have been working closely with and are actively working to formalize our partnerships with other governmental

March 22, 2022

agencies. We also support many community organizations through our Community Enrichment, Kūkulu Ola, and Aloha ‘Āina programs that fund programs and events that enhance community, Hawaiian culture, and natural resources respectively.

The centerpiece of all of our work is the vision of Mālama Ku‘u Home (caring for my beloved home), which strives to achieve a regenerative tourism model that is responsive and sensitive to community needs.

In its current form, HB1600 HD1 provides us with \$1 in operating funds and no positions to continue this work.

The management of the Hawai‘i Convention Center is also part of HTA’s kuleana. In the 24 years since the center opened, it has hosted meetings of world leaders, sports tournaments, and important gatherings for kama‘āina – all while catalyzing nearly \$10 billion in economic activity for the State of Hawai‘i.

In its current form, HB1600 HD1 sets an expenditure ceiling for the Convention Center Enterprise Special Fund (CCESF) of \$1 (adjusted from the requested \$28.5 million), and contains \$1,000 toward our request for \$64 million in capital improvement funds to support critical repairs to the center’s rooftop deck.

The rooftop deck project has been deferred for many years, and in its current condition is causing damage to the building with every heavy rain, causing meeting spaces to be taken out of service to dry and repair the damage. While our board and investigative committee continue to consider options for the center’s future, this urgent roof repair project is necessary to ensure the safety of users and staff, and to ensure that it remains a first-class meetings facility.

The Hawai‘i Tourism Authority (HTA) appreciates the opportunity to offer **comments** on HB1600 HD1, and respectfully request that our proposed budget of \$60 million, 25 positions, an expenditure ceiling of \$28.5 million for the Convention Center Enterprise Special Fund, and \$64 million in capital improvement funds for the Convention Center rooftop deck be restored.

Mahalo.



HAWAII HEALTH SYSTEMS

C O R P O R A T I O N

Quality Healthcare For All

COMMITTEE ON WAYS AND MEANS

Senator Donovan Dela Cruz, Chair

Senator Gilbert S.C. Keith-Agaran , Vice Chair

Tuesday, March 22, 2022

9:30 a.m.

(Conference Room 211 and Via

Videoconference)

State Capitol

HB 1600, HD1: Relating to the State Budget

Oahu Regional Health Care System: Mission

The mission of Oahu Regional Health Care System is to provide the highest quality of life in long term care.

Background

While currently a part of the Hawaii Health Systems Corporation (HHSC), the Oahu Regional Health Care System (hereinafter, "Oahu Region") is distinguishable from the other HHSC regions given the limited, but crucial nature of services provided and the role it plays as a vital safety net for long term care in the community. The Oahu Region almost exclusively serves Medicaid patients, a group that is overwhelmingly underserved by private facilities because of the high cost of their care. Leahi Hospital and Maluhia generally accounts for approximately 11% of the total inpatient licensed skilled nursing/intermediate bed capacity for the island of Oahu and 17% of the total number of Medicaid beds.

In addition to inpatient care, Maluhia and Leahi also operate two of the four remaining Adult Day Health Centers on Oahu. These programs enable families to keep their loved ones at home while providing a therapeutic and recreational place to send them when they are at work or otherwise unavailable. At Maluhia, primary care medical services are made available to residents, participants and other community members through our Geriatric Outpatient Physician's Clinic.

3675 KILAUEA AVENUE • HONOLULU, HAWAII 96816 • PHONE: (808) 733-4020 • FAX: (808) 733-4028

For many of our clinic patients, nursing home residents and day health participants – especially those receiving Medicaid benefits due to a lack of personal assets (approximately 80% of our inpatients), the Oahu Region’s facilities are often the only options for quality post-acute and community-based health care services.

In an additional effort to serve our local population, the Oahu Region began partnering with Hawaii Meals on Wheels in 2019 to provide nearly 320 hot meals per week for disabled elders on Oahu, which enables them to sustain their independence at home and in the community.

Challenges

Residents Financially Vulnerable and Dependent on Medicaid

As noted above, approximately 80% of the Oahu Region’s residents are financially deficient and dependent on Medicaid. Given the historically low rate of Medicaid reimbursements – the primary reason why private facilities do not admit Medicaid patients – our revenues require legislative subsidies to sustain the costs of our labor, supplies and other necessary overhead.

COVID-19 Impact

Commencing two (2) years ago, the impact of the COVID-19 virus on society, the economy and businesses has been significant and, as it does for many others, COVID-19 continues to pose difficult challenges for our facilities. The many issues brought by this pandemic primarily center around residents’ and employees’ safety and health, the financial impact and stability of the facilities, and a multitude of operational difficulties such as staffing, temporary closures of the adult day health programs and supply shortages.

Thus far, although a number of staff had contracted the COVID-19 virus, no Leahi or Maluhia residents have been infected. We attribute this success primarily to the infection control protocols implemented by our clinical leadership with a particular emphasis on vaccination, strict hygiene and the use of proper PPE. Additionally, staff training and monitoring on infection prevention procedures are conducted regularly, as well as routine cleaning and disinfection of equipment and areas throughout the facilities.

From a financial standpoint, the pandemic has caused the Oahu Region to experience a significant reduction in operating revenues due to a decrease in available bed space and temporary closures of our Adult Day Health Programs. The Oahu Region similarly experienced an increased need for overtime, which was necessary to ensure that we were in compliance with the strict rules and regulations issued by the Centers for

Disease Control and Prevention (CDC), Centers for Medicare and Medicaid Services (CMS) and Hawaii Department of Health related to COVID-19 prevention. Specifically:

- Since March 2020, each facility established and maintained a designated unit to temporarily quarantine new admissions and all other residents who may have been infected with COVID-19 or had a possible exposure to others with the virus. Fortunately, no resident at either facility has been infected with COVID-19. This resulted in a significant decrease in the available bed space at our facilities because the number of residents assigned to the designed “quarantine” unit totaled much less than the overall capacity of the unit. This decrease led to contraction of our daily resident census which, in turn, has decreased our revenue.
- The new COVID-19 regulations restricted the number and method by which people may visit or utilize long-term care facilities. In light of such rules, the only feasible option for compliance and to protect our long-term care residents from COVID-19 infection was to temporarily close the Adult Day Health Centers at both Maluhia (re-opened with a limited census in December 2021) and Leahi (re-opened with a limited census in January 2022).
- Due to isolation requirements, employees who are exposed to a COVID-19 positive or have signs and symptoms must be tested for COVID-19 and have to quarantine at home for many days. While there have been relatively few positive cases among our staff, there were still many who were instructed to quarantine as a precaution. This resulted in a shortage in our staffing levels and a necessary increase in overtime.

The pandemic has also caused an increase in expenditures due to the additional funds required for COVID-19 testing and purchase of supplementary personal protective equipment (PPE) and other infection prevention supplies.

Fortunately, to defray some of the financial loss, the Oahu Region received aid through the Relief and Economic Security Act (hereinafter, “CARES Act”) stimulus and Leahi received a Payroll Protection Plan loan. Nevertheless, as a consequence of continuing COVID-19 prevention efforts and treatment of potential COVID-19 infections, the Oahu Region’s operating revenue and expenditures will continue to be negatively affected and we will require much needed assistance to cover the resulting shortfalls.

Federal Funds

The Oahu Region’s primary source of federal funds is Medicaid reimbursements, which account for approximately 88% of the Oahu Region’s patient gross revenues. Over the past year, the Oahu Region received additional federal funds through the Paycheck Protection Plan and the American Rescue Plan Act in the amounts of \$2.7M and \$2.3M, respectively. In fiscal year 2021, the legislature elected to provide the Oahu Region

with its annual subsidy directly through the ARPA funding program rather than through HHSC and a disbursement from the General Fund. This amount was appropriated through SB 628 (Act 212, SLH 2021), which commenced the transition of the Oahu Region from HHSC into the DOH.

OAHU REGION REQUEST

Fiscal Year 2023 Supplemental Budget Request (HTH 215)

In the 2021 Legislative Session, pursuant to SB628 HD2 SD2 CD1 (Act 212, SLH 2021), which initiates the transition of the Oahu Region to the Department of Health, the Legislature appropriated \$16,320,700 for operations from the American Rescue Plan (ARPA) for fiscal year 2022. Under HB200 CD1 the Legislature also appropriated, for capital improvement projects, the respective amounts of \$2.5M and \$3M for fiscal years 2022 and 2023. **However, it is important to emphasize that, for fiscal year 2023, no funds (general fund nor ARPA) were appropriated for operations.**

For fiscal year 2023's operations, the Oahu Region is requesting a total General Fund appropriation of \$18,900,000. This total represents the same subsidy granted to the Oahu Region in fiscal year 2022 (\$16,320,700) and an additional \$2,579,300 to account for the mandatory increases in fringe benefit costs that are beyond our control.

Moreover, given the recent updates that we have received regarding the collective bargaining negotiations between the State and public sector unions, we anticipate significant pay increases for most, if not all, of our employed bargaining units. As such, it should be noted that Oahu Region's funding request of \$18,900,000 **does not** account for any collective bargaining pay increases and we will require additional appropriations to cover these costs.

Finally, unlike Act 212 (SLH 2021), the pending bills relating to the Oahu Region transition do not provide operational funding; only funding for transition costs. It is for this reason that the Oahu Region is seeking general fund appropriations under its new Program ID (HTH 215) through HB 1600, HD1.

JUSTIFICATION FOR ADDITIONAL FUNDING REQUEST:

As over 80% of the Oahu Region's residents lack financial means and are dependent on Medicaid, the revenues we are able to bring in from Medicaid reimbursements are limited and fall significantly short of that necessary to cover the costs of labor, supplies and other overhead. Consequently, our annual legislative subsidy is absolutely vital to our ability to continue providing quality long-term care and Adult Day Health Care services for the community.

Conclusion

The Oahu Region provides an invaluable safety net service to the community in the forms of long term care, adult day health, geriatric primary care and targeted mental health treatment. In order to sustain these services faced with the challenges of COVID-19, collective bargaining pay increases, mandated increases in the fringe rate, and limited Medicaid revenues, we must rely on the legislature for vital financial support. Absent the same, the unfortunate reality is that our only immediate alternatives would include reductions in personnel and services at great cost to the community and families we serve. Thank you for your continued support of the Oahu Region and our mission.

DAVID Y. IGE
GOVERNOR



CURT T. OTAGURO
COMPTROLLER
AUDREY HIDANO
DEPUTY COMPTROLLER

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
CURT T. OTAGURO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEE ON WAYS AND MEANS

TUESDAY, MARCH 22, 2022, 9:30 A.M.
CONFERENCE ROOM 211 AND VIA VIDEOCONFERENCE, STATE CAPITOL

H.B. 1600, H.D. 1

RELATING TO THE STATE BUDGET

Chair Dela Cruz, Vice Chair Keith-Agaran and members of the Committee, thank you for the opportunity to testify on House Bill (H.B.) No. 1600, H.D.1, which adjusts and requests appropriations for fiscal biennium 2021-2023 funding requirements for operations and capital improvement projects of executive branch agencies and programs.

The Department of Accounting and General Services (DAGS) respectfully requests the support of the committee in funding our budget requests and Governor Message items as included in H.B. 1600, to provide the requisite resources needed to rebuild our programs and enable the department to operate at levels needed to provide quality support services that are essential for state operations.

DAGS is appreciative of the concurrence of the House Finance Committee with the majority of our requests for Trade-Off/Transfer (TO/TR) of funds to support de-funded but critical positions in various programs, restoration of position count and funding for some deleted positions, and resources for new initiatives in H.B. 1600, HD1. However, we offer the following comments, concerns and impact statements to budget adjustments contained in H.B. 1600, HD1. that negatively impact specific programs.

I. OPERATING BUDGET

Program ID: AGS-131

GM 7 dated February 23, 2022 – Governor Message item to add \$1,789,000 in general funds in FY23 to the Office Enterprise Technology Services (OETS) for support of the Enterprise Finance System (EFS) Modernization project.

Identified below are items requested in GM7 that have not been identified in H.B.1600, HD1.

1. Test Automation Software - \$1,370,000

Impact

The EFS project, which is part of the Hawaii Modernization (HIMOD) initiative, is requesting funding for test automation software. This software will enable the project to more effectively test, identify, and therefore resolve issues with the financial system. The EFS software is being provided via a Software-as-a-Service (SaaS) model. SaaS software is upgraded more frequently than legacy software systems. A typical upgrade cycle is every quarter year. This increased upgrade frequency ensures the State of Hawaii (SOH) is using the most secure and feature rich application suite available. It also requires the SOH to perform full end-to-end testing of the financial system prior to each software release. This comprehensive testing is required to ensure no new issues are introduced by the new SaaS upgrade. Often the period between the software vendor's announcement of when an upgrade will be made available and when the upgrade is implemented is short. This period can be as short as two weeks. A short notification window dramatically restricts when the SOH may execute thousands of tests to verify that the new software does not adversely impact the SOH's functionality. Forgoing these tests puts the SOH at risk of having a bug introduced into the system which could prevent required functionality from being available or other adverse conditions.

Test automation software also provides capabilities which are difficult or impossible to implement with manual testing. The software can analyze what features are used the most and then identify these as highly critical features. The testing software can report the number of existing tests for these highly critical features. If the tests are insufficient to ensure the SaaS system is fully operational, this too can be identified by the test automation software. Having insight into the SaaS system with the test automation software will enable the SOH to provide more focus on these critical functional areas reducing the risk of failure.

An additional benefit of utilizing test automation software is an improvement of the EFS users' satisfaction (i.e., State employees, vendors, benefit recipients, etc.). By reducing the number of incidents that make it into production, automatic application testing solutions will have a positive impact on all the work lives of employees, easing the frustration of end users of applications having to deal with unexpected issues in the production environment (due to missed tests) and reducing the workload for support teams which allows them to be more efficient and focus on higher business value work.

Alternative

Without the test automation software, the testing would need to be done manually. The number of full-time employees to produce an equivalent amount of testing and therefore risk reduction would be on the order of 20.00 FTE, that the department would request in the next budget cycle.

This team would need to write tests and run tests manually, develop a process to document the test cases and test results for each test cycle, develop reporting capabilities to show the results of the testing among other manual tasks. The demands on this manual testing team would also be somewhat sporadic as the workload induced by the SaaS quarterly upgrades with a short notification window would create a significant workload. This would be followed by a slower period where the 20.00 FTE who are needed to manually test the thousands of test cases would then have less work to do between these intensive periods. This is not an efficient use of State resources. These 20.00 FTE would be needed for the duration the SOH uses the SaaS financial software. A temporary or transient workforce being brought in for each quarterly upgrade would not satisfy the manual testing requirement as the test team would need to be subject matter experts for the State's financial system. This cannot be performed by a team who are not consistently working on the application platform.

2. Equipment - \$39,000

Impact

The new EFS project will hire an additional 13.00 special project-funded and temporary staff to run the project for the next three years. The only computers that OETS has for them to use are old laptops from a pool that is also used to conduct user testing and training for software roll outs. Without new machines, staff will discover the old laptops they are assigned will overheat and shut down at times. Additionally, because existing laptops must be taken from the pool of testing and training laptops, testing and training activities with users will be limited by the number of remaining laptops OETS has available to use.

Alternative

The alternative will be to assign project staff older and unreliable computers.

3. Staff Training - \$80,000

Impact

The State has invested heavily in modernizing key systems over the duration of the Ige Administration, including \$37M for new enterprise payroll and time and attendance software and \$18M for a planned enterprise accounting and finance system. What the State has not yet invested in is skills training for the OETS staff who manage these enterprise software projects or who must operate and maintain them. This request seeks to ensure the investment in people keeps up with the technology the State must implement. Without this funding, the employees that advise and support major software initiatives will be limited to what skills they may have come with prior to employment with OETS, or just merely the experience of "on the job training". This puts the State at a disadvantage. Without these skills, the State may need to out-source or augment these fundamental functions to vendors to be able to obtain the requisite skills needed to manage, operate, and maintain these projects and systems. The cost of paying a vendor to do this work or to advise the SOH staff will be considerably higher than investing in training of state employees.

There is an immediate and critical need for up-to-date skill sets for project management, business consulting services, and business applications support to effectively develop and maintain new technology applications and improve service delivery through effective integration of technology solutions. For this branch of OETS to be highly qualified to fulfill this immediate and critical need, the State will need to ensure the staff are trained.

Alternative

Without funding for skills training and a lack of expertise in the local job market, OETS would leverage any existing skills staff have, coupled with “on the job training”, rather than objective and proven methodologies.

4. Independent Verification and Validation (IV&V) - \$300,000

Impact

Pursuant to section 27.43.6, HRS, and section 93-16, HRS, IV&V Reports for major systems identified by the Chief Information Officer are to be funded by the responsible Department/Agencies. The DAGS EFS project is such a major system and in need of IV&V to reduce risk and ensure project success.

The benefits derived from employing IV&V are substantial and span the product lifecycle. Beginning with improved project processes and ending with a complete and more maintainable application, IV&V is an effective risk mitigation strategy that significantly increases the probability of producing a quality application, on-time and on-budget.

IV&V has been applied to many other enterprise projects, resulting in successful project outcomes and return on investment of State funds. Examples of such projects include Hawaii Department of Education’s Financial Management System modernization, DAGS Statewide HRMS/Payroll/Time and Leave, and Department of Taxation Tax System Modernization. There are several other projects currently in-flight with IV&V as well.

Alternative

Without funding for the IV&V, the EFS project will be exposed to a potentially high level of risk, negatively affecting project performance, schedule, deliverables, and ultimately cost.

Program ID: AGS-203

Sequence # 100-001 – House did not concur with request to add \$17,000,000 in general funds (MOF A) and revolving fund (MOF W) ceiling for State Risk Management and Insurance Administration to meet rising costs of insurance.

Impact

The request for \$17,000,000 in general funds (MOF A) and revolving fund (MOF W) ceiling is required to ensure that the State maintains an effective risk management program. Recent

increases in policy costs have eroded the State Risk Management Revolving Fund (Fund) balance. Without this additional funding the fund will be insolvent in FY 23 and unable to purchase insurance policies at current levels or pay claims.

The insurance industry is in a “hard” market whereby insurance coverages are being reduced while policy premiums are increasing due to increasing losses being incurred by insurers. Program insurance policy expenditures are projected to increase by 20% year over year for the next several years:

Insurance premiums are increasing while policy coverage is decreasing:

This trend has and expected to continue to have an adverse impact on our state's risk management and administration of the insurance program. As a result of the increasing costs, the FY 22 insurance policy premiums totaled over 85% of the entire program's projected expenditures. It is projected that the Fund will be reduced by \$7.7 million in FY 22. Without the additional \$17,000,000 in general funds being requested in FY23, the Fund balance is projected to be -\$4.8 million, resulting in insolvency and inability to purchase insurance policies at current levels or pay claims.

The additional funding is critical in keeping the Fund solvent to address future purchases of insurance policies and payment of property, tort, auto, crime and cyber claims, in addition to the program's payroll and office expense expenditures.

Alternative

No alternative can be identified. If the additional \$17,000,000 is not appropriated, the program will be forced to purchase drastically reduced or no insurance coverage and open the state to enormous risk exposure should a catastrophic event occur.

Program ID: AGS-211

Sequence #100-001 – House did not concur with request to add position and funds for an Office Assistant III SR08 (#92009; 1.00 FTE; \$16,560) for the Land Survey (Survey) program.

Impact

This Office Assistant III (OA III) position was vacated on March 20, 2020. Survey started the process to recruit to fill the position when the position was frozen by EM 20-01 two weeks after the position became vacant, then defunded and deleted in subsequent legislative sessions.

Not having this position is negatively impacting the production of survey maps and descriptions. Survey maps and descriptions are utilized by State agencies for various purposes such as executive orders, general leases, grant of easements, exchanges, transfers, and sale of government lands. The OA III position provides clerical assistance for these survey job requests which include typing, formatting, preparing drafts, and finalizing documents and transmittal memos. The OA III position also assists the public in person, over the phone, by email, and performs various administrative duties. Since the OA III position was deleted, other higher salaried positions have been required to perform the clerical responsibilities of the position, taking away valuable project time, delaying completion of survey job request, and increasing the backlog. It is anticipated that the backlog will continue to increase by approximately three (3) to four (4) weeks annually and various government agencies' development or construction projects will be delayed, resulting in major loss of revenue to the State.

Alternative

No alternative can be identified.

Program ID: AGS-221

Sequence #100-001 - House did not concur with request to add funds to restore funding for ten (10) positions previously defunded; funding for six (6) positions were approved leaving four (4) unfunded:

- (1) Perm Engineer V SR26 (Bldgs), (#38713; 1.00 FTE; \$67,200)
- (1) Perm Architect V/Engineer V SR26, (#36607; 1.00 FTE; \$67,200)
- (1) Perm Bldg Constr Inspector III SR21, (#10631; 1.00 FTE; \$54,108)
- (1) Perm Secretary II SR14, (#12691; 1.00 FTE; \$41,100)

Impact

1. Funding must be restored for authorized position number 12691, Secretary II, as this unfunded position has been **filled by a DHRD-imposed RIF decision**, effective March 1, 2022. While the program will use “vacancy savings” to support the position for the remainder of FY22, that source of funding will become unavailable effective July 1, 2022. If funding for this position is not restored for FY23 and beyond, the program will be forced to redirect other funds to support the position, with concomitant reduction in the program’s ability to discharge the responsibilities those redirected funds are intended to support.
2. The program appreciates the restoration of funding for authorized position numbers 21618, 21619, 17006, 38710, 21362, and 44873. However, without the requested restoration of funding for authorized position numbers 38713, 36607, and 10631, it must be expected that the program will continue to be hampered in discharging its numerous and varied CIP project responsibilities; significant volumes of appropriated CIP funds will continue to be lapsed due to insufficient staff resources; and the program will continue to experience excessive vacancies and retirements due to flagging staff morale. The program requested funding for these critical positions not because they’re “nice to have” but because they are critical in accomplishing the program’s mission of delivering efficient and effective facilities in which the State’s responsibilities to its people may be achieved.

Program ID: AGS-231

Sequence #100-001 – House did not approve the restoration of position counts and general funds for three of the custodial positions deleted for the Oahu Custodial Services program:

- (1) Permanent Janitor II (#92018, 1.00 FTE; \$22,146)
- (1) Permanent Janitor II (#92019, 1.00 FTE; \$22,146)
- (1) Permanent Janitor III (#92020, 1.00 FTE; \$23,682)

Impact

1. The Permanent Janitor III position (Position No. 92020) is a critical position that assigns and directs the work of the nine (9) Janitor IIs servicing the Hemmeter (five stories),

State Office Tower (16 stories), and Keoni Ana (six stories) buildings. Currently a janitor from the Reliever Crew is temporarily assigned to supervise the nine (9) janitors leaving the Reliever Crew with one less janitor. This position also works with the administrative staff at the Kakoi Street Baseyard in requesting for the replenishment delivery of the necessary custodial supplies (Toilet Paper, Hand Towels etc.) to keep assigned buildings properly stocked to meet the various building occupants' needs. This position also works closely with the assigned Central Services Building Manager in responding to building occupant emergencies/concerns in regard to building maintenance and operation services that the program provides.

Without this position, the Building Manager position assigned to the Civic Center area will need to cover these responsibilities in assigning and directing the work of the Janitor IIs. This is addition to the Building Manager's existing duties of overseeing the other assigned Janitor IIIs in the Civic Center area. Furthermore, the Building Manager serves as the "problem solver" and is involved in responding to daily building issues and concerns initiated by building occupants and also performs other administrative duties.

2. The other (2) Permanent Janitor II positions (Position No. 92018 and 92019) while placed in existing Civic Center area buildings/facilities are strategically deployed as roving positions that will be moved within the Civic Center buildings to provide custodial coverage when other Janitor IIs are on sick vacation or other types of leave. This occurs frequently and this redeployment of custodial resources is used to ensure that the division continues to provide a high level of custodial services to DAGS managed buildings and facilities. The two positions are critical components in this strategy.

In conclusion, by not filling the three aforementioned janitorial positions, building occupants will experience a lower level of service due to an anticipated decline of our team's morale, productivity, and increase in staff turnover in addition to the following challenges the custodial staff face:

1. Additional cleaning duties due to COVID health protocols for the past two years;
2. The impact from the increasing homeless problem that brings to the State buildings' doorstep human feces, drug needles, dirty trash, and nauseating smells;
3. Cleaning and repairing of broken glass windows at many of the DAGS office buildings (i.e., Keelikolani, State Office Tower, Kekuaanaoa);
4. The 2021 hiring freeze did not allow for the filling of vacant positions and left the existing staff to "do more with less"; and
5. The three janitorial positions, if not allowed to fill, represent a reduction of 3+% of the staff to perform all the necessary work.

With the continued impact of COVID-19, all these problems present challenges to the existing custodial staff which must respond timely in keeping State buildings as a safe place for both building occupants and visitors to transact State business.

Alternative

No alternative can be identified among the existing staffing.

Program ID: AGS-807

Sequence #31-001 - House did not concur with the Trade-off/Transfer request to fund Building Maintenance Worker I, BC09, (#17246; 1.00 FTE; \$59,376); fund transfer from AGS 223 was taken but not provided to position in this trade-off/transfer request to restore funding.

Impact

We appreciate the concurrence with the transfer-in of funds to restore funding to the Building Maintenance Worker II (BMW II) position (Pos. No. 17234), one of two positions requested. However, the BMW I position (Pos. No. 17246) is as critical and equally important to fund.

The Building Maintenance Worker positions for the island (including Pos. No. 17246) are critical to the district's ability to provide repair and maintenance services to the fifteen public schools on the island, and also provide services to the eight public libraries and eight DAGS-managed buildings on island as well.

Two other vacant BMW I positions were previously defunded during the 2020 session and were subsequently abolished in the 2021 session. Two additional BMW positions (one BMW II and one BMW I) were defunded in the 2021 session. The BMW positions provide repair and maintenance services in numerous trades including but not limited to carpentry, painting, and masonry. The positions are needed to provide in-house capacity to meet the repair and maintenance needs for the public schools as well as the public libraries and DAGS-managed facilities on island. Note: DAGS submitted this supplemental budget request to fund the two BMW positions by effecting general fund trade-offs/transfers within the department with a zero-net change to DAGS' budget.

The past abolishment resulted in a total of only eight BMW positions remaining in the AGS807/FR program, which amount to four two-man crews that work to service the entire island extending from Kekaha to Hanalei. Due to the previous reductions imposed by the legislature, every remaining BMW position is critical to the district's ability to address the repair and maintenance needs of the island. The loss of funding for the one BMW I position amounts to approximately 280 work orders completed per year. This would lead to the necessary deferral of work orders and will increase the time needed to complete the requests due to the reduction of available manpower. This increases the likelihood of conditions impacting health and safety at the various schools and facilities as work goes unaddressed. The lack of available manpower also impacts the response times to emergencies and trouble-calls and becomes extremely problematic if multiple urgent requests are simultaneously received. Overtime work is voluntary, so the in-house ability to perform work during off-hours is impacted due to the reduced labor pool. The deferral of timely repair and maintenance activities on the various public schools, libraries, and DAGS-managed facilities

would also result in an accumulation of issues that will become significantly costlier and take much longer to fix.

We appreciate the concurrence with the transfer-in of funds to restore funding to the BMW II position (Pos. No. 17234), but the BMW I position (Pos. No. 17246) is of critical importance as well. Both positions received the Governor's exemption to recruit dated September 14, 2021 and the BMW II position has been filled while the BMW I position is in the recruitment process. As noted, this supplemental budget request is a trade-off/transfer-in of funds from the Leasing program for a net-zero budget impact.

Alternative

Contracting out the work instead, but that would require additional operational funding in the program budget. Having in-house capacity allows for the continued use of in-house civil service manpower to help meet the repair and maintenance needs of the district.

Program ID: AGS-881

House did not concur with request to add (1) Permanent Deputy Director EM5 (#92034; MOF B 75% and MOF N 25%) for the State Foundation on Culture and the Arts (SFCA):

1. **Sequence #10-002** – Trade-Off position and funds from Personal Services to Personal Services and Other Current Expenses:
 - Permanent Deputy Director EM5 (#92034; 0.25)
2. **Sequence #100-001** – Add Position for Deputy Director (#92034):
 - Permanent Deputy Director EM5 (#92034; 0.75)

Impact

A Deputy Director position within the SFCA is essential in supporting the growth of the visitor industry that Hawai'i is experiencing. A Deputy Director will allow SFCA's Executive Director to focus on greater collaborations with the Hawai'i Tourism Industry and a focus on developing cultural policies. By developing cultural policies that create economic incentives for the private sector to put financial backing behind culture and the arts, we create economies of belonging that are sustainable and can absorb the visitor impact. A thriving cultural economy cannot be fulfilled by grants, it needs to be strengthened through policy. A Deputy Director position would support this effort at NO additional cost to the State.

A Deputy Director is key to ensuring that the agency's administration of funding and personnel matters are addressed, allowing the Executive Director to be focused on supporting the creative and cultural industries for the State of Hawai'i including; identifying public-private partnerships and offering expertise for forthcoming associated Destination Management Action Plans, Tourism Management and Branding as an ex officio member of Hawai'i Tourism Authority's Board of Directors.

The Deputy Director position is NOT a request for position funding. Salary and correlating fringe benefit costs would be supported by SFCA funds available in MOF B .75 (Special) and MOF N .25 (Federal).

The State Foundation on Culture and the Arts is a multi-faceted State Agency providing support for statewide culture and arts programming and outreach to residents and visitors. SFCA's Table 14 (budget briefing tables) of more than 140 active contracts is reflective of SFCA's robust efforts in supporting Hawaii's economy and community.

The ability of the agency to achieve its goals is limited by the demands of running the agency's internal operations. The Executive Director needs to play a larger, more visible leadership role in Hawaii.

Alternative

SFCA will continue to do the best work possible with the resources available. Without a Deputy Director position, this opportunity to connect Hawaii's arts, culture and tourism industries will be missed.

II. CIP Budget:

Identified below are impact statements to Capital Improvement Project Changes made by HB1600 H.D.1.

1. AGS-131.

Y106 – DATA CENTERS, RENOVATIONS, REPLACEMENTS, AND/OR NEW, STATEWIDE. \$25,000,000.

House did not concur.

Impact

The Enterprise Technology Services (ETS) Data Center is in the 50-year old Kalanimoku basement in an area that was never designed to house a data center. Lacking funding to plan for and actually migrate to a modern data center facility places the State at-risk to possible catastrophic failure if there is a disaster in the data center.

- The Kalanimoku building has an aging electrical system that that needs to be replaced. The current data center does not have proper air flow for computing and communication hardware. It is in a basement that can be flooded. The building's Beretania entrance was barricaded to prevent flooding during the December 6, 2021 "Kona Low" storm.
- The building experienced a 30-hour power outage because of a problem with the building's electrical system (an aged 4,000 amp circuit breaker) that started on December 25, 2021 at 6:40pm.

- And, while the building's generator allowed the data center to function during a multi-hour power outage in the area, the building's air chiller system failed during the storm. This caused ambient temperature in the data center to rise from about 60 degrees to 90 degrees. This is not the first time this has happened. In fact, this has occurred several times in 2021 alone. ETS deployed large industrial fans and a portable cooling to system in an attempt to try to keep the temperature from rising even further.
- The data center depends on a fire suppression system using Halon which ceased production in 1994 because Halon is a factor in ozone depletion in the stratosphere.
- The electrical and data cabling (mostly under a raised floor system), while neatly done, does not conform with modern cabling practices and is difficult to maintain.
- Over the decades, the basement area has experienced several rodent infestations. The most recent was in early 2021. In addition, the health concerns, rodents pose a threat to cabling.

These are just a few and some of the most visible issues with the Kalanimoku basement data center. The lack of a new data center location also impacts other departments whose own data centers face similar issues: Power, cooling, flooding, etc.

2. AGS-221.

i. V104 - \$33M in General Obligation (G.O.) Bond Funds for Lump Sum State Office Building Remodeling, Statewide.

House did not concur.

Impact

This project supports DAGS's efforts to optimize and consolidate State functions and to better utilize State office building assets. It is vital to carrying out recommendations from DAGS's companion efforts to create and implement statewide office space master plans for DAGS managed facilities. This effort will help reduce the amount of private office space leased by DAGS statewide.

Due to the age and usage of the individual buildings, upgrades are essential to provide adequate and efficient space to meet requirements imposed by dynamic and changing technology such as computer and modular furniture (Examples: (1) Major increases in the use of computers dictates adding adequate electrical circuits and outlets; (2) Encouraging agencies to convert to modular furniture to accommodate more people in less space so we can reduce our lease log and substantially reduce renovation costs.)

Alternative

There are no other acceptable alternatives. If the project is denied, State office buildings cannot be optimized for efficient use and operational benefit.

ii. P104 - \$3M in G.O. Bond Funds for Washington Place, Health and Safety and Queen's Gallery Renovation, Oahu.

House did not concur.

Impact

The House shifted \$1M in G.O. Bond Funds to Private Contributions ("R" Funds) and made the G.O. Bond Funds contingent upon partial matching funds from private contributions. It is presently unclear what is the required percent match of State to Private funds.

Alternative

Should the Friends of Washington Place ("Friends") fail to raise the necessary private contributions, the benefits to visitors and residents of Hawaii of a safe, fully functional, and attractive Washington Place will be denied or unnecessarily delayed. If the health and safety issues are not addressed, public access to the facility will become more restrictive and defeat the purpose of sharing this legacy for generations to come.

Request that the required percent match of State to Private funds be clarified. Further, request that the percent match be minimized to ease the burden on the Friends to raise the necessary funds.

The Department appreciates the continued support as we strive to provide quality and consistency in the delivery of essential support services to other State departments and agencies.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR



JOHN S.S. KIM
CHAIRPERSON

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

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

FOR: HB 1600 HD1 Relating to the State Budget
DATE: March 22, 2022 at 9:30 A.M.
COMMITTEE: Committee on Ways & Means
ROOM: Conference Room 211 & Videoconference
FROM: Yvonne Lau, Interim Executive Director
State Public Charter School Commission

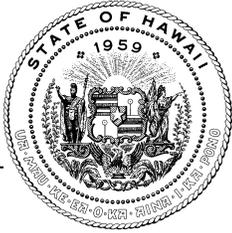
Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee:

The State Public Charter School Commission (“Commission”) appreciates the opportunity to submit this testimony in **SUPPORT WITH AMENDMENTS** of HB1600 HD1, the State Budget, which appropriates the funds for the operation of charter schools in EDN 600 and appropriates the funds for the operation and administration of the Commission and the Charter School Early Learning Program in EDN 612

There appears to be an error in the calculations for EDN 600. The Commission’s suggested amendment is to request a review of the Per Pupil funding formula that sets the total allocation for charter school Per Pupil funding in EDN 600 (Charter Schools). This funding formula, set in §302D-28, Hawaii Revised Statutes, incorporates additions and reductions to the Department of Education program IDs- EDN 100, EDN 200, EDN 300, and EDN 400-, along with both DOE and charter school projected enrollment counts.

For the Committee’s information, the relevant appropriations for charter schools and the Commission are on page 42 of this measure. The Commission is available to work with this committee, the DOE, and any other associated agency on the per pupil funding review requested.

Thank you for the opportunity to provide this testimony.



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

DAVID Y. IGE
GOVERNOR

SCOTT J. GLENN
CHIEF ENERGY OFFICER

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Testimony of
SCOTT J. GLENN, Chief Energy Officer

before the
SENATE Committee on WAYS AND MEANS

Tuesday, March 22, 2022
9:30 AM
State Capitol, Conference Room 211 and Videoconference

SUPPORT
HB 1600, HD1
RELATING TO THE STATE BUDGET.

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee, the Hawaii State Energy Office (HSEO) supports the intent and offers comments on HB 1600 HD1, which adjusts and requests appropriations for fiscal biennium 2021-2023 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs.

HB 1600 HD1 includes budget adjustments for the Hawai'i State Energy Office – BED120 to restore and strengthen HSEO's capacity to carry out its mission of promoting energy efficiency, renewable energy, and clean transportation to help achieve a resilient, clean energy, decarbonized economy. HSEO supports the adjustments, and requests the Committee's consideration for amending the following:

1. **Adjustment: SEQ# 103-001 ADD FUNDS FOR HAWAI'I STATE ENERGY OFFICE** (/\$2,500,000B).

Impact Statement: The House FIN does not concur with additional funds for program expenses, specifically, an expenditure ceiling for the Energy Security Special Fund to provide funds to leverage federal grant funding. Without an adequate ESSF ceiling for cost match and/or working capital for federal grant applications, HSEO's ability to pursue federal funding opportunities will be limited and it may need to forego competing for the federal funds under the

Infrastructure Investment & Jobs Act, a once-in-a-generation investment in our nation's infrastructure and competitiveness and the largest stimulus appropriations in US history.

Alternative Reduction: HSEO requests the funding be restored as originally submitted in the Governor's request. Alternatively, general funds could be added instead of special funds.

2. **Adjustment: SEQ # 108-001** ADD FUNDS FOR HAWAI'I STATE ENERGY OFFICE (/\$31,500A).

Impact Statement: The House FIN concurs with additional funds for international outreach and engagement. However, the House states that funding for FY23 is non-recurring. A one-year non-recurring appropriation for international engagement limits the ability to plan and make commitments for events in out-years.

Alternative Reduction: None. HSEO requests the funding be identified as recurring as originally submitted in the Governor's request.

Thank you for the opportunity to testify.



Waimea Middle Public Conversion Charter School

*A WASC-Accredited Public Conversion Charter School - 2014-2027
67-1229 Mamalahoa Highway, Kamuela, HI 96743 * (808) 887-6090 Ext. 225*

March 21, 2022

**TO: Hawai'i State Senate Ways & Means Committee – 2022 Session
The Honorable Donovan M. Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair
Distinguished Committee Members**

Hearing for HB1600 HD1 – Tuesday, March 22, 9:30 AM

REQUEST TO AMEND – EDN 600 – Charter Schools – Operating – 2022-2023SY

Aloha from Waimea Middle Public Conversion Charter School on the Island of Hawai'i. We appreciate having an opportunity to share our school-community's urgent need for adequate funding as we work to meet the needs of every student whose educational progress has been impaired by the long-term impacts of poverty in our high Title I community (70+% pre-pandemic), large part Hawaiian/Pacific Island population (60+%), and the more recently exacerbated academic and social-emotional impacts due to Covid-required school closure, distance/hybrid learning and limited wifi connectivity in the more rural areas of our district.

HB1600 HD1 includes \$95,767,659 (EDN600). If we divide this by the current SY enrollment of all public charter schools (12,231 students), the Per Pupil for the 2022-23SY would be \$7,829.92. Per Pupil for the current 2021-22SY has been \$8,032.50. Fortunately (and we thank the Legislature for supporting this), we did receive ESSER II funds for the 20-21SY; these were restricted to COVID mitigation protocols. ESSER III (American Recovery Act) funds, though promised, have not been received so our primary source of funding is the Per Pupil allocation.

Even with the federal Covid relief funding, we are unable to afford the teacher and staff supports to help students get back on track academically and social-emotionally. Therefore, we are asking the State Legislature to please provide no less than \$9,000 per student in Per Pupil funding for the 2022-23 SY. If this total is applied for all of Hawai'i's public charter schools, the total would be approx. \$110,079,000.

We know as Senators experienced with managing the education budget that you know public charter schools do receive assistance with Special Education services, but we do not receive other "silos" of funding support that regular DOE schools receive such as for transportation, utilities, Hard-to-Fill differentials and National Board Certification stipends.

If we do not receive approx. \$9,000 in Per Pupil funding for the 2022-23SY, we will be forced to further staff reduce. Such cuts marginalize our ability to help students catch up and be prepared to successfully navigate high school and beyond. I am available to discuss this further. Thank you and stay safe!

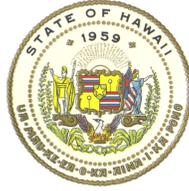
Janice English

Principal - Janice_English@wmpccs.org

PS; We do thank the Legislature for separate line item funding for the Charter School Commission staff.

AN AFFIRMATIVE ACTION AND EQUAL OPPORTUNITY EMPLOYER

DAVID Y. IGE
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

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

**Tuesday, March 22, 2022
9:30 AM**

State Capitol, Conference Room 211, Videoconference

**In consideration of
HOUSE BILL 1600, HOUSE DRAFT 1
RELATING TO THE STATE BUDGET**

House Bill 1600, House Draft 1 (HB1600, HD1) proposes to adjust and request appropriations for the supplemental operating and capital improvement budgets of the Executive Branch for Fiscal Biennium (FB) 2021-2023. **The Department of Land and Natural Resources (Department) appreciates and generally supports this measure as it includes initiatives supportive of our goals and objectives. Nevertheless, the Department has concerns with the budgetary implications certain aspects of this bill may have on the Department's programs and initiatives. The Department respectfully asks for your favorable consideration of the Department's recommendation in regard to the following HD1 adjustments and offers the following comments shown on the attached tables:**

- DLNR HB1600, HD1 Impact Statement – Operating
- DLNR HB1600, HD1 Impact Statement – CIP

The Department offers the following comments:

- The Department's mission is to enhance, protect, conserve, and manage Hawaii's unique and limited natural, cultural and historic resources held in public trust for current and future generations of the people of Hawaii nei, and its visitors, in partnership with others from the public and private sectors.
- Projects were selected and prioritized based on public safety, compliance and public trust resource protection, in accordance with statutory mandates that guide the Department's vision, mission, goals and objectives to manage resources for the benefit of the public, and to protect the resources and the public.

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
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

Capital Improvement Project (CIP) Budget:

The Department respectfully requests that this measure be amended to include all of the Department’s Executive Supplemental Budget CIP requests as indicated in House Bill 1600 or Senate Bill 2176. A list of all of the Department’s Act 88 CIP appropriations and Executive Supplemental Budget CIP requests as indicated in House Bill 1600 and Senate Bill 2176 is attached.

The Department is appreciative of projects added by HB1600, HD1, provided their inclusion does not impact on priorities as indicated in the Executive CIP Budget.

However, one of those projects, the Watershed Initiatives, Statewide CIP \$8M FY23 request, which is the Department’s top priority, was zeroed out in HD1 and the prior FY23 allocation removed. The biennium budget previously allocated \$4M in FY23, yet rather than add another \$4M to total \$8M per the Administration’s request or leave it at the previously allocated \$4M for FY23, HD1 eliminated that funding entirely.

This proposed cut to \$0 in FY23 would be extremely problematic for the Department and the State. The Department secured a \$5M Federal grant that requires the matching State funds provided by the \$4M that was previously appropriated for FY23. If this previous appropriation is reduced to \$0, the Department would default on this Federal grant and also likely be unable to apply for future grants. The Department has already leveraged \$49M in non-State funding from appropriations for the Watershed program since 2013, so loss of State CIP funds directly will correspond to loss of future matching Federal grants. This reduction in funds would lose the benefit of all the effort, planning, logistics, and procurement already committed to the \$4M appropriated for FY23. This statewide fencing initiative implements the most cost-effective and long-term solution to control axis deer, pigs, and other damaging animals, as well as protect forests from Rapid ‘Ōhi‘a Death.

The Department respectfully requests that at least the prior FY23 \$4M allocation to Watershed Initiatives, Statewide CIP be restored.

The Department would like to amend the Executive Supplemental CIP Budget Request for the following additional budget adjustments as Governor’s Message Item:

Governor’s Message #7:

- LNR 141/GA, Water and Land Development
Add \$4,000,000 in general obligation (G.O) bond funds for Fiscal Year (FY) 23 for Upolu Well Development, Hawaii, for improvements to develop an existing well to provide agricultural water in North Kohala, Hawaii.

- LNR 141/GA, Water and Land Development
Lapse \$2,500,000 in G.O. bond funds from FY 21 for the Exploratory Water Well, Hawaii (Item No. A-18.3 of Act 40, SLH 2019, as amended by Act 6, SLH 2020).

Governor's Message Requests:

- LNR 101/EA, Public Lands Management
Add \$13,500,000 in general obligation (G.O) bond funds for FY 23 for the demolition and removal of existing unusable improvements in Hilo, Hawaii located in the core of Hilo's resort district. The purpose of this project will be to restore the property to condition feasible for the purpose of soliciting a long-term lease for hotel/resort purposes.
- LNR 172/DA Forestry - Resource Management and Development
Add \$27,500,000 in general obligation (G.O) bond funds for FY 23 for Maunawili Acquisition, Oahu, for the plans and land acquisition of 936 acres to protect and restore important cultural, agricultural, recreational and forest resources.
- LNR 172/DA Forestry - Resource Management and Development
Add \$650,000 in general obligation (G.O) bond funds for FY 23 for Makolelau Land Acquisition, Molokai, for the acquisition of 506.56 acres stretching from uplands to the coast to protect the forest from degradation and support watershed management needed to prevent erosion from the 35-mile long fringing reef, which is considered the longest in the nation.

Operating Budget:

The Department respectfully asks for the inclusion of the following adjustments made by HB1600, HD1:

- Restore \$141,000 (MOF A) operating funds cut in FY21 for LNR401
The funding cut will impact the Aquatic Resources Division's ability to implement the Marine 30x30 initiative by reducing its ability to thoroughly engage stakeholders in the Holomua process, develop management plans, organize and coordinate meetings and workshops, and maintain communication with stakeholders and partners.
- Additional funding \$47,580 (MOF A) for LNR802
Lack of funding will adversely affect hiring and retention of qualified personnel as this will not fully close the salary gap with the private sector.
- Add position and funds for two permanent Accountant positions in LNR906, \$67,200 (A)
These positions are essential to keep up with the increased workload brought about by the increase in program deliverables and compliance requirements. The current staffing level in the Administrative Services Office (ASO) is inadequate to meet the workload and current demands for budget and fiscal management support services. Critical delays in the fiscal operation will continue to happen, resulting in ASO's ability to efficiently support the Department and manage its resources.

With the State's strong economic recovery, the Department is hopeful that the budget requests along with the HD1 and Governor's Message adjustments will be considered to better serve the public and the State.

Thank you for the opportunity to comment on this measure.

DEPARTMENT OF LAND AND NATURAL RESOURCES
HB1600, HD1 IMPACT STATEMENTS - OPERATING BUDGET

				DLNR REQUEST			EXECUTIVE BUDGET (GOVERNOR'S DECISION)			HB1600, HD1			HD1 ADJUSTMENT TO EXECUTIVE REQUEST			
Prog ID/Org	Dept Pri	Description	MOF	FY 23			FY 23			FY 23			FY 23			IMPACT OF ADJUSTMENTS
				FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	
OTHER REQUESTS:																
LNR401/CA	6	Establish ceiling for new Ocean Stewardship Special Fund	B			260,000			260,000			200,000	-	-	(60,000)	\$200,000 will support aquatic resources conservation projects, facility maintenance, and upgrades.
LNR401/CA	17	Restore part of operating funds cut in FY21	A			282,000			141,000			-	-	-	(141,000)	This will impact DAR's ability to implement the Marine 30x30 Initiative by reducing our ability to thoroughly engage stakeholders in the Holomua process, develop management plans, plan, organize, and coordinate meetings and workshops, and maintain communications with stakeholders and partners
LNR804/DA	21	Restore funding for Trails and Access Specialist IV, #45494, (Hawaii). No funding per SB126 (Act 5, SLH 2019)	A			55,200			55,200	2.00		137,853	2.00	-	82,653	Should be corrected. Position count should only be one (1). Position count for Position #45494 is budgeted, but unfunded.
LNR802/HP	30	Increase in compensation for 21 SHPD Program positions to compete with federal agencies and private industry for qualified professional staff and reduce the loss of professional staff to entities that offer higher compensation	A			394,816			394,816			347,536	-	-	(47,280)	The salary amounts were set at rates to make wages for these positions comparable to private sector wages, which are from 30% to 80% higher than SHPD's. Not including the full amount of the requested increase will make it impossible to fully close the gap with the private sector, adversely affecting hiring and retention of qualified personnel.
LNR906/AA	31	Add position and funds for two (2) Accountant IV positions	A	2.00		67,200	2.00		67,200				(2.00)	-	(67,200)	These positions are essential to keep up with the increased workload brought about by the increase in program requirements, additional compliance requirements, and budget/fiscal management support services. These positions will have a significant impact in carrying out the Administrative Services Office's (ASO) effectiveness in keeping up with the growing demands of the Department's fiscal responsibilities. The positions will highly impact ASO's fiscal oversight capacity on all of the Department's resources. The two additional accountants will be crucial in the monitoring, maximization and fund management and financial reporting of federal grants and other sources of funding. This will result in a more efficient application and compliance of the State and Federal rules and laws which will avoid audit findings, adding efficiency to the Fiscal Office. Due to lack of accounting staff, some of the monitoring requirements of accounts are not properly addressed. Critical delays in the fiscal operation will continue to happen if the request for additional positions is not approved. Basically, the current staffing level in the Administrative Services Office (ASO) is inadequate to meet the workload and/or the current demands for budget and fiscal management support services. This hinders our ability to efficiently support the Department.

DEPARTMENT OF LAND AND NATURAL RESOURCES
HB1600, HD1 IMPACT STATEMENTS - OPERATING BUDGET

				DLNR REQUEST			EXECUTIVE BUDGET (GOVERNOR'S DECISION)			HB1600, HD1			HD1 ADJUSTMENT TO EXECUTIVE REQUEST			
				FY 23			FY 23			FY 23			FY 23			
Prog ID/Org	Dept Pri	Description	MOF	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	IMPACT OF ADJUSTMENTS
LNR402/DA	58	Add funds for the Fire and Emergency Response Program	A			1,800,000			1,100,000			1,000,000	-	-	(100,000)	The adjustment to the amount requested by the Governor for DLNR's Fire and Emergency Response will reduce the amount available for critical fire prevention projects and replacing aging equipment in its firefighting fleet, but the appropriation represents progress in building a modern wildland firefighting capability for the protection of public health, safety, and natural and cultural resources.

DEPARTMENT OF LAND AND NATURAL RESOURCES
HB1600 HD1 IMPACT STATEMENTS - CIP BUDGET

PRGM ID	TITLE	HB1600 HD1			ACT 88 SLH 2021 and Suppl Exec Rqst & GM7			Changes made by HB1600 HD1			IMPACT OF CHANGE
		FY22	FY23	MOF	FY22	FY23	MOF	FY22	FY23	MOF	
LNR153	INFRASTRUCTURE UPGRADES FOR SUBCOMM LOT NEXT TO ANUENUE FISHERIES RESEARCH CENTER, OAHU	-	-			500	C	-	(500)		This may limit or delay the expansion of coral, sea urchin, and limu restoration into the adjacent facility at Anuenue Fisheries Research Center.
LNR172	WAILUA ACCESS ROAD, KAUAI	2,000	-	D	2,000	-	D	-	-		If the MOF is not changed to C, then we can not use this CIP. The Division does not have revenue streams sufficient to repay these funds.
LNR172	KANEOHE PALI ACQUISITION, OAHU					1,800	C	-	(1,800)		We request reinstatement of this funding request at a lower level (\$700,000), as this project is a priority land acquisition for the Department to protect critical watershed lands, forest, endangered species and scenic values. Due to recently received federal Navy REPI funds, this CIP request can be reduced to \$700,000.
LNR402	MAUNA KEA, HAWAII	-			-	200	C	-	(200)		This money is needed for DLNR to comply with a Federal court order to remove all feral and mouflon sheep, and goats from Palila Critical Habitat. Replacement of the old fence on the West side of Mauna Kea to prevent ingress of these animals is vital to comply with the Federal Court Order.
LNR402	DOFAW OAHU BASEYARD IMPROVEMENTS, OAHU	-			-	500	C	-	(500)		The fence will ensure that the state property is protected, avoiding potential costs to replace or repair damaged or stolen items, and will provide safety of staff working after hours.
LNR402	LEHUA FACILITIES RESTORATION, KAUAI	-			-	60	C	-	(60)		Funds are needed for island ecosystem restoration following rat eradication. This includes vegetation management, predator control, infrastructure management, and transportation to and from the island.
LNR402	QUARRY HAZARDOUS WASTE ASSESSMENT & CLEAN-UP, PUUWAAWAA FOREST RESERVE, HAWAII	-			-	200	C	-	(200)		The hazards at this site represent a liability for the State and a safety issue for hikers on the popular Na Ala Hele trail which runs adjacent to this site. A buried diesel fuel tank risks contaminating the area, resulting in a more significant environmental hazard, increasing containment and cleanup costs, and threatening worker and public safety. Phase 1 of this project is funded and ongoing. These funds are needed to complete the hazardous material removal cleanup at this site.
LNR402	HILO OFFICE ROOF REPLACEMENT, HAWAII	-			-	185	C	-	(185)		Deferment of funding will result in continued degradation of the Hilo office roof and potential damage to the roof's structural components and contents of the office. Repair costs will increase and structural degradation will result in much higher repair costs.

PRGM ID	TITLE	HB1600 HD1			ACT 88 SLH 2021 and Suppl Exec Rqst & GM7			Changes made by HB1600 HD1			IMPACT OF CHANGE
		FY22	FY23	MOF	FY22	FY23	MOF	FY22	FY23	MOF	
LNR404	DEEP MONITOR WELLS, STATEWIDE					2,000	C	-	(2,000)		Water is Hawaii's most important resource. Protecting and preserving water resources is directly linked to health, welfare, and the quality of life. Limited water resources and growing demand require careful consideration and effective coordination between land use planning and water supply. As Hawaii approaches natural limits of water resources, and given uncertain impacts of climate change, effective and proactive plans and strategies must be developed to optimize, augment, and conserve water, to best allocate existing water supplies, and to implement measures to meet future needs and competing interests, while protecting and sustaining our water resources. Deep monitor wells penetrate the entire water column from fresh water into the saltwater. The data are used to track the changes in the thickness and elevation of the freshwater aquifers over time. In order to ensure sustainable drinking water supplies into the future, the response of aquifers to pumping (as reported by individual well owners) and changes in land use as well as climate needs to be continuously monitored. Deep monitor well and reported pumpage, water-level, and chloride data are also used to help construct computer models that help us to understand the direction, flow, and sustainable yields of underground water resources. Data collection is the first step in aquifer protection, and drilling deep monitor wells are imperative in establishing baseline data to observe water trends attributed to changing climate and shifting uses. Not approving CIP funding will hamper the Commission's ability to understand aquifer properties. There is no alternative reduction since the requested amount is the cost to construct a typical deep monitor well in Hawaii.

PRGM ID	TITLE	HB1600 HD1			ACT 88 SLH 2021 and Suppl Exec Rqst & GM7			Changes made by HB1600 HD1			IMPACT OF CHANGE
		FY22	FY23	MOF	FY22	FY23	MOF	FY22	FY23	MOF	
LNR407	WATERSHED PROTECTION AND INITIATIVES, STATEWIDE	4,000	-	C	4,000	8,000	C	-	(8,000)		Act 88 SLH 2021 appropriated \$4m in FY22 and an additional \$4m in FY23. The supplemental request sought to increase FY23 to \$8m. This proposed cut to \$0 in FY23 would be disastrous for many reasons. DLNR secured a \$5m Federal grant that requires the matching State funds provided by the \$4m that was previously appropriated for FY23. With this appropriation reduced to \$0, DLNR would default on this Federal grant and also likely be unable to apply for future grants. DLNR has already leveraged \$49m in non-State funding from appropriations for the Watershed program since 2013, so loss of State CIP funds directly will correspond to loss of future matching Federal grants. This reduction in funds would lose all the effort, planning, logistics, and procurement already committed to the \$4m appropriated for FY23. DLNR would lose credibility and damage relationships with landowners and other agencies who were partnering with the DLNR on those projects. Most importantly, old-growth forests on most of the island would not be protected from hooved animals, such as axis deer. These animals are so damaging that they are the subject of an emergency proclamation in effect for Maui County. This reduction in funds prevents the DLNR from reaching the State's goal to protect 30% of high-priority watershed forests by 2030. This is particularly urgent as drought and drinking water contamination has dramatically reduced water supplies, and protection of these forests is a main tool to recharge limited aquifers. Additionally, these forests act as a "sponge" that dramatically reduces risk of flooding and erosion. Fencing and hooved animal removal are the only tool to combat Rapid Ohia Death on a landscape scale.
LNR407	KUIA NATURAL AREA RESERVE RARE PLANT FENCE, KAUAI	-			-	40	C	-	(40)	C	This small 15-acre fence will protect endangered plants from predation from hooved animals. Without this fence, these endangered plants will likely perish.
LNR407	PUU ALII MOLOKAI TREE SNAIL PREDATOR PROOF FENCES, MOLOKAI	-			-	300	C	-	(300)	C	These are critical fences for establishing new populations in the wild. Without this fence, we will not be able to protect Molokai snail species from going extinct in the wild. We also will not have a safe place to put new snails that we have propagated in captivity.
LNR407	WEST MAUI TREE SNAIL PREDATOR PROOF FENCE, MAUI	-			-	150	C	-	(150)	C	These are critical fences for establishing new populations in the wild. Without this fence, we will not be able to protect Maui snail species from going extinct in the wild. We also will not have a safe place to release new snails that we have propagated in captivity. Our snail lab has too many snails and they need to be released in the wild.
LNR407	KOOLAU ENDANGERED TREE SNAIL PREDATOR PROOF FENCE, OAHU	-			-	150	C	-	(150)	C	These are critical fences for establishing new populations in the wild. Without this fence, we will not be able to protect rare Koolau/Oahu snail species from going extinct in the wild. We also will not have a safe place to release new snails that we have propagated in captivity. Our snail lab has too many snails and they need to be released in the wild.

PRGM ID	TITLE	HB1600 HD1			ACT 88 SLH 2021 and Suppl Exec Rqst & GM7			Changes made by HB1600 HD1			IMPACT OF CHANGE
		FY22	FY23	MOF	FY22	FY23	MOF	FY22	FY23	MOF	
LNR407	MAUNAKEA UAU AND SILVERSWORD FENCE, HAWAII	-			-	160	C	-	(160)	C	Without this fence, the newly discovered population of critically endangered Hawaiian petrels will be eaten by cats. Additionally, rare silverswords will be damaged by feral hooved animals.
LNR407	KAALA BOARDWALK IMPROVEMENTS, OAHU	-			-	20	C	-	(20)	C	The existing boardwalk will remain in a degraded state.
LNR407	RARE PLANT NURSERY MODERNIZATION AND DISASTER PREPARATION, STATEWIDE	-			-	260	C	-	(260)	C	If these nurseries are not upgraded, they will continue to be very vulnerable to natural disasters. As these nurseries hold the only individuals of many species that have gone extinct in the wild, damage to these nurseries means the extinction of dozens of species. They also need protection from theft, which includes fencing and alarm systems. Finally, these upgrades will increase efficiency as they will automate irrigation and other needs.
LNR801	KAHANA BOAT RAMP, OAHU	650	-	C	650	-	C	-	-		The loading dock and launch ramp are in disrepair and further degradation may result in the facility having to be closed due to public health and safety concerns.
LNR801	KAWAIHAE NORTH SMALL BOAT HARBOR, HAWAII	1,600	-	C	1,600	500	C	-	(500)	C	This reduction may delay the finalization of plans and permitting.
LNR801	KAWAIHAE NORTH SMALL BOAT HARBOR, HAWAII	-	8,000	E	-	-		-	8,000	E	DOBOR does not qualify for E funds
LNR801	ALA WAI SMALL BOAT HARBOR, OAHU	3,040	-	C	3,040	-	C	-	-		This will delay the replacement of piers that have reached the end of their useful life and may need to be taken out of service.
LNR801	HEEIA KEA SMALL BOAT HARBOR WASTEWATER SYSTEM IMPROVEMENTS, KANEOHE, OAHU	-	3,000	E	-	3,000	C	-	-		Change MOF DOBOR does not qualify for E funds. If improvements are not made, further fines from DOH will be forthcoming.
LNR801	KEEHI SMALL BOAT HARBOR BOAT RAMP LOADING DOCK REPAIR, OAHU	-	650	E	-	650	C	-	-		Change MOF DOBOR does not qualify for E funds
LNR801	POHOIKI BOAT RAMP AND POHOIKI SWIM AREA, HAWAII	-	2,200	E	-			-	2,200	E	DOBOR does not qualify for E funds
LNR801	KIKIAOLA SMALL BOAT HARBOR, KAUAI	-	4,100	E	-	-		-	4,100	E	DOBOR does not qualify for E funds
LNR801	MAUNALUA BAY, OAHU	-	5,000	E	-	-		-	5,000	E	DOBOR does not qualify for E funds
LNR801	ALA WAI YACHT HARBOR, OAHU	-	2,500	E	-	-		-	2,500	E	DOBOR does not qualify for E funds

PRGM ID	TITLE	HB1600 HD1			ACT 88 SLH 2021 and Suppl Exec Rqst & GM7			Changes made by HB1600 HD1			IMPACT OF CHANGE
		FY22	FY23	MOF	FY22	FY23	MOF	FY22	FY23	MOF	
LNR802	EAST HAWAII HISTORIC PRESERVATION CENTER, HAWAII	-			-	2,500	C	-	(2,500)		SHPD's current office space in Hilo is substandard & badly deteriorated. The warehouse on the property is so badly deteriorated that it is at risk of collapse, creating a health and safety issue for staff and the public that SHPD serves. The reports and professional papers of Paul Rosendahl, which are enormous historical and scientific importance, had been stored in the warehouse are currently housed in cargo containers. Not including \$2.5mil in design funds for the replacement office/archive facility, will indefinitely delay the fixing of these problems. Relocating the SHPD office onto the UHH campus will mitigate the existing safety issues with the current office while also creating a partnership with the University that benefits both agencies and the Hawaiian community.
LNR806	POLIHALE STATE PARK, KAUAI	-	3,000	C	-	2,165	C	-	835		State Parks supports the addition of \$835,000 to DLNR's request of \$2,165,000, the additional funds will allow completion of planned park improvements.
LNR806	WAILOA RIVER STATE RECREATION AREA, HAWAII	-	350	C	-	-		-	350		State Parks notes that this appropriation include design and construction cost elements if appropriated as a lump sum appropriation.

PRGM ID	PROJECT TITLE	Act 88, SLH 2021 CIP Appropriations (\$000s)			FY23 Supplemental CIP Requests & GM7 (\$000s)			TOTAL FB 2021-2023 REQUESTS (\$000s)		
		FY22	FY23	MOF	Dept. Priority #	FY23	MOF	FY22	FY23	MOF

A. ECONOMIC DEVELOPMENT

LNR141	ROCKFALL AND FLOOD MITIGATION, STATEWIDE	2,000	2,000	C				2,000	2,000	C
LNR141	KALAUHAIHAI FISHPOND (LUCAS SPRING), OAHU	1,000		C			-	1,000	-	C
LNR141	PULEHUNUI WATER SOURCE AND SYSTEM DEVELOPMENT, MAUI	1,000		C			-	1,000	-	C
LNR141	UPCOUNTRY MAUI WELL, MAUI	1,000		C			-	1,000	-	C
LNR141	UPOLU WELL DEVELOPMENT, HAWAII	-			GM7	4,000	C	-	4,000	C
LNR153	ANUENUE FISHERIES RESEARCH CENTER, OAHU	350		C				350	-	C
LNR153	ANUENUE FISHERIES RESEARCH CENTER (AFRC) INFRASTRUCTURE UPGRADES, OAHU	-			10	2,000	C	-	2,000	C
LNR153	INFRASTRUCTURE UPGRADES FOR SUBCOMM LOT NEXT TO ANUENUE FISHERIES RESEARCH CENTER, OAHU				11	500	C		500	C
LNR172	PALAMANUI FOREST CONSERVATION, HAWAII	60		C				60	-	C
LNR172	WAILUA ACCESS ROAD, KAUAI	2,000		D				2,000	-	D
LNR172	WATERSHED PROTECTION AND UNGULATE FENCING, MAUI	2,800		C				2,800	-	C
LNR172	MAUNAWILI ACQUISITION, OAHU	-			25	1,650	C	-	1,650	C
LNR172	WAIMEA STATE TREE NURSERY AND MAUI DISTRICT NURSERY, STATEWIDE	-			28	500	C	-	500	C
LNR172	KANEOHE PALI ACQUISITION, OAHU				36	1,800	C		1,800	C

D. ENVIRONMENTAL PROTECTION

LNR402	KAWAINUI WETLANDS, OAHU	1,500		C				1,500	-	C
LNR402	RADIO REPEATER/PATCH LINK INSTALL (4 UNITS), MAUI, MOLOKAI	-			3	100	C	-	100	C
LNR402	BASEYARD SECURITY FENCE, MAUI	-			7	120	C	-	120	C
LNR402	KULANI WATER TANK RESERVOIR, HAWAII	-			20	240	C	-	240	C
LNR402	MAUNA KEA, HAWAII	-			6	200	C	-	200	C
LNR402	DOFAW OAHU BASEYARD IMPROVEMENTS, OAHU	-			9	500	C	-	500	C
LNR402	LEHUA FACILITIES RESTORATION, KAUAI	-			13	60	C	-	60	C
LNR402	QUARRY HAZARDOUS WASTE ASSESSMENT & CLEAN-UP, PUUWAAWAA FOREST RESERVE, HAWAII	-			30	200	C	-	200	C
LNR402	HILO OFFICE ROOF REPLACEMENT, HAWAII	-			31	185	C	-	185	C
LNR404	WAIMEA DEEP MONITOR WELL, HAWAII	2,000		C				2,000	-	C
LNR404	DEEP MONITOR WELLS, STATEWIDE				27	2,000	C		2,000	C
LNR407	WATERSHED PROTECTION AND INITIATIVES, STATEWIDE	4,000	4,000	C	1	4,000	C	4,000	8,000	C
LNR407	INSECTARY RENOVATION FOR MOSQUITO CONTROL PROGRAM, OAHU	-			2	100	C	-	100	C
LNR407	PORTABLE RADIO REPEATERS FOR NA PALI, KAUAI	-			4	50	C	-	50	C
LNR407	STORM-HARDEN WAIMANO BASEYARD, OAHU	-			18	50	C	-	50	C
LNR407	BASEYARD IMPROVEMENTS AT PUA LOKE BASEYARD, KAUAI	-			19	150	C	-	150	C
LNR407	KUIA NATURAL AREA RESERVE RARE PLANT FENCE, KAUAI	-			5	40	C	-	40	C
LNR407	PUU ALII MOLOKAI TREE SNAIL PREDATOR PROOF FENCES, MOLOKAI	-			15	300	C	-	300	C
LNR407	WEST MAUI TREE SNAIL PREDATOR PROOF FENCE, MAUI	-			16	150	C	-	150	C
LNR407	KOOLAU ENDANGERED TREE SNAIL PREDATOR PROOF FENCE, OAHU	-			17	150	C	-	150	C
LNR407	MAUNAKEA UAU AND SILVERSWORD FENCE, HAWAII	-			21	160	C	-	160	C
LNR407	KAALA BOARDWALK IMPROVEMENTS, OAHU	-			22	20	C	-	20	C
LNR407	RARE PLANT NURSERY MODERNIZATION AND DISASTER PREPARATION, STATEWIDE	-			29	260	C	-	260	C

PRGM ID	PROJECT TITLE	Act 88, SLH 2021 CIP Appropriations (\$000s)			FY23 Supplemental CIP Requests & GM7 (\$000s)			TOTAL FB 2021-2023 REQUESTS (\$000s)		
		FY22	FY23	MOF	Dept. Priority #	FY23	MOF	FY22	FY23	MOF

H. CULTURE AND RECREATION

LNR801	KAHANA BOAT RAMP, OAHU	650		C		-		650	-	C
LNR801	KAWAIHAE NORTH SMALL BOAT HARBOR, HAWAII	1,600		C	12	500	C	1,600	500	C
LNR801	ALA WAI SMALL BOAT HARBOR, OAHU	3,040		C		-		3,040	-	C
LNR801	HONOKOHAU SMALL BOAT HARBOR, HAWAII	2,250		C		-		2,250	-	C
LNR801	HEEIA KEA SMALL BOAT HARBOR WASTEWATER SYSTEM IMPROVEMENTS, KANEOHE, OAHU	-			8	3,000	C	-	3,000	C
LNR801	KEEHI SMALL BOAT HARBOR BOAT RAMP LOADING DOCK REPAIR, OAHU	-			14	650	C	-	650	C
LNR802	EAST HAWAII HISTORIC PRESERVATION CENTER, HAWAII	-			26	2,500	C	-	2,500	C
LNR804	KAIWA RIDGE TRAIL, OAHU	900		C		-		900	-	C
LNR806	STATE PARKS INFRASTRUCTURE AND PARK IMPROVEMENTS, LUMP SUM, STATEWIDE	5,500	5,500	C				5,500	5,500	C
LNR806	STATE PARKS INFRASTRUCTURE AND PARK IMPROVEMENTS, LUMP SUM, STATEWIDE	500	500	N				500	500	N
LNR806	HULIHEE PALACE SM, HAWAII	800		C		-		800	-	C
LNR806	IOLANI PALACE SM, OAHU	200		C		-		200	-	C
LNR806	KAENA POINT STATE PARK, OAHU	2,150		C		-		2,150	-	C
LNR806	KOKEE/WAIMEA CANYON SP COMPLEX, KAUAI	1,500		C	32	1,500	C	1,500	1,500	C
LNR806	KOKEE/WAIMEA CANYON STATE PARK COMPLEX, KAUAI	1,000		C	33	1,500	C	1,000	1,500	C
LNR806	PALAAU STATE PARK, MOLOKAI	1,300		C		-		1,300	-	C
LNR806	POLIHALE STATE PARK, KAUAI	1,350		C		-		1,350	-	C
LNR806	NEW PUBLIC PARK TMK: 42003029, 42001055, OAHU	3,800		C		-		3,800	-	C
LNR806	WAIANAPANAPA STATE PARK, MAUI	7,760		C		-		7,760	-	C
LNR806	POLIHALE STATE PARK, KAUAI	-			34	2,165	C	-	2,165	C
LNR806	POLIHALE STATE PARK, KAUAI	-			34	350	N	-	350	N

K. GOVERNMENT-WIDE SUPPORT

LNR101	WAIKIKI MASTER PLAN IMPROVEMENTS, OAHU	3,150		C	23	1,850	C	3,150	1,850	C
LNR101	WAIKIKI MASTER PLAN IMPROVEMENTS, OAHU	-			23	3,000	R	-	3,000	R
LNR101	WAIKIKI MASTER PLAN IMPROVEMENTS, OAHU	-			23	3,500	T	-	3,500	T
LNR101	NA WAI EHA LAND ACQUISITION, MAUI	2,000		B		-		2,000	-	B
LNR101	NA WAI EHA LAND ACQUISITION, MAUI	2,600		N		-		2,600	-	N
LNR101	NA WAI EHA LAND ACQUISITION, MAUI	3,000		N		-		3,000	-	N
LNR101	NA WAI EHA LAND ACQUISITION, MAUI	1,700		S		-		1,700	-	S
LNR101	HAWAII DISTRICT LAND OFFICE RENOVATION,	-			24	3,000	B	-	3,000	B

Subtotals by MOF	2,000	-	B			3,000	B	2,000	3,000	B
	52,660	11,500	C			33,150	C	52,660	44,650	C
	2,000	-	D			-	D	2,000	-	D
	-	-	E			-	E	-	-	E
	6,100	500	N			350	N	6,100	850	N
	-	-	R			3,000	R	-	3,000	R
	1,700	-	S			-	S	1,700	-	S
	-	-	T			3,500	T	-	3,500	T
TOTALS - ALL MOF	64,460	12,000				43,000		64,460	55,000	

DAVID Y. IGE
GOVERNOR

JOSH GREEN M.D.
LT. GOVERNOR



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ISAAC W. CHOY
DIRECTOR OF TAXATION

To: The Honorable Donovan M. Dela Cruz, Chair;
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair;
and Members of the Senate Committee on Ways and Means

From: Isaac W. Choy, Director
Department of Taxation

Date: Tuesday, March 22, 2022
Time: 9:30 A.M.
Place: Video Conference & Conference Room 211, State Capitol

Re: H.B. 1600, H.D. 1, Relating to the State Budget

The Department of Taxation (Department) has concerns about H.B. 1600, H.D. 1, and offers the following comments for the Committee's consideration.

I. Concerns regarding the Changes in H.D. 1

There are several items in the Department's budget request that the House did not concur, and they are as follows:

- SEQ # 103-001, to fund two (2) unfunded auditor positions in the Oahu Field Audit Branch: one (1) Auditor IV and one (1) Auditor V, total **\$142,788**.
- SEQ # 100-001, to fund five (5) unfunded positions in the Tax Services & Processing Division: two (2) Management Analyst IV, one (1) Tax Information Technician II, one (1) Cashier II, and one (1) Office Assistant III, total **\$257,664**.

Additionally:

- SEQ # 102-001, the House concurs on the total amount requested for TSM Maintenance and Services, but does not concur on the non-recurring amount (House: \$3,238,229 vs. Governor's Request: \$2,909,942).

The funding for the two (2) field auditors is the beginning of the rebuilding process for the Oahu Field Audit Branch. The Oahu Field Audit Branch focuses on auditing our multi-state, international, and internet-based businesses. These companies are usually publicly traded with high impacts to our economy and public revenues. The five (5) unfunded positions for the Tax

Services & Processing Division service mainly our local residents who have everyday routine questions and concerns.

The field auditors are highly skilled positions and very difficult to fill, and we are in the process of working with the University of Hawaii on an intern program in order to recruit qualified graduating candidates. We are also trying to recruit candidates from accounting firms and other non-traditional sources.

The recruitment for the vacant positions in the Tax Services & Processing Division was first delayed due to the transition of work process from a manual to automated system, then delayed by the statewide hiring freeze, and further delayed by the pandemic. The new automated services are maturing well and we are systematically establishing a table of organization for this new work environment.

Although we do not know why the non-recurring amount of TSM Maintenance and Services is different from the one submitted, the Governor's Request is accurate, so the Department requests that this item be approved as requested.

II. Tax Administration Special Fund Ceiling Increase

The Department also requested a ceiling increase in our Tax Administration Special Fund to \$5,000,000. Currently, the ceiling amount is \$3,567,116. We are requesting this ceiling increase in H.B. 1600 H.D. 1. This special fund generated over \$30,000,000 in the last fiscal year.

III. Tax Audit Project

In addition to the amount requested in our executive budget, the Department has recently engaged in a tax audit, which will require at least four (4) more professional personnel, and the four (4) positions are two (2) senior auditors, one (1) litigating tax attorney, and one (1) legal clerk. The case entails litigation amount over \$300,000,000. The Department requests that \$360,000 be funded annually for this tax audit. This project will take approximately up to three (3) years.

The breakdown of annual salary for the project personnel is as follow:

- Tax Attorney (1), \$120,000
- Senior Auditors (2), \$180,000 (\$90,000 each)
- Legal Clerk, \$60,000

Annual total: \$360,000

IV. Reduction of Thirty-five (35) Positions

Finally, upon further review of our submitted budget request, the following are the thirty-five (35) vacant positions that we would like to delete in order to make our budget more accurate.

- TAX100 EO, reduce one (1) unfunded permanent position in the Oahu Collection Branch, Compliance Division, Tax Clerk, position # 120764.

- TAX105 BA, reduce thirty-three (33) unfunded temporary positions in the Document Processing Branch, Tax Services & Processing Division.
 - Eighteen (18) Office Assistant I; position #s 4339, 26967, 29037, 29038, 29039, 34130, 34132, 34135, 34136, 34138, 34139, 37149, 37150, 37151, 37156, 37160, 49948, & 49949
 - Twelve (12) Office Assistant II; position #s 35025, 35026, 35027, 37574, 37579, 37586, 49956, 49958, 49959, 49960, 49961, & 49966
 - One (1) Management Analyst I; position # 49952
 - Two (2) Management Analyst II; position #s 49128, 49951

- TAX107 AD, reduce one (1) unfunded permanent position in the Tax Research & Planning Office, Office Assistant IV, position # 3697.

Please contact Min Meng (ASO) at 587-1792, should you have any questions. Thank you for the opportunity to testify on this measure.

HB-1600-HD-1

Submitted on: 3/21/2022 9:00:14 AM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Cynthia Gomez	Testifying for DLNR	Comments	Remotely Via Zoom

Comments:

I am available for questions to DLNR. Please allow me Zoom access.

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

MARCH 22, 2022
9:30 A.M.
CONFERENCE ROOM 308

HOUSE BILL NO. 1600, H.D. 1
RELATING TO THE STATE BUDGET

Chairperson Dela Cruz and Members of the Committee:

Thank you for the opportunity to present testimony on House Bill 1600, H.D. 1. This bill amends Act 88, Session Laws of Hawaii 2021 and other appropriations and makes additional appropriations for fiscal biennium 2021-2023 to restore most of fiscal year 2022 budget reductions due to the impact of COVID-19. The Department offers the following comments.

A major concern with the House draft budget is the deletion of three positions from the Rabies Quarantine branch's budget. The three positions are vital to the function of the program but were kept vacant due to the effects of the pandemic on the program's special fund revenues. Program revenues have since stabilized and program finances are better able to fund the cost of critical vacant positions.

We respectfully request that budget items that are in the Executive Budget request and were deleted in the House draft be considered in the Senate draft. Important operating requests not included in the House draft include funds to clear a portion of Kainahola stream on Kauai to comply with the judgement imposed by the State of Hawaii Fifth Circuit Court and the appropriation of funds obtained from a



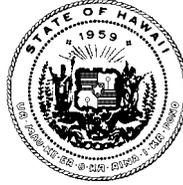
settlement of a pesticides use violation for the creation of a pesticides disposal program as a condition for receipt of the settlement funds.

In the capital improvements program budget, we request that the consideration be made to fully fund the Halawa Animal Quarantine Station, Oahu project. This project will locate and remove a source of tar-like substance that is surfacing in the parking lot and surrounding area. Fully funding the project will ease environmental concerns and avoid future budget requests for the same project.

Another important CIP request that was deleted in the House draft budget is the Royal Kunia Agricultural Park, Oahu. This request will allow the department to begin the development of prime agricultural land on Oahu. This first phase of the project will begin building utilities and roads for 10-12 five-acre farm lots. This project will not only support agriculture in the State but will also provide additional agriculture park lands where there is great demand requested by new and small farmers, elected officials.

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

DAVID Y. IGE
GOVERNOR



CATHY BETTS
DIRECTOR

JOSEPH CAMPOS II
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

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

March 21, 2022

TO: The Honorable Senator Donovan M. Dela Cruz, Chair
Senate Ways and Means Committee

FROM: Cathy Betts, Director

SUBJECT: **HB 1600 HD1 - RELATING TO THE STATE BUDGET.
IMPACT STATEMENT**

Hearing: Tuesday, March 22, 2022, 9:30 a.m.
Via Videoconference, Room 211, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the executive budget and provides comments regarding the impacts of the HD1.

PURPOSE: The purpose of this measure is to adjust and request appropriations for fiscal biennium 2021-2023 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs.

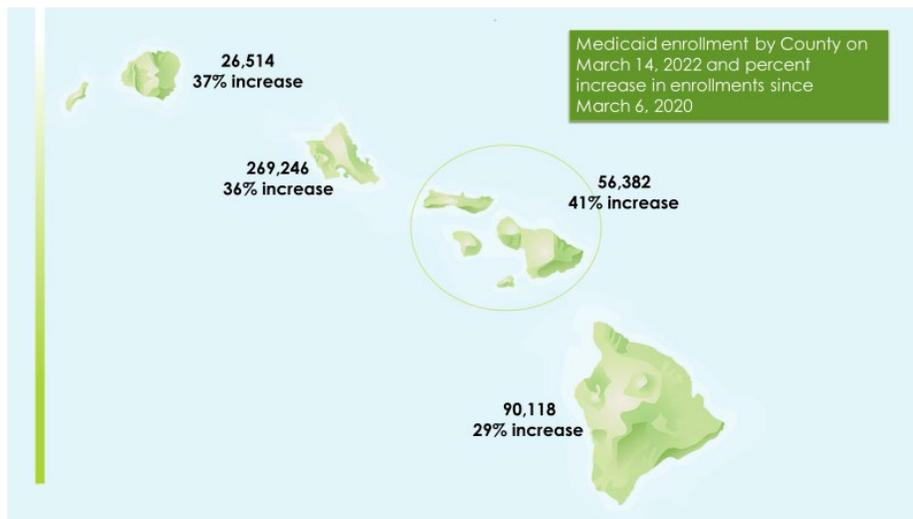
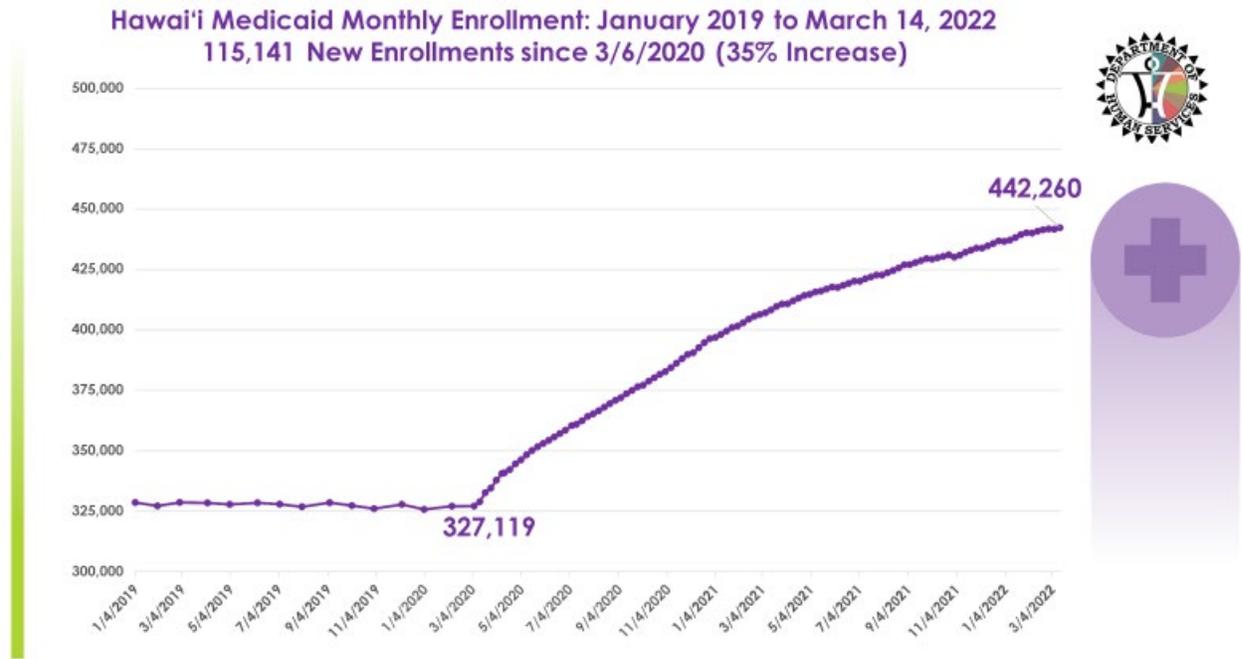
Director's Statement & Budget Summary

On behalf of DHS, we appreciate the opportunity to present and discuss the Department's supplemental State Fiscal Year (SFY) 2023 budget requests. We would also like to extend our appreciation and gratitude for the Legislature's support throughout the pandemic. Over the last two years, DHS staff and leadership have worked tirelessly to ensure timely and equitable access to a lifeline of safety net benefits and services. What lies before us in terms of long-term pandemic impact on some of our most marginalized communities remains unknown. However, we know that communities' need for our services and benefits remains high, regardless of the recent economic upturn. As a department and a State, we have an opportunity to continue to innovate, collaborate, and ensure de-siloed and time-efficient services for our residents. Returning to a pre-pandemic status quo should not be entertained. With the legislature and our community stakeholders' commitment, we can transform how we operate and deliver services to those most in need. We will need adequate staffing, continued investment in IT modernization, and well-thought-out solutions to get there. We need the restoration of positions to support the dedicated and well-trained workforce to continue meeting the needs of our residents.

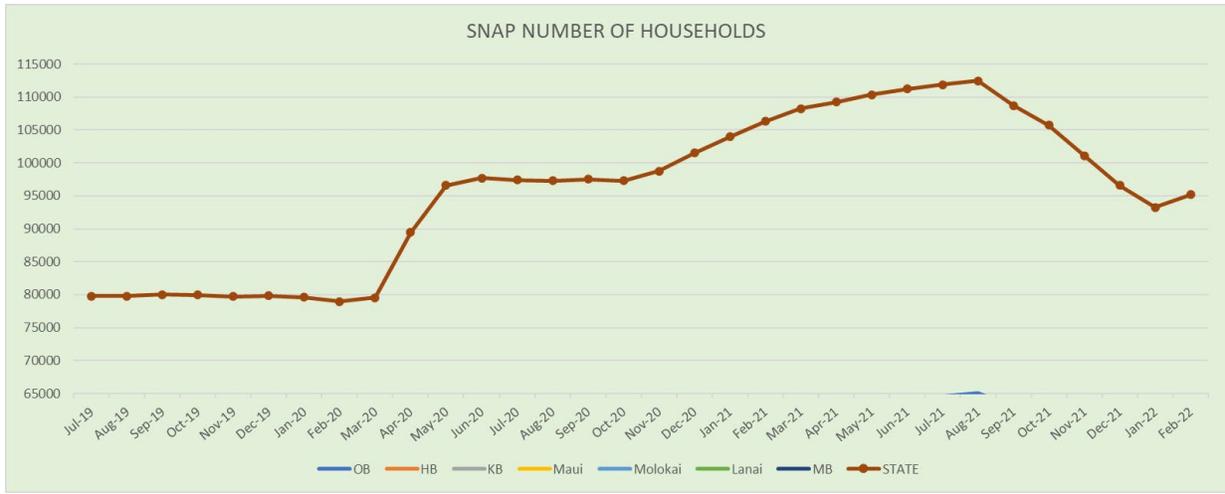
Hawaii Public Housing Authority will submit their testimony separately.

The top priorities of the DHS Supplemental SFY2023 budget are to restore funds to defunded or underfunded positions and establish new positions to meet the needs of Hawaii residents who continue to require benefits and services in record numbers.

For example, as of March 14, 2022, though we are seeing the first declines in Medicaid enrollment, the caseload remains high at 442,260 or **35% more** individuals than in March 2020, with the highest percentage increase in Maui County.



Similarly, as of March 3, 2022, households receiving Supplemental Nutrition Assistance Program (SNAP) benefits remain **19.6% higher** (95,190) than at the pandemic's start in March 2020. SNAP household participation hit a high of 112,461 households during the Delta variant surge in August 2021, or 41% higher than March 2020. We fully expect the fluctuation of the SNAP caseload to continue to follow the changes in economic activity as the different COVID-19 variants impact the State. While we have requested extensions of federal waivers, if the current federal waivers end at the end of March, we will be required to reinstate additional verification requirements. We anticipate delays as eligibility staff continues to address the high volume of clients and additional verification procedures with the volume of cases.



To continue providing timely services and improving access to services, we request the **restoration of salaries for 100 defunded positions and 36 new positions and appropriations for salaries.**

DHS SUPPLEMENTAL FY23 BUDGET REQUEST TO RESTORE DEFUNDED SALARIES & NEW POSITION REQUESTS												
RESTORE SALARIES DEFUNDED BY ACT 9, SLH2020 & ACT 88, SLH 2021					NEW POSITION REQUESTS							
		Restore General Fund Salaries, MOF A	Adjusted Federal Fund Salaries MOF N	No. of Positions	FTE			TTL Pos	Salaries			Total Dollar Request
				MOF A	MOF N	MOF B	MOF A		MOF N	MOF B		
BESSD	HMS236	797,151	(51,425)	35								
	HMS302	-	-		12.50	12.50		25	533,430	533,430		1,066,860
	HMS903	70,585	(10,241)	3								
DVR	HMS802	135,376	-	11								
MQD	HMS902	775,084	49,307	32								
SSD	HMS301	68,536	1,590	3		0.50	0.50	1		31,068	31,068	62,136
	HMS601	29,874	1,212	1								
ADMIN	HMS904	551,547	-	14	2.95	1.05		4	280,109	120,017		400,126
HYCF	HMS503	55,200	-	1								
HPHA	HMS222	-	-	0		6.00		6		246,672		246,672
	Total	2,483,353	(9,557)	100	15.45	20.05	0.50	36	813,539	931,187	31,068	1,775,794

The supplemental budget requests emphasize continued investment in the **DHS IT workforce and modernizing its IT infrastructure.**

Prog ID	Dept Pri	DHS IT Requests	MOF	FTE (P)	FTE (T)	\$ Amount
		Administration				
904AA-52	1	Add 3.00 Perm FTEs for OIT Project Management Office Positions	A	1.95		224,909
904AA-52	1	Add 3.00 Perm FTEs for OIT Project Management Office Positions	N	1.05		195,380
904AA-54	6	Fund OIT Information Technology Positions	A	8.0		328,278
904AA-53	7	Fund OIT Administration Positions	A	3.0		111,069
		Social Services Division – Child Welfare Services				
301SA-51	8	Add 1.00 Perm FTE for FFPSA SW V 92379K	B	0.50		25,286
301SA-51	8	Add 1.00 Perm FTE for FFPSA SW V 92379K	N	0.50		25,286
		Med-QUEST Division				
902IA-52	13	Add General Funds to KOLEA M&O	A			\$1,137,000

The prior and ongoing investments to modernize the DHS IT infrastructure were critical to the Department's ability to pivot to a telework environment and provide benefits and services to Hawaii's residents throughout the pandemic. Our budget requests assume that DHS will maintain the capabilities gained during the pandemic and add more IT capabilities and business processes to improve service delivery. For example, with CARES Act funds, DHS worked with the Department of Education (DOE) and the Hawaii State Public Charter School Commission to deliver new pandemic SNAP benefits through the Pandemic Electronic Benefits Transfer program (P-EBT). The DHS invested in new IT capabilities to match DOE and Charter School Commission data. As a result, Hawaii was among the first states to issue P-EBT COVID-19 relief benefits as follows:

SNAP households with children:

- Number of families received P-EBT benefits: 31,406
- Number of children who received P-EBT benefits: 51,608
- Total amount of P-EBT benefits issued: **\$30,454,938**

Non-SNAP households with children:

- Number of families received P-EBT benefits: 33,465
- Number of children who received P-EBT benefits: 46,380
- Total amount of P-EBT benefits issued: **\$30,733,550**

If schools should close again and more P-EBT benefits are authorized, DHS will be ready to distribute additional P-EBT benefits.

In SFY 2020, DHS issued \$2,000,000 in added Child Care Development Block Grant Funds (CCDBG) to child care providers to address child care providers' COVID-19 mitigation. To do this, we added a new automated batch processing function that authorizes multiple payment claims for multiple providers in one transaction, a new payment issuance process that leveraged existing Directed Provider Payment functionality to deposit payments to the bank account designated by the provider, and we added functionality to produce the reports and error checks to prevent duplicate payments.

With federal pandemic funds, DHS developed two child care grant programs that provided needed support to child care facilities to remain open. Child care programs used these funds to compensate their staff, even if their operations were impacted by COVID-19 cases, especially as children under five remain ineligible for vaccination against COVID-19.

In 2020, under Act 9, Part XII, the Legislature established the child care grant program to support child care facilities during the COVID-19 pandemic. Act 9 included an appropriation of federal funds appropriated to the State by the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, to implement the purpose of Act 9, Part XII. Later, Congress appropriated the child care relief and stabilization fund through the American Rescue Plan Act of 2021, Pub. L. No. 117-2. If the health and economic impacts of the pandemic continue, we anticipate that additional federal funds may be forthcoming to continue to support child care facilities. The pandemic highlighted the need for child care for working families; we anticipate with heightened scrutiny and commitment from the federal government, we will continue to receive an increase in federal funds to ensure adequate child care exists for working families.

The Act 9 child care grant program issued 348 grants for more than \$11.3M. The child care grant program funded with American Rescue Plan Act funds is in the process of issuing more than \$70M in funds to child care providers and their employees.

These expanded caseloads and new benefit programs, the SFY 2021 executive hiring freeze, Act 9, Session Laws of Hawaii (SLH) of 2020, defunding of 319 positions, and Act 88, SLH 2021, defunding of 18 positions, the dramatic growth in clients, retirements, resignations, programmatic changes, and new programs have put an enormous strain on our existing staff and operations.

The trauma and demands of the pandemic have significantly impacted our line staff, who work with vulnerable residents daily. Re-funding split funded positions will improve staff morale and provide needed support to continue the vitally important work.

DHS employees are proud that they have met the steep increase in need, but continuing to do so comes at a price for morale, risk of burnout, vicarious trauma, and hinders employee retention.

1. Restoring unfunded and reduced positions will allow the Department to sustain the increase in need, support the current and future workforce, and bolster the strength of our social service safety net, supporting all three strategic plan goals.

2. Budget requests for direct client assistance programs support our strategic plan goal to improve the self-sufficiency and well-being of Hawai'i's individuals and families.
 - a. MQD, HMS 401 – to extend postpartum benefits to twelve months and fund adult dental benefits.
 - b. SSD, HMS 301 – to maximize available federal funding to support families in the community and decrease the number of children entering foster care and families entering the Child Welfare System.
 - c. BESSD, HMS 211 – to increase and maximize the current allotment (benefit) amount allowable under HRS 346-053 for Temporary Assistance for Needy Families (TANF) and Temporary Assistance for Other Needy Families (TAONF).
 - d. BESSD, HMS 903 – to procure afterschool and summer programs for children in grades K-12 statewide to help address the lack of available childcare for grade school students and youth programs for students grades 7-12.
 - e. BESSD, HMS 903 – to reinstate the Exit and Employment Retention Bonuses program. The bonuses paid to those who exited TANF were proven successful as incentives for TANF recipient families to obtain and maintain employment and to remain financially independent.
 - f. HYCF, HMS 503 – to assist HYCF youth in transitioning back into our communities, reducing recidivism, and increasing public safety.

3. Budget requests supporting our strategic plan goal two to improve service integration and delivery to develop solutions for sustainable outcomes include the internal process and infrastructure improvements:
 - a. MQD, HMS 902 – additional general funds to support the maintenance and operations (M&O) for KOLEA, the Medicaid enrollment system. With KOLEA, MQD was able to process an increase of over 35% of Medicaid clients timely and safely.
 - b. BESSD, HMS 903 - tech refresh for all computers to replace equipment purchased in 2018. The ETS recommendation is that agencies follow a 4-year replacement cycle replacing roughly 25% of the PCs in the agency every fiscal year.¹
 - c. HPHA, HMS 220 – CIP request for public housing development, improvements, and renovations, including compliance with the Americans with Disabilities Act (ADA) and Department of Housing and Urban development's (HUD's) Uniform Federal Accessibility Standards (UFAS).

¹DHS will delete this request as the Department of Budget & Finance (B&F) approved DHS request for ARPA funds for this purpose. B&F will submit a Governor's Message to delete the request.

- d. DVR, HMS 802 - CIP request for Ho'opono Services for the Blind, Buildings A & B enclosure of mechanical area, retro-commissioning, and paint building exteriors to prevent disruption in services to blind customers and maximize staff and consumer safety.
- e. HYCF, CIP requests to replace air conditioning systems and emergency generators that serve the Secure Custody Facility, Observation and Assessment Cottage, and Maluhia Cottage.

To address the impacts of HB1600 HD1 within each division or attached agency, we organize our discussion in three sections:

1. **HB1600 HD1 in agreement with HB1600.** DHS appreciates and agrees with all budget decisions in HB1600 HD1 that **agree** with the Governor's requests in HB1600.
2. **House additions.** DHS appreciates and agrees with all House additions to HB1600 HD1 to the HMS Supplemental FY2023.
3. **HMS Supplemental budget requests that the House did not include in HB1600 HD1.** We provide impact statements for HB1600 budget requests not included in HB1600 HD1. We ask the Senate to reconsider the following items and include them in HB1600 HD1 SD1:
 - a. Division of Vocational Rehabilitation
802GA-53 - Convert 1.00 FTE Pos from Temp to Perm
 - b. Med-QUEST Division
401PE-53 - Extending Postpartum Benefit to 12 Months
401PE-51 - Expansion of Adult Dental Benefit
 - c. Social Services Division
301SA-53 - Increase Special Fund Ceiling for SCASF

The Hawai'i Public Housing Authority will provide testimony separately.

OFFICE OF YOUTH SERVICES (OYS) / HAWAII YOUTH CORRECTIONAL FACILITY (HYCF)

HMS 501 – IN-COMMUNITY YOUTH PROGRAMS

HB1600 HD1 in agreement with HB1600. DHS appreciates and agrees with the HB1600 HD1.

		OPERATING BUDGET REQUESTS		FY23
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Prog ID	Dept Pri	Description	MOF	FTE (P)	FTE (T)	\$ Amount
501YA-51	4	Transfer-Out Pre-Audit Clerk I 47413 from HMS 501 to HMS 904. Companion request is 904AA-57	A	(1.00)		(34,020)
904AA-57	4	Transfer-In Pre-Audit Clerk I 47413 from HMS 501 to HMS 904. Companion request is 904AA-57	A	1.00		34,020

501YA-51 - Transfer-Out Pre-Audit Clerk I 47413 from HMS 501 to HMS 904. Companion request is 904AA-57

DHS is requesting to transfer position 47413, Pre-Audit Clerk, from HMS 501 to HMS 904/FMO to reflect the current organizational structure accurately.

This position was established in HMS 501 in 1993 and reflected organizationally in the Financial Management Office (FMO). The incumbent in this position has continuously physically resided within FMO. FMO has supervisory control over this position. The position is one of three positions currently providing payroll services to all of DHS (except HPHA) and performs a critical function in FMO. This request is a trade-off with a companion request to transfer out of HMS 503.

HMS 503 – Hawaii Youth Correctional Facility (HYCF)

HB1600 HD1 in agreement with HB1600. DHS appreciates and agrees with the HB1600 HD1.

Dept Pri	Prog ID	Proj No.	CIP BUDGET REQUESTS Project Title	MOF	SUPPLEMENTAL TOTALS	
					FY 22	FY 23
1	HMS503	FY23.2	HYCF REPLACE EMERGENCY GENERATORS AND OTHER IMPROVEMENTS, OAHU	C		1,350,000
2	HMS503	FY23.1	HYCF AIR CONDITIONING SYSTEMS REPLACEMENT AND RELATED IMPROVEMENTS, OAHU	C		500,000

HMS 503 FY23.2 – HYCF Replace Emergency Generators & Other Improvements, Oahu

This request is necessary to replace existing emergency generators that service the Secure Correctional Facility, Observation and Assessment Cottage, and Maluhia Cottage. The work involves demolition, installing emergency generators and a generator building, and other related improvements.

HMS 503, FY23.1 – HYCF Air Conditioning Systems Replacement and Related Improvements, Oahu

This request is for plans, design, and construction to replace air conditioning systems and existing emergency generators that serve the Secure Custody Facility, Observation and Assessment Cottage, and Maluhia Cottage. The project may include repairs, renovations, refurbishments, new

construction, ground and site improvements, and related work. In addition, the work involves demolition, installation of emergency generators, a generator building, and other related improvements to equipment and structures that are out of date with current industry and safety standards. This improvement would minimize staff and consumer safety risks and promote energy efficiency and long-term cost savings.

House additions. DHS appreciates and agrees with all House additions to HB1600 HD1 to the HMS Supplemental FY2023.

Prog ID	Dept Pri	OPERATING BUDGET REQUESTS			FY23	
		Description	MOF	FTE (P)	FTE (T)	\$ Amount
503YB-51	10	Funding of 1.00 Permanent General Professional IV 118511	A	-		55,200 62,136 *
503YB-52	29	Restoration of Other Current Expenses at HYCF	A			150,000

****DHS agrees with the House adjustment adding \$6,936 to fund the salary of a GP V (class code 2.007), SR24 C, to \$62,136.***

503YB-51 - Funding of 1.00 Permanent General Professional IV 118511

The impact of not having a PREA Coordinator for HYCF results in the entire State of Hawaii being non-compliant with 28 CFR § 115.311 - zero tolerance of sexual abuse and sexual harassment; PREA Coordinator. Non-compliance results in a reduction of federal funding to the State.²

The Hawaii Youth Correctional Facility (HYCF) requests to restore the salary for position 118511. Federal regulations that address sexual abuse and sexual harassment at correctional facilities require a Prison Rape Elimination Act (PREA) Coordinator. Per 28 CFR § 115.311, Zero tolerance of sexual abuse and sexual harassment; PREA coordinator,

- (b) An agency shall employ or designate an upper-level, agency-wide PREA coordinator with sufficient time and authority to develop, implement, and oversee agency efforts to comply with the PREA standards in all of its facilities.
- (c) Where an agency operates more than one facility, each facility shall designate a PREA compliance manager with sufficient time and authority to coordinate the facility's efforts to comply with the PREA standards.

² Per the "February 11, 2014 letter to governors regarding implementation of the National PREA Standards, in Fiscal Year 2014, there are three DOJ grant programs (or portions thereof) subject to the five percent penalty for non-compliance. Two are administered by the Office of Justice Programs: (1) the Bureau of Justice Assistance's Edward Byrne Memorial Justice Assistance Grant Formula Program, and (2) the Office of Juvenile Justice and Delinquency Prevention's Juvenile Justice and Delinquency Prevention Act Formula Grant Program. One is administered by the Office on Violence Against Women: the STOP (Services, Training, Officers, and Prosecutors) Violence Against Women Formula Grant Program." For more information about which federal programs may be impacted by non-compliance with PREA, see https://www.prearesourcecenter.org/frequently-asked-questions?keywords=penalty&from=&to=&items_per_page=10.

HYCF is the only juvenile secured custody correctional facility in Hawaii, and juveniles from the four counties are committed to HYCF by the Family Courts. The average population ranges from 20-25 youth in secure custody, with an average range of 5-10 youth per year in parole supervision.

503YB-52 - Restoration of Other Current Expenses at HYCF

The restoration of these funds is needed to fund mental health and transition services at HYCF. HYCF serves the most vulnerable high-risk youth of the Juvenile Justice system. Most of these youth are aging out of the juvenile justice system at 18 with limited resources. Restoring these funds will provide vocational training, housing for transition, and mental health treatment. In addition, these funds are necessary to address delayed repair and maintenance projects, rising utility costs, and any unforeseen maintenance.

The Legislature appropriated \$3,108,789 to HMS 503 in other current expenses for the fiscal year 2020-21. In 2021, the Legislature further cut this amount to \$1,938,413 by Act 88, SLH 2021. Even with \$520,000 received through the American Rescue Plan Act, Act 88, SLH 2021, the 2021 appropriation reduces the amount available by \$650,376.

BENEFITS, EMPLOYMENT & SUPPORT SERVICES DIVISION (BESSD)

HB1600 HD1 in agreement with HB1600. DHS appreciates and agrees with the HB1600 HD1.

HMS 204 – General Assistance Payments

		OPERATING BUDGET REQUEST		Amount	
Prog ID	Dept Pri	Description	MO F	FY22	FY23
204PD	NA	Lapse American Rescue Plan Act Funds for General Assistance Payments	V	(5,400,000)	

204PD-Gov1 Lapse \$5.4M ARPA for RY 22 (retro) General Assistance Payments

Pre-COVID-19, the caseload of the state-funded General Assistance (GA) program was 5,201 clients in February 2020; by June, the caseload rapidly increased to an unprecedented 7,015 clients. As a result, in September 2020, with a base budget of \$23,889,056, DHS projected a shortfall for SFY21 and SFY22 of \$5,400,000. The shortfall prompted the request for an Emergency Appropriation of

\$3,200,000³ for SFY 2021⁴ to restore benefits and avoid reducing benefits further for temporarily disabled residents and an additional \$5,400,000 appropriation for SFY22.

In SFY 2022, the GA caseload has steadily decreased, and the current caseload is 4,758 as of October 2021. With the decreased caseload, the current SFY22 general fund appropriation is adequate to maintain GA benefits at the present benefit amount. Therefore, the additional ARPA appropriation is unnecessary for the current fiscal year.

HMS 211 – Cash Support for Families – Self Sufficiency

HB1600 HD1 in agreement with HB1600. DHS appreciates and agrees with the HB1600 HD1.

		OPERATING BUDGET REQUEST	FY23			
Prog ID	Dept Pri	Description	MOF	FTE (P)	FTE (T)	\$ Amount
211PC-51	20	Additional General Funds to Increase TAONF Allotment Level	A			4,021,809

211PC-51 – Additional General Funds to Increase TAONF Allotment Level

This request is to increase funding for the TAONF portion of the allotment (benefit). The current allotment amount for Temporary Assistance for Needy Families (TANF) and Temporary Assistance for Other Needy Families (TAONF) recipient families is at 48% of the 2006 Federal Poverty Level (FPL). The last increase to the allotment level was in 2009, twelve years ago. According to 346-053, HRS, DHS may increase the allotment amount up to 62.5% of the 2006 FPL. This request supplements the current appropriation, allowing DHS to increase and maximize the benefit levels under section 346-053, HRS, for both TANF and TAONF programs. The allotment will increase from 48% to 60% of the 2006 FPL. The change will represent a \$190 increase per month for a maximum benefit of \$954 per month for a family of three with zero income; and an increase of \$230 for a maximum benefit of \$1,150 per month for a family of four with zero income.

TAONF benefits paid will be claimed towards meeting the federal TANF Maintenance of Effort (MOE) requirement. Hawaii must expend a minimum of \$75.8 million of state funds towards benefits and services for eligible families with dependent children and whose incomes are below the income threshold. If the State fails to meet the minimum MOE requirement, the State may face a fiscal penalty equal to 5% of the federal TANF Block Grant or about \$4.9 million.

HMS 224 – Homeless Services

HB1600 HD1 in agreement with HB1600. DHS appreciates and agrees with the HB1600 HD1.

⁴ DHS also used funds from the Interim Assistance Reimbursement Special Fund (IAR) to maintain GA benefits. In SFY 2020, DHS drew \$202,223, and in SFY 2021 drew \$3,000,000 from the IAR.

		OPERATING BUDGET REQUEST		Amount	
Prog ID	Dept Pri	Description	MOF	FY22	FY23
224HS	NA	Lapse American Rescue Plan Act Funds for Property Storage and Debris Removal	V	(3,500,000)	(3,500,000)

224HS-Gov1 Lapse \$3.5M ARPA for FY22 (retro) & FY23 Property Storage & Debris Removal

For the past several years, DHS has administered funding for a statewide Stored Property and Debris Removal program through a Memorandum of Agreement (MOA) with the Department of Transportation (DOT). DOT contracts a vendor to maintain a statewide stored property program that addresses property, trash, or other debris left behind at unauthorized encampments on state lands. Expenditures include supplies and equipment to store the property, debris removal services, and signage and fencing to prevent unauthorized encampments on state lands. Most recently, in SFY21, DHS transferred \$3,500,000 in A funds to DOT to contract for these services for the duration of SFY22. In SFY23, DOT will assume full responsibility for this function and directly request an appropriation to perform this service.

DOT is appropriate for the Stored Property and Debris Removal program funding. DOT has implemented this program for the last four years and has the necessary expertise to contract a vendor to perform this function. In 2019, the Stored Property program removed 5,081 tons (11.2 million pounds) of debris and stored 226 items statewide, including more than 4,200 tons (9.25 million pounds) from the island of Oahu alone.

While the appropriation and program will no longer be with DHS, the Stored Property and Debris Removal program remains a core part of the state framework to address homelessness.

		OPERATING BUDGET REQUESTS		FY23		
Prog ID	Dept Pri	Description	MOF	FTE (P)	FTE (T)	\$ Amount
224HS-51	2	Trade-off Funding for One (1) Defunded HPO Position (From OCE)	A			(51,024)
224HS-51	2	Trade-off Funding for One (1) Defunded HPO Position	A			51,024
224HS-52	27	Eliminate MOF P Ceiling for Homeless Services	P			(2,366,839)

224HS-51 – Trade-off Funding for One (1) Defunded HPO Position (from OCE)

DHS Homeless Programs Office (HPO) is requesting the reduction of other current expenses, line item 267 (Miscellaneous Current Expenses), MOF A, to restore the salary for position number 121802, Program Specialist III. HPO has a small staff, and managing ongoing caseloads are very challenging. This position is responsible for implementing planning, contracting, collaboration, and coordination with homeless providers. In addition, the position works with the counties on

their continuum of care strategies to alleviate homelessness, develops and implements programs, and pursues private and federal funding opportunities. These efforts will enhance the State's efforts to mitigate homelessness and coordinate development and oversight of State-owned homeless facilities.

This position addresses the impact of the COVID-19 pandemic and the changes needed to keep service providers and clients as safe as possible. The position is part of the HPO team responsible for monitoring program compliance to address the increased demand while maintaining program integrity in delivering services to eligible homeless individuals and families. This position is essential for the oversight of homeless shelter programs to ensure that the State of Hawaii provides efficient and effective homeless programs. HPO needs funding for this position to maintain administrative oversight of homeless programs.

224HS-52 – Eliminate MOF P Ceiling for Homeless Services

This request eliminates the \$2,366,839 MOF P Ceiling for Homeless Services. HPO no longer administers the federal grant to Bridging the Gap (BTG), the Continuum of Care (CoC)⁵ for Hawaii, Kauai, and Maui counties. In 2019, the U.S. Department of Housing and Urban Development (HUD) agreed to HPO's request to direct the grant funds directly to BTG instead of passing the grant through DHS; this change streamlined contracting and improved the DHS timeliness of administrative activities. The Board of BTG unanimously approved the change. Ka Mana O Na Helu manages the CoC grant, a non-profit organization procured for and selected by BTG to serve as the CoC Collaborative Applicant and Homeless Management Information System lead agency.

HMS 236 – Case Management for Self Sufficiency

HB1600 HD1 in agreement with HB1600. DHS appreciates and agrees with the HB1600 HD1.

Prog ID	Dept Pri	OPERATING BUDGET REQUESTS			FY23	
		Description	MOF	FTE (P)	FTE (T)	\$ Amount
236LC-51	2	General Funding and Federal Fund Adjustment for 35 Defunded Positions for Case Management and Self-Sufficiency	A			797,151
236LC-51	2	General Funding and Federal Fund Adjustment for 35 Defunded Positions for Case Management and Self-Sufficiency	N			(83,710)

236LC-51 - General Funding and Federal Fund Adjustment for 35 Defunded Positions for Case Management and Self-Sufficiency

⁵ HUD requires communities to request funds through a Continuum of Care. Hawaii has two Continuum of Care (CoC), Partners in Care for the City & County of Honolulu, and Bridging The Gap for the Counties of Hawaii, Kauai, and Maui.

All positions listed are critical to maintaining the caseloads within the processing centers and First-to-Work Offices, as they provide eligibility determinations, supportive services to maintain operations, or case management to assist participants:

1. Office Assistants provide supportive services such as receiving and processing documents for eligibility workers to review, answering general questions from the public, reception duties in the lobbies, and other clerical functions required to manage personnel records and functioning of the office setting.
2. Eligibility Workers conduct eligibility determinations for applicants and recipients for cash and SNAP benefits per program policies and procedures.
3. The Self-Sufficiency/Support Services positions support participants in the TANF and TAONF programs by providing case management and training to complete a resume, apply for jobs, and further their education.

During this pandemic period, the processing centers statewide have been receiving over 500 applications daily, which has increased the overall workload for the processing centers. It takes about 1.5 to 2 years for an Eligibility Worker to acquire the programmatic knowledge required to conduct eligibility determinations independently. Therefore, keeping the "pipeline" of positions is critical to balancing newly trained employees as current employees retire or resign.

These positions are essential for our operation as we continue to work through this pandemic period and economic uncertainty. Unfortunately, however, we do not have trade-off funds and request general funds for the salary. Also, the federal fund portion of the salary was adjusted to match the current salary schedule.

HMS 302 – General Support for Child Care Payments

HB1600 HD1 in agreement with HB1600. DHS appreciates and agrees with the HB1600 HD1.

However, DHS is requesting to increase the MOF A funds and decrease the MOF N funds to correct Form A submitted for this budget request. See additional information in the table below.

OPERATING BUDGET REQUESTS				FY23		
Prog ID	Dept Pri	Description	MOF	FTE (P)	FTE (T)	\$ Amount
302DA-51	5	Establish and Funds for 25.00 Permanent Positions to Implement Child Care Subsidy Programs	A	12.50		303,842 326,090
302DA-51	5	Establish and Funds for 25.00 Permanent Positions to Implement Child Care Subsidy Programs	N	12.50		680,631 493,534

302DA-51 - Establish and Funds for 25.00 Permanent Positions to Implement Child Care Subsidy Programs

NOTE: Due to formula reference errors in Form A 302DA-51, the amount of general funds approved is \$22,248 less than required, and the amount of federal funds approved is \$187,097 more than required. DHS requests that the amounts in the Governor's Decisions for FY23 be adjusted by +\$22,248 in general funds and by -\$187,097 in federal funds to correct the request to the actual amounts needed.

302DA-51 Establish and Funds for 25.00 Permanent Positions to Implement Child Care Subsidy Programs											
			FY 23 Request - Approved			FY 23 Request - Corrected			FY Request - Adjustment Needed		
			FTE (P)	FTE (T)	(\$)	FTE (P)	FTE (T)	(\$)	FTE (P)	FTE (T)	(\$)
A. Personal Services			25.00	0.00	865,723	25.00	0.00	700,874	0.00	0.00	(164,849)
B. Other Current Expenses					118,750			118,750	0.00	0.00	0
C. Equipment					0			0	0.00	0.00	0
L. Current Lease Payments					0			0	0.00	0.00	0
M. Motor Vehicles					0			0	0.00	0.00	0
								0	0	0	0
TOTAL REQUEST			25.00	0.00	984,473	25.00	0.00	819,624	0.00	0.00	(164,849)
By MOF:											
A			12.50	0.00	303,842	12.50	0.00	326,090	0.00	0.00	22,248
N			12.50	0.00	680,631	12.50	0.00	493,534	0.00	0.00	(187,097)

DHS is requesting 25 positions and funds to bring the child care subsidy programs within its State offices instead of procuring the services. Child care subsidies help families afford child care, make more resources available for other living expenses, and provide equal access to high-quality care, targeting underserved and at-risk families. DHS currently procures child care subsidy services for the federally funded Child Care Connection Hawaii and the state-funded Preschool Open Doors programs. Bringing the program in-house will add capacity to process applications and improve efficiency, timeliness, and communication with families. DHS aims to reduce the time to make accurate eligibility determinations as families need child care subsidies to obtain and maintain employment.

The COVID-19 pandemic highlighted that safe and affordable child care is an essential service for parents and caregivers to continue working. Congress appropriated additional child care funds as part of the pandemic response. The U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), provided program waivers and changes to the Child Care and Development Fund for States to continue safe and affordable child care.

Since May 2020, applications for CCCH have significantly increased, and demand for child care assistance remains high. From May 2020 through January 2022, CCCH received 10,520 applications and 5,801 re-certification applications compared to 5,624 total applications and 2,038 re-certification applications from the preceding twenty-one months, August 2018 – April 2020.

Unfortunately, the contracted providers could not expand capacity to meet the increased demand for child care subsidies. DHS received numerous complaints from parents who were waiting for a determination on their applications, and many needed to resubmit documentation. From May 2020 through January 2022, there were 21,588 applications pending, or about 1,028 per month, on average. Families cannot afford to wait to enroll their children in child care while they look for employment, maintain employment, or continue their education.

DHS also anticipates that ACF will make permanent changes to the child care program that will expand eligibility so that more families can afford child care. With the additional staff, DHS will be more effective in administering the child care subsidy programs.

HMS 903 – General Support for Self Sufficiency Services

HB1600 HD1 in agreement with HB1600. DHS appreciates and agrees with the HB1600 HD1.

Prog ID	Dept Pri	OPERATING BUDGET REQUESTS		FY23		
		Description	MOF	FTE (P)	FTE (T)	\$ Amount
903FA-52	21	Additional General Funds & Federal Ceiling Increase for Exit and Retention Bonus Payments	A			349,000
903FA-52	21	Additional General Funds & Federal Ceiling Increase for Exit and Retention Bonus Payments	N			1,141,000
903FA-51	22	Additional General Funds & Federal Ceiling Increase for Afterschool and Summer Programs	A			300,000
903FA-51	22	Additional General Funds & Federal Ceiling Increase for Afterschool and Summer Programs	N			5,700,000
903FA-55	23	General Funding and Federal Fund Adjustment for Three (3) Defunded Permanent Positions from Central Services Office and Investigations Office	A			70,585
903FA-55	23	General Funding and Federal Fund Adjustment for Three (3) Defunded Permanent Positions from Central Services Office and Investigations Office	N			(16,670)
903FA-54	24	Request to Delete Three (3) Temporary Positions for BES Project and transfer funding from Personal Services to Other Current Expenses (From PS)	A		(1.59)	(83,386)
903FA-54	24	Request to Delete Three (3) Temporary Positions for BES Project and transfer funding from Personal Services to Other Current Expenses (To OCE)	A			83,386
903FA-54	24	Request to Delete Three (3) Temporary Positions for BES Project and transfer funding from Personal Services to Other Current Expenses (From PS)	N		(1.41)	(178,080)

903FA-54	24	Request to Delete Three (3) Temporary Positions for BES Project and transfer funding from Personal Services to Other Current Expenses (To OCE)	N			178,080
903FA-53	25	Additional General Funds & Federal Ceiling Increase for Tech Refresh Project	A			1,587,853
903FA-53	25	Additional General Funds & Federal Ceiling Increase for Tech Refresh Project	N			1,408,095

903FA-52 - Additional General Funds & Federal Ceiling Increase for Exit and Retention Bonus Payments

The requests for general funds and an increase in the federal ceiling are to restart the exit and retention bonus payments and complete system modifications necessary to run the program. The additional funds will be for the bonus payments beginning SFY23. The amount requested for SFY23 is less than will be required in SFY24 because no one will be eligible for the 24-month bonus until the second year of implementation. The requested federal funds are currently available through the federal Temporary Assistance for Needy Families (TANF) Block Grant. This grant represents an obligation for the TANF programs. DHS may use funds carried over from the previous years for this request.

The Legislature, by Act 128, SLH 2018, re-established the Exit and Retention Bonus program and appropriated \$400,000. These funds covered most costs to modify the Hawaii Automated Network Assistance (HANA) case management system to issue payments. The HANA system modification of the Exit and Employment Retention Bonuses program paused in July 2020 due to the pandemic and other priorities, which left approximately \$94,000 to lapse on the IT contract. The budget request of \$94,000 is needed to complete IT system modifications and include new functions and features. The new capabilities will allow case managers to enter data on household composition, employment information, employment hours, earnings, and household income; and allow bonus payments to be authorized and issued through the HANA system. Data entered into the HANA system will be extracted and used to evaluate the bonus program.

We estimate about 75% of the 1,632 will be eligible for federally-funded bonuses; therefore, 25% of the projected bonus payments will need a general funds appropriation. For the first year, SFY 2023, the program requires \$1,047,000 of federal TANF funds and \$349,000 with general funds. In the second year, SFY 2024, the program will require \$1,250,000 of federal TANF funds and \$417,000 with general funds.

The previous Exit and Retention Bonus program was proven successful as incentives for TANF recipient families to obtain and maintain employment and to remain financially independent. From 2009 through 2012, DHS paid these bonuses to employed TANF recipients as part of the "Reward Works" initiative. TANF recipient families who successfully exited TANF due to employment income were eligible to apply for the exit bonus. They were also eligible to apply for

additional bonuses if they maintained their employment status for three months, six months, 12 months, and 24 months immediately following their TANF exit. The retention bonuses increased as the employment retention periods increased. For SFY10 and SFY11, the last two years of the previous bonus program, 83% of families that received at least one bonus payment did not reapply for TANF, and only 17% of the families reapplied for TANF after receiving a bonus payment. However, due to a lack of funds, the Exit and Employment Retention Bonus program ended in 2012.

A total of 1,091 former TANF recipients (unduplicated) received at least one bonus payment in fiscal years 2010 and 2011. Of this total, 29% received a 3-month bonus; 26% received a 6-month bonus; 24% received a 12-month bonus; and 21% received a 24-month bonus. Therefore, we project that for SFY 2022, approximately 1,632 recipient families will exit TANF with employment. Applying the above percentages, we project the number of families who would receive bonuses. Assuming 1,632 will be eligible for an exit bonus in SFY 2023 – the first year, we calculate the following:

- Roughly 473 families will receive a 3-month bonus;
- About 424 families will receive a 6-month bonus;
- About 373 families will receive a 12-month bonus in SFY 2024; and
- Nearly 392 families will receive a 24-month bonus in the 2nd full year in SFY 2025.

Based on the following bonus amounts: 1) \$500 at exit; 2) \$600 at 3-months; 3) \$700 at 6-months; 4) \$900 at 12-months; and 5) \$1,800 at 24-months, and the number of families that would be eligible for each of the bonuses, we project the following total payments for the 1st year SFY 2023--1) \$816,000 for exit bonuses; 2) \$283,000 for 3-month bonuses; and 3) \$297,000 for 6-month bonuses, for a projected total of \$1,396,000.

Assuming in the 2nd year, the number of families exiting TANF with employment will decrease by 4.7% from the 1st year SFY23 for a projection of 1,555 families that would be eligible for the exit, 3-, 6- and 12-month bonuses. The following total payments for the 2nd year SFY 2024--1) \$778,000 for exit bonuses; 2) \$270,000 for 3-month bonuses; 3) \$283,000 for 6-month bonuses; 4) and \$336,000 for 12-month bonuses, for a projected total of \$1,667,000 of bonus payments would be paid in SFY 2024.

903FA-51 - Additional General Funds & Federal Ceiling Increase for Afterschool and Summer Programs

To address the increased demand for child care for younger children and more structured afterschool environments for older youth, the TANF Program Office intends to procure community-based organizations' services to provide new or expand existing afterschool and summer programs for children grades K-12. For example, according to the Hawaii Afterschool Alliance, there are approximately 3,400 students on the waitlist for the A-Plus Program. Currently, 30 middle and intermediate schools provide the Uniting Peer Learning Integrating New Knowledge (UPLINK) afterschool program (about 60% of total).

DHS will direct these funds to 30 afterschool programs across the State - Oahu (18), Kauai (2), Maui (4), and Hawaii (6), at the cost of approximately \$200,000 per site, totaling \$6,000,000. We project that approximately 95% of the students will be eligible for federal TANF funded services, totaling \$5,700,000, while about 5% would be eligible for state-funded services, totaling \$300,000. The figures are estimates based on current service providers contracted to provide afterschool and youth development programs. The TANF Program Office will issue a Request for Information (RFI) to solicit new and expanded programming information. The RFI will solicit community input on academic support, age-appropriate extra-curricular activities, innovative programs, performance measures, programs that address the needs of working families whose incomes are at or below the current federal poverty level, and cost per child to operate an afterschool and summer programs.

903FA-55 - General Funding and Federal Fund Adjustment for Three (3) Defunded Permanent Positions from Central Services Office and Investigations Office

Office Assistant IV (Pos #16992)

The Office Assistant IV is a higher-level clerk that participates in and provides services as the lead clerk assigned to the Support Services Office (SSO). SSO staff supports the entire Oahu Statewide Branch by storing and retrieving closed case records for the processing centers, First-To-Work, and Child Care Licensing Programs. Although SSO staff does not provide direct services to clients, their purpose is to provide support services to the units. These are vital services that the units facilitate their client-oriented work. This office also receives and distributes mail for the BESSD Division on Oahu. In addition, the Office Assistant IV position is responsible for overseeing activities that are completed per procedures, trains and advises subordinates, identifies problem areas, and works with staff to evaluate and implement changes to improve services to the units. This position also monitors late deliveries and handles any incoming calls from the public, acting as the liaison between the courier service and the different offices and units within the Division to resolve any issues that need corrective action.

The SSO's Central Files Office (CFO) in Kapolei previously had three positions, but currently, there are only two positions left as a result of previous position cuts: one Office Assistant (OA) III (which is filled) and this Office Assistance IV position that was defunded and remains vacant.

Previously, two OA III and the OA IV processed all closed case records and received, sorted, and distributed mail for the Oahu Statewide Branch units. In 2014, BESSD implemented the Electronic Case Filing (ECF) to scan all paperwork for new and current clients. As cases are closed, the units send the closed cases to CFO to process for storage and destruction. In October 2014, BESSD contracted the services of Access Information Management to store the closed case records for the Oahu Statewide Branch units. With the high number of closed case records, the CFO quickly became backlogged with cases.

In July 2020, the Office Assistant IV position became vacant as the incumbent retired on June 30, 2020, leaving only one Office Assistant III to perform the duties for both positions. In July 2021, the CFO had more than 8,900 cases to process for storage and destruction. With only the Office Assistant III in the office, the CFO requests temporary assistance (from July to current) from the

Support Services Supervisor, who oversees the CFO and helps with the backlog but can only help when available.

Eligibility Worker IV (Pos #s 1692 and 35534)

These positions in the Investigations Office (INVO) are critical to safeguarding the integrity of DHS public assistance programs and ensuring that benefits go to residents in need. Adjustment of the federal fund portion of the salary was also made to match the current salary schedule.

The Department assists many people with Financial Assistance, SNAP, Child Care, medical insurance, and other health care payments; fraud prevention efforts need to be sufficiently resourced. For example, during the COVID-19 pandemic, enrollment in public assistance programs increased within the SNAP, P-EBT, child care programs, and Medicaid. As a result, we, unfortunately, assume there will be fraud cases as there are many reports of in other pandemic relief programs such as unemployment insurance and payment protection programs.

INVO provides overall management to implement the Department's plans, policies, rules, and procedures to prevent, detect, investigate, report, and prosecute fraud and other crimes in DHS programs. INVO also provides investigative services to recover money owed to the Department due to overpayment or over-issuances in various programs; and locate persons (other than absent parents for purposes of Title IV-D of the Social Security Act) for various DHS programs. Recovered funds are returned to the State's general fund. Actively conducting investigations and enforcing the public assistance program policy rules is part of fraud prevention efforts.

Position #1692, part of the INVO Restitution Control Section, is responsible for enforcing the Department's public assistance programs as required by section 346-14, (HRS), and setting up and monitoring restitution processes. Position #35534, part of the INVO's Administrative Disqualification Section, is also responsible for enforcing the Department's public assistance programs as required by section 346-14, HRS, and pursuing and prepping cases for intentional program violations and hearings. Conducting investigations and enforcing the Department's public assistance programs rules deters fraud, and monies are recovered through restitution are returned to the State's general fund.

903FA-54 - Request to Delete Three (3) Temporary Positions for BES Project and transfer funding from Personal Service to Other Current Expenses (To OCE)

DHS requests the deletion of three temporary positions assigned to BESSD's IT modernization Benefit Eligibility Solution (BES) project and transfer of funds from personal service to other current expenses. These adjustments are necessary as the skills required to manage the integrated eligibility project of this magnitude are not available within the civil service pool of candidates. Without appropriate expertise, the project may be at risk of failure. The project management role and work are vital for the success of this fiscally- and time-sensitive project.

Over 500 staff regularly use BESSD's Hawaii Automated Welfare Information (HAWI) system; the BES system will eventually replace the 30-year-old HAWI technology. The BES project is phase II of the Department's IT modernization effort.

Like Medicaid's KOLEA system, the BES Project is the eligibility solution and client-facing portal to automate multiple social service assistance programs, including TANF, SNAP, and General Assistance. The BES project will use custom software development in Java, integrate with multiple Oracle applications and tools, and require interface development and integration with other DHS systems (i.e., KOLEA) and other state systems and solutions. The resulting solution will provide a client-facing self-service portal and an integrated SNAP/financial eligibility solution, rules-based, complete with integrated workload management and federal system interfaces.

DHS OIT Project Management Office team has all retired from State service. While assigned to the BES Project, the former Project Manager was in a civil service position, having a background similar to most mainframe IT professionals within the State. Unfortunately, the transition to cloud-based architecture, agile project strategies, micro-services, application programming interface integration, focusing on master data management disciplines as over-arching goals for the Department all combined to create a set of requirements and skills unavailable within classified service. These temporary and internal project management resources were not successful in leading the project and put an estimated \$50,000,000.00 project in jeopardy.

Federal funders approved BESSD's request to contract to obtain technical consultation services, lasting through the end of system implementation; as a result, BESSD procured services of the BES Project Manager that started on October 01, 2021. Per this request, the budgeted salaries of the temporary positions will be transferred from personal services to other current expenses to cover the contract expenditures for the technical consultation services.

903FA-53 - Additional General Funds & Federal Ceiling Increase for Tech Refresh Project⁶

This request will fund BESSD's tech refresh. BESSD's last tech refresh for all computers was in 2018. For the 2018 tech refresh, BESSD used its existing budget; however, due to the substantial budget cut to BESSD's budget SFY22, we no longer have general funds to cover this project. This budget request is split-funded, 53% general funds and 47% federal funds. The requested federal funds are currently available and are cost allocated among different federal programs, particularly from SNAP and TANF.

The Office of Enterprise Technology Services (ETS) recommends that agencies follow a 4-year replacement cycle to replace roughly 25% of the personal computers in the agency every fiscal year. The tech refresh requires: testing various brands of computers and peripherals, purchasing equipment, imaging all computers, and installing the new computer equipment (laptop, monitors, docking station, mouse, keyboard, intel processor). The refresh also includes e-wasting the old equipment, hiring a vendor to assist with the installation and e-waste, and training staff on the new equipment. The current devices are three years old; with the move to telework, there have

⁶ This request has been fulfilled with ARPA funds and will be withdrawn by Governor's Message.

been numerous issues with the camera monitor failing, tablets not turning on, docking stations, and laptop batteries needing replacement. The laptop battery warranty has expired, and all other warranties will expire in December 2021.

Our staff will continue to telework into the future and will need the most updated, reliable equipment. Significantly in June 2020, as part of the pandemic response, we launched our Public Assistance Information System (PAIS) website, allowing clients to submit applications, review eligibility, and upload documents. Since then, we have received 103,438 applications, 110,987 documents, and 12,522 eligibility reviews. While we still receive paper applications, the PAIS website significantly reduced the amount of paper received by the processing centers, making telework a viable option to maintain the same level of efficiency.

DIVISION OF VOCATIONAL REHABILITATION (DVR)

HB1600 HD1 in agreement with HB1600. DHS appreciates and agrees with the HB1600 HD1.

HMS 802 – Vocational Rehabilitation CIP Budget Requests

Dept Pri	Prog ID	Proj No.	CIP BUDGET REQUESTS Project Title	MOF	SUPPLEMENTAL TOTALS	
					FY 22	FY 23
1	HMS802	FY23.4	HOOPONO BUILDINGS A AND B IMPROVEMENTS	C		396,000

Comptroller's memo RA-22.0004 dated 9/22/2021 included prioritized backlog lists of repair and maintenance projects and recommended the following requests:

- Priority #1: Enclosure of mechanical unit/AC unit outside the Ho'opono building. In addition to the exposure to weather elements, there has been a history of security issues, high occurrences of vandalism, and high traffic of homeless individuals in the area. Not enclosing the mechanical unit increases the risk of damage from weather or vandalism to the A/C unit or chillers, impacting the entire Ho'opono building, staff, and services to our blind consumers. Technology equipment reliant upon cooler temperatures would be at increased risk for damages, services to blind individuals could be interrupted, and deteriorating work conditions could affect staff health and morale. DVR would also incur related repair or replacements costs that proper protection of the mechanical area will avoid.
- Priority #2: Re-commissioning of fixtures. Ho`opono has old and outdated fixtures that are out of date with current industry and safety standards. This improvement would minimize staff and consumer safety risks and promote energy efficiency and long-term cost savings.

Operating Budget Requests

HB1600 HD1 in agreement with HB1600. DHS appreciates and agrees with the HB1600 HD1.

		OPERATING BUDGET REQUESTS		FY23		
Prog ID	Dept Pri	Description	MOF	FTE (P)	FTE (T)	\$ Amount
802GA-51	3	Fund 5.00 FTE Defunded Pos with Trade-off	A			(55,732)
802GA-51	3	Fund 5.00 FTE Defunded Pos with Trade-off	A			55,732
802GA-54	16	Add General Funds for MOE Requirements	A			315,162

These budget requests will support DVR's ability to continue to serve the current and future caseloads of Hawaii's vulnerable students, youth, and adults, by providing timely and quality services to prepare for regaining, obtaining, and maintaining employment. Increasing funding to meet the State's federal MOE obligation, preserving the FTE count with requested conversions to permanent status to sustain continuity of services, and funding the identified positions through trade-offs will allow DVR to meet its mission and better serve Hawaii's residents with disabilities. The State will leverage available federal funds to deliver services and mitigate federal fiscal penalties by meeting the federal MOE.

In July 2014, President Barack Obama signed the Workforce Innovation and Opportunity Act (WIOA). WIOA mandated a new 15% set-aside requirement for State Vocational Rehabilitation federal funds to provide five new services to students with disabilities and a focus on transition-aged youth, performance accountability for employment outcomes, and partnerships with WIOA stakeholders. Unfortunately, WIOA did not provide more federal funds to DVR to fulfill the new service requirements. Therefore, to meet the WIOA mandates, DVR requests approval of the additional general funds to meet the necessary state funds match and MOE requirements. Allowing positions to be funded with OCE trade-off funds and converting positions from temporary to permanent will allow DVR to continue meeting the needs of current and future students, youth, and adults with disabilities to obtain competitive integrated employment. As temporary positions are converted to permanent positions and filled, DVR will increase the types of services and number of consumers served through mandated partnerships with the Departments of Education, Labor, and Health.

Through the current COVID-19 pandemic, DVR achieved a significant accomplishment by eliminating all Category 1 Most Significantly Disabled (MSD) individuals (763) from the Order of Selection (OOS) deferred list in July 2020, ahead of the original projection date of September 30, 2020. Presently, DVR serves more than 4,100 participants with varying disabilities (visual, auditory/communicative, physical, cognitive, psychological, or psychosocial), including 1,025 students with disabilities (SWD). DVR prepared and refined its safety protocols and remote service delivery over 20 months. DVR anticipates that demand for services from the community will

increase as confidence in technology and proper safety protocols gain momentum, with more applications for services among displaced workers with disabilities and SWD. Increasing remote access to services could mean a significant rise in caseload and a potential of 1,500 new DVR applicants statewide over the next 2-3 years to bring the total number of individuals served annually to more than 5,000 clients statewide. In addition, DVR continues to work with community partners, such as the American Job Centers, collaborating on unduplicated service provision for Hawaii's residents with disabilities seeking employment, advancement, or independent living services. DVR's request for funding aims to secure the state fund match and MOE requirements to sustain federal funding levels with these budget requests while meeting community needs. Sustained funding will support the staffing and financial resources needed to empower and assist Hawaii's disabled population in obtaining competitive integrated employment.

802GA-51 - Fund 5.00 FTE Defunded Pos with Trade-off

DVR requests to use \$55,732 from other current expenses (OCE) MOF A to restore funding for five (5) defunded positions. DVR will allocate federal dollars to contracts to replace the reduction of general funds as needed. This allocation is allowable under 2 CFR 200.306b. Descriptions of these positions are below.

1. Orientation & Mobility Therapist III, #15293

This position is in Ho'oponono Services for the Blind Branch (SBB), Adjustment Section. It provides orientation and mobility (O&M) training to blind, visually impaired, or deaf-blind adults statewide, both in the residential training program and in the community. These services prepare the individual to secure, retain, regain, or advance in employment and promote independent living in the home and community. The O&M Therapist III workload is about 20 consumers per year, for approximately 12 months of training each. O&M instruction is hands-on training, often one-on-one for the proper usage of a white cane. DVR Ho'oponono SBB uses "structured discovery training" to enhance skill development. This "structured discovery training" is intensive and results in more competent and able travelers. Ho'oponono currently has 1 O&M instructor and needs 2 O&M instructors to address statewide community needs effectively. Ho'oponono is one of only a few national programs certified to provide immersion training to meet specific criteria to qualify as a "structured discovery training" program. Part of the certification process is to have and maintain qualified O&M instructors. An additional O&M instructor will reinforce the support needed to serve individuals seeking independence and employment.

2. Secretary I, #17679

This position provides essential secretarial and administrative support for the Ho'oponono SBB staff, Adjustment Section. This position answers incoming calls, screens calls, refers calls to appropriate staff, provides reception duties for in-person visits, maintains an activity calendar, assists with organization and scheduling of meetings and appointments, and arranges accessible meeting facilities and accommodations and travel planning. Other duties include timely processing payments for services rendered by contract providers or purchases associated with Individualized Plans for Employment (IPEs) and managing the branch's

equipment inventory. The position also maintains allotment controls for fiscal accounts, develops and maintains allotment control of the section's budget, and reports deficits and transfers. In addition, this secretary assists the supervisor in managing expenditures, which is critical in the overall management of federal awards and state appropriations.

3. Social Service Aid (SSA) III, #118971

This SSA position assists the Vocational Rehabilitation Specialists (VRS) in the Deaf Services Section (DSS) for Oahu Branch to process applicants with orientation, application, eligibility determination, and assist eligible individuals into the vocational rehabilitation program. The SSA also monitors eligible individuals in training at the Hawaii School for the Deaf and the Blind (HSDB) and post-secondary educational institutions. Importantly, this SSA position supports the VRS counseling staff to implement authorized services identified in client IPEs. These services fulfill client goals to achieve competitive employment and require additional support for scheduling interpreters to implement IPE authorized services in the community. Services in this section are particularly complex, as there are additional American Sign Language (ASL) proficiency requirements.

4. Vocational Rehabilitation Specialist (VRS) III, #12610

This position is in the Hilo office and provides services to individuals within the full range of disabilities from simple to complex, including a special assignment of deaf or hard of hearing cases, to assist them in achieving an employment outcome. This VRS conducts assessments to determine eligibility, priority for services, and service needs of each applicant referred for VR services. Additionally, this VRS assists individuals in developing an IPE and coordinates VR services among providers or directly provides services when indicated. VR services may include counseling, guidance, and placement as essential services per the IPE and aim to assist the individuals through a successful rehabilitation process to obtain and maintain competitive integrated employment. This VRS also develops and maintains cooperative relationships with individuals and community organizations, including referral sources, employers, community rehabilitation programs, and other service providers. Importantly, this additional resource will address the community's need for DVR services and the current Order of Selection (OOS) deferred/waitlist. This position needs to be funded and filled to support DVR clients seeking competitive integrated employment on Hawaii island.

5. Vocational Rehabilitation Specialist III, #51851

This position is in the Kona office and performs the same functions as #4.

802GA-54 - Add General Funds for MOE Requirements

DVR requests an increase in general funds of \$315,162 to meet federal fund state match and maintenance of effort (MOE) obligations for the VR federal funding grant of \$12,951,536 and state match obligation for other independent living federal fund grants of \$1,346,789 for 2021-2022. Maintaining this funding will allow DVR to fulfill the current objectives of the Workforce and Innovation and Opportunity Act (WIOA) Unified State Plan for 2020-2023. Lastly, not meeting the state match and MOE requirements will result in MOE penalties and a decrease in federal funding

to the State to provide services to Hawaii's disabled population at a critical time when demand for services is increasing.

802GA-52 - Fund 6.00 FTE Defunded Pos with Trade-Off and Convert from Temp to Perm

DVR also requests to restore the MOF A salaries of the six positions by reducing other current expenditures (OCE). DVR requests to convert six (6) temporary positions to permanent status. The temporary positions are difficult to fill and retain because of their temporary status. When an internal permanent position becomes available, the trend has been that individuals in the temporary positions apply for and are offered a permanent position, leaving the temporary position vacant and back in the recruitment process. The conversion will assist DVR to maintain continuity of services, avoid service interruptions, provide additional services needed by residents, accelerate rehabilitation timelines, and serve more consumers by eliminating the OOS deferred list and the mandates of the WIOA. Lastly, the funding and staffing of these positions contribute to DVR's ability to meet federal grant award service, match, and MOE requirements.

802GA-53 - Convert 1.00 FTE Pos from Temp to Perm

HMS Supplemental budget requests that the House did not include in HB1600 HD1. We ask the Senate to reconsider these requests and include them in HB1600 HD1 SD1

		BUDGET REQUESTS		FY23		
Prog ID	Dept Pri	Description	MOF	FTE (P)	FTE (T)	\$ Amount
802GA-53	18	Convert 1.00 FTE Pos from Temp to Perm	A	0.33	(0.33)	
802GA-53	18	Convert 1.00 FTE Pos from Temp to Perm	N	0.67	(0.67)	

ALTERNATIVES CONSIDERED: None available.

IMPACT STATEMENT

DVR requests the conversion of one (1) temporary position to permanent status. This position is a supervisory level position in the DVR Oahu Branch responsible for planning, organizing, coordinating, directing, and evaluating the Oahu Branch vocational rehabilitation operation section and assisting eligible individuals who are physically or mentally disabled to achieve gainful employment.

Adding a permanent staff member allows DVR to serve more participants on the Order of Selection (OOS) waitlist and students with disabilities under the WIOA 15% set-aside requirement. The conversion will assist DVR in maintaining continuity of services, thus accelerating rehabilitation timeframes, serving more consumers by eliminating the OOS waitlist, and fulfilling the WIOA requirements.

The temporary position is difficult to fill and retain because of its temporary status. When an internal permanent position becomes available, the trend has been that individuals in the temporary positions apply for and are offered a permanent position, leaving the temporary position vacant and back in the recruitment process.

Other duties of this position include, but are not limited to, the following responsibilities: establishes annual performance goals and objectives for the section on the basis of past performance and service needs, work priorities, and work deadlines, maintains interagency working agreements and relationships, establishes and monitors the goals and objectives of the branch, and prepares written plans for their achievement, identifies annual financial and other operational needs and prepares the necessary expenditure plans for meeting those needs based on previous years' experience and considers case service costs, office space, equipment and supplies, staffing needs including staff development, and training and travel costs, identifies the vocational rehabilitation services needs of eligible individuals with disabilities as identified by the counseling staff and through interactions with public, private and community agencies, and prepares annual written plans to address those needs through case finding and referral, case assignment, caseload distribution and caseload management activities, directs, monitors and evaluates progress of subordinate staff in meeting performance goals and objectives on a monthly basis, taking necessary actions to ensure attainment of goals and objectives and to resolve any problems that may arise, monitors and evaluate expenditures and encumbrances on a monthly basis to ensure financial resources are adequate to meet operational needs, monitors and evaluates working relationships of the section with public, private, and community agencies, employers, advocate groups, etc., at least quarterly, to ensure program effectiveness, monitors and evaluates case assignments and caseload distribution practices at least quarterly to ensure adequate delivery of services to the service areas, review and approve work of trainees and subordinates, ensure conformance with established rules, policies, procedures, and ensure deadlines are met.

Lastly, under WIOA, this position must ensure that certain federally mandated performance accountability measures are met and, if unmet annually, could result in federal fund sanctions to the State. DVR will be meeting with federal partners in the coming weeks to negotiate agreed-upon levels of performance accountability measures based on actual, estimated, and expected levels shown in the table below. This supervisor position in the Oahu Branch (the Branch with the largest caseload) plays a pivotal role in ensuring that DVR meets these mandatory performance accountability measures for the next two program years.

Performance Indicators	PY 2019 Actual Level	PY 2020 Actual Level	PY 2022 and 2023 Estimated Levels*	PY 2022 Expected Level	PY 2023 Expected Level	Negotiated Level PY 2022 and 2023
Employment (Second Quarter After Exit)	37.2%	20.3%	24.9%	24.9%	24.9%	TBD

Employment (Fourth Quarter After Exit)	35.7%	27.0%	32.2%	32.2%	32.2%	TBD
Median Earnings (Second Quarter After Exit)	\$4,296	\$3,646	\$4,554	\$4,030	\$4,030	TBD
Credential Attainment Rate	3.6%	6.5%	16.8%	10%	13%	TBD
Measurable Skill Gains	13.3%	30.2%	23.2%	23.2%	23.2%	TBD
Effectiveness in Serving Employers	Not Applicable	TBD				

MED-QUEST DIVISION (MQD)

HMS 401 – Health Care Payments

HB1600 HD1 in agreement with HB1600. DHS appreciates and agrees with the HB1600 HD1.

Prog ID	Dept Pri	NON-DISCRETIONARY FUND REQUESTS Description	MOF	FY23		
				FTE (P)	FTE (T)	\$ Amount
401PE-52	1	Reallocate Funds to FY23 for HCBS	A			9,948,756

401PE-52 - Reallocate Funds to FY23 for Home- and Community-Based Services (HCBS)

Section 9817 of the American Rescue Plan Act (ARPA) provides states with a temporary ten percentage-point increase to the Federal Medicaid Assistance Percentage (FMAP) for certain Medicaid expenditures for home- and community-based services (HCBS) from April 1, 2021, to March 31, 2022. States must use funds equivalent to the amount of federal funds attributed to the increased FMAP to enhance, expand, or strengthen HCBS under the Medicaid program by March 31, 2024. States are required to use the federal funds attributed to the increase in FMAP to supplement, not supplant, existing state funds expended for Medicaid HCBS. If the State does not spend these funds per the federal requirements, the State must return the funds to the federal government. To qualify for the additional FMAP, states were required to submit a spending plan to the Centers for Medicare and Medicaid Services (CMS) by July 12, 2021. MQD has projected the additional FMAP increase to be approximately \$13 million. This request accounts for the savings occurring during the current fiscal year and preserves the ability to spend these additional funds per federal requirements in the future fiscal years. However, the savings accrued during the current fiscal year will lapse to the general fund. This request reappropriates those funds to spend on the federally approved HCBS activities.

House additions. DHS appreciates and agrees with all House additions to HB1600 HD1 to the HMS Supplemental FY2023.

DHS appreciates the additional \$610,118 for family planning service.

HMS Supplemental budget requests that the House did not include in HB1600 HD1. We ask the Senate to reconsider these requests and include them in HB1600 HD1 SD1.

DHS requests the inclusion of extending the postpartum benefit for 12 months, request 401PE-53, and the expansion of adult dental benefits, request 401PE-51. Please see the impact statements below.

Prog ID	Dept Pri	NON-DISCRETIONARY FUND REQUESTS		FY23		
		Description	MOF	FTE (P)	FTE (T)	\$ Amount
401PE-53	2	Extending Postpartum Benefit to 12 Months	A			2,449,040
401PE-53	2	Extending Postpartum Benefit to 12 Months	N			3,448,465
401PE-51	3	Expansion of Adult Dental Benefit	A			3,466,328
401PE-51	3	Expansion of Adult Dental Benefit	N			6,728,754

401PE-53 - Extending Postpartum Benefit to 12 Months

ALTERNATIVES CONSIDERED

None available

IMPACT STATEMENT

DHS strongly advocates for the total funding of this expansion. We note that although the House Finance Committee included a \$1 placeholder for this request, notably in the committee report and in the hearing on the bill, Chair Luke expressed strong support for the expansion of post-partum coverage. She noted that the only reason for not including the dollars was the desire to wait until bill SB 2634 that supports the post partum expansion makes its way through the legislative process. Then, at that point, as was stated during decision making for HB 1600, it is the intent to add the full amount requested to the Executive Budget.

Additionally, the Committee on Ways and Means expressed strong support for this expansion in its committee report on SB 2634 SD1, noting, "...the Committee finds that it is important to support women who are otherwise ineligible for post partum coverage as these women struggle to receive care during the twelve months following childbirth."

As background, ARPA gave states the option to extend Medicaid postpartum coverage from two months to twelve months. This new option would take effect on April 1, 2022, and be in effect for five years. This request estimates the impact of continuing eligibility to women who would have

otherwise lost coverage at the end of the current 2-month postpartum coverage period. DHS will implement the option as the State continues to claim the higher 90% match rate for women who would have been deemed eligible for the Low-Income Adult group had the State not taken up this option.

The evidence is that extending the postpartum coverage period to 12 months will improve health access and outcomes for women and children by providing stability and continuity of care with known and trusted providers. We recognize that the postpartum period extends well beyond 60 days. Extending the coverage also promotes access to preventive services such as contraception. CMS's Office of Minority Health describes the need for extended postpartum coverage in a recent newsletter stating, "[m]aintaining Medicaid and CHIP coverage for an extended period can help address persistent disparities that exist in pregnancy-related morbidity and mortality. One-third of maternal deaths occur between one week to a year after childbirth, and rates are especially high among Black women and American Indian/Alaska Native individuals. Expanded coverage helps to ensure access to the ongoing care people need during the postpartum period. It will also help individuals in the postpartum period manage chronic conditions like hypertension and diabetes and provide access to behavioral health services."

Based on historical data, we estimate approximately 30% of pregnant women lost Medicaid coverage after the end of the 2-month postpartum period, and the remaining retained coverage in the low-income adult category. On average, there are approximately 4,400 women in the pregnant women category annually.

401PE-51 - Expansion of Adult Dental Benefit

HMS Supplemental budget requests that the House did not include in HB1600 HD1. We ask the Senate to reconsider these requests and include them in HB1600 HD1 SD1.

ALTERNATIVES CONSIDERED

None available

IMPACT STATEMENT

DHS strongly advocates for funding to expand adult dental benefits to include basic diagnostic, preventive, and restorative dental services. Although the Committee on Finance included a \$1 placeholder for the request, notably, during the Finance committee hearing on HB1600, the Committee expressed strong support for expanding Medicaid adult dental benefits. Chair Luke noted that the only reason for not including the dollar amount was to wait until bills SB 1294 and its companion HB 1754 make their way through the legislative process. Notably, during decision-making, the House Finance Committee chair stated that the House wanted to consider even higher funding levels to restore adult dental benefits to provide additional services. The Committee on Ways and Means also expressed support for the restoration, commenting that "Your Committee finds that reinstating preventative dental benefits to adult Medicaid enrollees will result in the provision of fewer emergency dental services, thus reducing the medical costs paid by Medicaid."

STAND. COM. REP. NO. 3013

As additional background, Hawaii is one of 16 states that provide no dental coverage or only emergency dental services for adults. Providing comprehensive dental benefits to Medicaid-enrolled reduces costly emergency department (ED) visits for dental conditions. Analysis suggests that providing dental care to pregnant women and patients with chronic conditions such as diabetes and heart disease can lead to health care cost savings. In addition, many low-income adults indicate the condition of their mouth and teeth affects their ability to interview for a job. In 2020, the American Dental Association's Health Policy Institute published a research brief estimating the cost of introducing Medicaid adult dental benefits in Hawaii. MQD worked with the Association and agreed with the report's estimates. For this request, the net per member per month (PMPM) amounts calculated in this brief for a basic package consisting of diagnostic, preventive, and restorative services were applied to the current adult population across the State (approximately 266,000). We applied a blended FMAP rate of 66% due to the different FMAP rates for different adult populations.

HMS 902 – General Support for Health Care Payments

OPERATING BUDGET REQUESTS				FY23		
Prog ID	Dept Pri	Description	MOF	FTE (P)	FTE (T)	\$ Amount
902IA-52	13	Add General Funds to KOLEA M&O	A			\$1,137,000

902IA-52 - Add General Funds to KOLEA M&O

Budget decisions in HB1600 HD1 that are in agreement with the Governor’s requests – DHS appreciates and agrees with this decision.

This budget request supports the KOLEA system upkeep and business process alignment. It also provides annual software licensing costs, hosting services, and network upgrades.

Beginning in 2014, the Affordable Care Act (ACA) expanded the Medicaid program, allowing more people to qualify for assistance. In addition, ACA required a coordinated and simplified application process to allow consumers to apply for coverage. One of the primary goals of ACA was to create a simple eligibility and enrollment process that uses electronic data to ease the paperwork burden on applicants and state agencies while expediting an eligibility determination. Most states, including Hawaii, required new or considerably enhanced Medicaid enrollment information technology (IT) systems, resulting in the KOLEA system's development.

At the pandemic's start, KOLEA's value and prior investment met the needs of Hawaii's residents as the average weekly application spiked to 66% higher than the pre-pandemic average. Currently, our Medicaid enrollment has increased by approximately 31%. KOLEA has enabled timely, effective, and safe processing of applications with no backlog during this time of unprecedented increases to our applications statewide. Once the federal Public Health Emergency ends, the more than 400,000 QUEST enrollees will need to have their enrollment in the program

redetermined. Many staffing and systems changes will be needed to accomplish this work while minimizing disruptions. We estimate that KOLEA resulted in approximately \$30 million annually in cost avoidance by linking with other systems by disenrolling or by not enrolling members.

902IA-51 - Trade-off Funding for 32 Defunded Positions (Reduce OCE and Add Personal Services)

House additions. DHS appreciates and agrees with all House additions to HB1600 HD1 to the HMS Supplemental FY2023.

DHS appreciates and agrees with the House adjustment included in HB1600 HD1 of not reducing OCE funds to restore defunded salaries.

		OPERATING BUDGET REQUESTS		FY23		
Prog ID	Dept Pri	Description	MOF	FTE (P)	FTE (T)	\$ Amount
902IA-51	3	Trade-off Funding for 32 Defunded Positions (Reduce OCE)	A			-(775,084)
902IA-51	3	Trade-off Funding for 32 Defunded Positions (Reduce OCE)	N			-(80,262)
902IA-51	3	Trade-off Funding for 32 Defunded Positions (Add Personal Services)	A			775,084 700,875
902IA-51	3	Trade-off Funding for 32 Defunded Positions (Add Personal Services)	N			80,262 66,604

**HB1600 HD1 added \$700,875 MOF A and \$66,604 MOF N to restore the salaries of defunded positions. The difference is \$74,209 MOF A and \$13,658 MOF N.*

DHS appreciates the restoration of the salaries for the following 27 positions included in budget request 902IA-51.

DHS is requesting the salary corrections noted in the table below included in HB1600 HD1 to bring the salaries in line with the salary schedule and 50/50 A and N funds split.

- *Position #48656 - \$22,248 MOF A/(\$990) MOF N*
 - *Act 88, SLH2021 included a salary for this position of zero MOF A (defunded) & \$23,238 MOF N. HB1600 HD1 restored the salary to \$19,002 MOF A and \$1,332 MOF N.*
 - *The correct salary for this position is \$22,248 MOF A & \$22,248 MOF N or 50/50 split A/N.*
 - *DHS is requesting the salary correction matching our budget request included in 902IA-51 of \$22,248 MOFA and (\$990) MOF N.*
- *Position #121291 - \$27,600 MOF A/\$54 MOF N*
 - *Act 88, SLH2021 included a salary for this position of zero MOF A (defunded) & \$27,546 MOF N. HB1600 HD1 restored the salary to \$27,600 MOF A and \$1,122 MOF N.*

- The correct salary for this position is \$27,600 MOF A & \$27,600 MOF N or 50/50 split A/N.
- DHS is requesting the salary correction matching our budget request included in 902IA-51 of \$27,600 MOFA and \$54 MOF N.

	Position Number	Position Title	FY2023 MOF A	FY2023 MOF N
1	48656*	Eligibility Wkr III	19,002 22,248	1,332 (990)
2	121291*	General Professional IV	27,600	1,122 54
3	6389	Professional Worker III	25,512	(966)
4	31514	Contracts Spclt (Med-Quest)	27,600	54
5	41304	Eligibility Program Spclt V	31,068	1,260
6	47479	Secretary I	19,002	1,332
7	47511	Eligibility Wkr I	20,550	(132)
8	48674	Eligibility Program Spclt V	31,068	1,260
9	51845	Eligibility Program Spclt IV	27,600	1,122
10	51847	Eligibility Program Spclt III	25,512	(966)
11	100490	Program Specialist V	31,068	(2,454)
12	101589	Program Specialist VI	33,600	1,362
13	103031	Research Officer	43,662	0
14	108927	Encounter Data Validation Spclt	37,716	0
15	110037	General Professional VI	31,068	1,260
16	111068	Provider Data Technician	20,682	0
17	118416	Eligibility Wkr I	19,002	(108)
18	118420	Eligibility Wkr I	19,002	(9,264)
19	120464	Hlth Care Bus Analyst	7,970	0
20	120774	Eligibility Wkr III	22,248	744
21	121294	General Professional IV	27,600	1,122
22	121534	Public Assistance Data Integrity (Supervisor/Lead Worker)	22,230	2,370
23	91269H/122448	Social Worker IV	27,600	3,900
24	94567K	Business Analyst	6,214	7,894
25	94569K	Technical Interface Spclt	6,214	7,894
26	94573K	Registered Nurse IV	26,655	18,486
27	94574K/123247	Program Budget Analyst IV	27,600	3,900

DHS also appreciates and agrees with the decision to restore salaries for four additional defunded positions not included in our Supplemental FY2023 budget request.

	Position Number	Position Title	FY2023 MOF A	FY2023 MOF N
1	26710	Social Service Assistant IV	18,282	1,272
2	92508K	Accountant IV	5,520	7,020
3	94568K	Business Analyst	6,214	7,894
4	94570K	Technical Interface Spclt	6,214	7,894

HMS Supplemental budget requests that the House did not include in HB1600 HD1. We ask the Senate to reconsider these requests and include them in HB1600 HD1 SD1.

DHS requests the restoration of the MOF A salaries of the remaining five defunded positions and the addition of MOF N funds for these positions to maintain the salary schedule and MOF split funding. This request is in the Executive budget, but the House did not include them in HB1600 HD1. DHS included a trade-off of other current expenses (OCE) to offset the salary restoration for these positions in request 902IA-51. The five positions are in the table below.

DHS is requesting fringe benefits of \$39,686, MOF N, for 31 positions in Seq # 1000-001, House Adjustment. These positions include the 27 positions in budget request 902IA-51 and four positions added as a House adjustment in the table above.

In addition to restoring the MOF A salaries and fringe benefits, MOF N, for 31 positions, DHS is also requesting fringe benefits of \$6,387 MOF N for the remaining five positions. We include the fringe benefit amount in the table below.

	Position Number	Position Title	FY2023 MOF A	FY2023 MOF N
1	26330	Registered Nurse V	28,833	4,167
2	41130	Office Assistant III	16,560	228
3	48648	Secretary I	19,002	1,332
4	120776	Eligibility Wkr III	22,248	1,566
5	120804	Eligibility Wkr II	20,550	2,880
Fringe Benefits for 31 positions, MOF N				39,686
Fringe Benefits for 5 positions, MOF N				6,387

ALTERNATIVES CONSIDERED

Trade-off A funds were identified in the Executive Budget for these positions.
No additional alternatives are available

IMPACT STATEMENT

DHS strongly supports and appreciates the restoration of A funds for 27 of the original 32 requested positions and the funding for four de-funded positions not included in the Executive Budget request.

DHS respectfully requests that the Senate fund the five defunded positions in the Executive Budget. Trade-off A funds were identified in the Executive Budget for these positions.

The pandemic has highlighted and exacerbated the need for these positions. They are necessary to the Med-QUEST Division (MQD) operations as we have had significant increases in Medicaid enrollment during the COVID-19 pandemic. The record number of applications and enrollments are largely due to a combination of people losing their employer-based health insurance and the continuous coverage requirements associated with the U.S. Department of Health and Human Services' declaration of a Public Health Emergency (PHE).

Once the PHE ends, which is likely to occur during the summer of 2022, there will be a large volume of additional work for every part of MQD for several years. In MQD's analysis, every de-funded position, except for three, is directly tied in some way to the PHE unwinding. That includes four of the five positions not funded in HB 1660 HD1. (Pos 26330 Registered Nurse is the only one not directly tied to the PHE unwinding. However, its importance is related to DHS financial and program integrity work).

Many of these positions will be key to supporting the continued needs of MQD staff to work safely in both the office and teleworking. In addition, MQD needs additional staff to maintain program and fiscal integrity to ensure that Medicaid funds are spent appropriately. Position 26330 is part of a DHS-level reorganization effort to strengthen financial and program integrity efforts. Staff is also needed to support business process improvement and investment optimization that allow MQD to operate more efficiently with fewer resources in the medium to long term.

In addition, there are many new federal and state policy and program changes that require additional human resources to implement. The positions are also critical to meeting our reporting requirements to the Centers for Medicare and Medicaid Services (CMS); we may face financial penalties if we do not submit our reports on time. In sum, the positions are of such criticality that we have begun the process of hiring by submitting B2s, initiating position re-descriptions, and reorganization for the vast majority of them.

SOCIAL SERVICES DIVISION (SSD)

HMS 301 – Child Protective Services

HMS 601 – Adult Protective and Community Services

HMS 901 – General Support for Social Services

HB1600 HD1 in agreement with HB1600. DHS appreciates and agrees with the HB1600 HD1.

Budget requests 301SA-54, 601TA-51, and 901MA-51 are related to the transfer of FTE and salaries, so they are grouped in this section.

		OPERATING BUDGET REQUESTS	FY23			
Prog ID	Dept Pri	Description	MOF	FTE (P)	FTE (T)	\$ Amount
301SA-54	1	Transfer Out 11.00 Perm Pos. and Funding to HMS 901 (companion to 901MA-51)	A	(6.30)		(409,859)
301SA-54	1	Transfer Out 11.00 Perm Pos. and Funding to HMS 901 (companion to 901MA-51)	N	(4.70)		(550,400)
601TA-51	1	Transfer Out 5.0 Perm Pos. and Funding to HMS 901 (companion to 901MA-51)	A	(5.00)		(426,600)
901MA-51	1	Transfer In 16.00 Perm Pos. and Funding from HMS 301 and HMS 601 (companion to 301SA-54 and 601TA-51)	A	11.30		836,459
901MA-51	1	Transfer In 16.00 Perm Pos. and Funding from HMS 301 and HMS 601 (companion to 301SA-54 and 601TA-51)	N	4.70		550,400

301SA-54 - Transfer Out 11.00 Perm Pos. and Funding to HMS 901 (companion to 901MA-51)

601TA-51 - Transfer Out 5.0 Perm Pos. and Funding to HMS 901 (companion to 901MA-51)

901MA-51 - Transfer In 16.00 Perm Pos. and Funding from HMS 301 and HMS 601 (companion to 301SA-54 and 601TA-51)

The purpose of this request is to transfer these permanent positions and funding from the Adult Protection Community Services Branch (APCSB) and the Child Welfare Services Branch (CWSB) to the Social Services Division (SSD) Administration. By transferring these positions and funds, the Division will consolidate program development and planning support functions currently housed in APCSB and CWSB. The consolidation of these functions will aid in managing and supporting both the APCSB and the CWSB line staff in program development, offering clarification, rules design, and reconstituting the planning function. In addition, this request will align the funding to SSD's organizational plan and improve the ability to timely respond to required federal monitoring of contracts and activities to maximize federal fiscal support.

This request includes a Registered Nurse V position in the APCSB Program Development Office. The Registered Nurse V will develop policies from the medical and health perspective, as many referrals for harm (e.g., physical abuse, neglect, and self-harm) of a vulnerable adult require medical and health assessments.

The change in organizational structure will separate policy from practice. This change will allow the Division to focus and respond to time-sensitive deadlines; currently, responses to these demands by the branches lag due to multiple workloads, caseload demands, and conflicting priorities. SSD envisions more focused efforts by the Division on administrative functions and more focused practice efforts by the branch to increase the quality of services to children, families, and vulnerable adults.

HMS 301 – Child Protective Services

HB1600 HD1 in agreement with HB1600. DHS appreciates and agrees with the HB1600 HD1.

		OPERATING BUDGET REQUESTS		FY23		
Prog ID	Dept Pri	Description	MOF	FTE (P)	FTE (T)	\$ Amount
301SA-55	5	Trade-off OCE Funding to restore general fund salaries for 3.00 positions - reduce OCE	A			(68,536)
301SA-55	5	Trade-off OCE Funding to restore general fund salaries for 3.00 positions – reduce personal services	N			(1,696)
301SA-55	5	Trade-off OCE Funding to restore general fund salaries for 3.00 positions - add personal svcs	A			68,536
301SA-55	5	Trade-off OCE Funding to restore general fund salaries for 3.00 positions - add personal svcs	N			1,696
301SA-51	8	Add 1.00 Perm FTE for FFPSA SW V 92379K	B	0.50		25,286 50,572
301SA-51	8	Add 1.00 Perm FTE for FFPSA SW V 92379K	N	0.50		25,286 50,572
301SA-52	14	Add Funds for Child Protective Services, Personal Services Costs	A			4,897,157

301SA-55 - Trade-off OCE Funding TO restore general fund salaries for 3.00 positions - reduce OCE

The Social Services Division (SSD) requests to use savings from a lease termination to restore 3.00 Social Services Aide positions. SSD consolidated the CWS Ewa office into the Kapolei offices at the Kakuhihewa Building and will use these savings to restore these positions' general fund salary portion.

The Social Services Aide (SSA) role is invaluable to children and families entering the foster care system. An SSA often assists during the removal of a child from their family home and finding placement outside of the family home. An SSA arranges and supervises the first contact with their parents after being placed in foster care. An SSA schedules all medical, dental, and therapeutic appointments for foster children who may have severe dental and medical needs at the time of entry into the foster system. An SSA also transports children in foster care and accompanies them to various appointments. Over 50% of children that enter our system require multiple services to address physical and emotional trauma because of abuse or neglect. Nearly 1,500 children are under the care and custody of CWSB at any one time, and the children CWSB serves require adequate numbers of SSAs to meet the children's safety and well-being needs.

Restoring the funding for these three SSA positions is pivotal to ensuring successful operations and services of CWSB. Without these positions, there will be insufficient staffing, which will increase delays in meeting statutory requirements and submitting court reports. The lack of adequate staff capacity leads to staff burnout, lower morale in the workplace, and more workers having to take

leave due to stress-related reasons. With the workforce stretched thin, complaints regarding poor work conditions result in increased complaints to Human Resources, the union, and others. From a client perspective, exhaustion leads to poor decisions or delays in services, resulting in other problems, including potential lawsuits against the State or federal fiscal penalties. Most importantly, restoring funding for these positions will allow CWS to attend to the safety and well-being of children in care who have already suffered abuse or neglect and the trauma of being separated from their families.

301SA-51 - Add 1.00 Perm FTE for FFPSA SW V 92379K

HB1600 HD1 includes full-year funding for MOF B (\$50,572) and MOF N (50,572) salaries. There is no delay in hiring.

SSD requests to add 1.00 Permanent FTE FFPSA Program Manager position to manage, organize, and oversee all aspects of the planning, development, implementation, and evaluation of Hawaii's Family First plan.

The Family First Prevention Services Act (FFPSA) became law as a part of the Bipartisan Budget Act on February 9, 2018. This Act reforms the federal child welfare financing streams, Title IV-E and Title IV-B of the Social Security Act, to provide services to families and children at risk of entering the child welfare system. This law aims to prevent children from entering foster care by allowing federal reimbursement for mental health services, substance use treatment, and in-home parenting skills training. It also seeks to improve the well-being of children already in foster care by incentivizing states to reduce placement of children in congregate care.

On August 11, 2021, the federal Administration of Families and Children (ACF) approved Hawaii's Family First Hawaii Title IV-E Prevention Plan with an effective date of January 1, 2021, and implementation of some prevention services on October 1, 2021. When the prevention plan was approved, Hawaii was one of only 16 states that received federal approval to implement its Family First Services plan and was the first State from Region 9 to be approved.

This FFPSA Program Manager position will manage, organize, and oversee all aspects of the planning, development, implementation, and evaluation of Hawaii's Family First Services. Duties include setting priorities; developing and establishing a program management plan; scheduling work assignments, plans for implementation, communication, training, evaluation, procurement, IT modifications, and reporting. In addition, the FFPSA Program Manager will serve as the liaison with the Purchase of Service and Grants Management Staff to monitor contracted providers; ensure all related requirements are in place. Notably, numerous federal requirements require oversight such as an approved Title IV-E Prevention Plan, compliance with eligibility criteria, evaluation, and training plan, candidacy definitions, timely procurement of evidence-based trauma-informed services, qualified residential treatment programs (QRTP), submission of federal reports, financial claims, communications, and IT modifications; and directs all internal and external work related to Hawaii's Family First programs.

This position is necessary to oversee the prevention services program.

301SA-52 – Add Funds for Child Protective Services, Personal Services Costs

This request stabilizes CWSB's personal services costs and makes funds available for other current expenses more predictable. CWSB has a total of 398.50 permanent authorized positions. Most of these positions' salaries are split-funded - 60% general funds and 40% federal funds. However, CWSB needs to upfront the entire salaries using general funds before the program can submit the claim for reimbursement to the federal government. We examined three years of actual federal reimbursements received from the federal government to calculate this request; we found reimbursement equal to 15.6% instead of 40% reimbursement. Therefore, to balance the program's base budget for personal services, additional general funds are needed to cover the shortfall of federal reimbursements.

Because of the shortfall in federal reimbursements, the program has been short in payroll for several years. For the program to pay the employees' salaries on time, the program relied on transfer funds from the other current expenses budget to fund the payroll shortfall. When CWSB transfers funds from the other current expenses to payroll, this impacts the ability of CWSB to timely pay the contracted providers and vendors for services rendered. As a result, CWSB defers payments to the next fiscal year and consistently operates in a budget deficit.

In SFY2022, with the State's general revenue shortfall, CWSB relied on additional funds from the TANF program to meet its needs. However, DHS anticipates that TANF funds will no longer be available to CWSB in light of the current Congressional debate on TANF reauthorization, which may prohibit the spending of TANF on childcare or child welfare services.

House additions. DHS appreciates and agrees with all House additions to HB1600 HD1 to the HMS Supplemental FY2023.

		OPERATING BUDGET REQUESTS		FY23		
Prog ID	Dept Pri	Description	MOF	FTE (P)	FTE (T)	\$ Amount
HMS 301	NA	Additional FTE and salaries for Child Welfare Services (CWS)	A	48		2,950,036

DHS appreciates and agrees with the added 48 FTE and \$2,700,036 for salaries, \$150,000 funds for motor vehicles, and \$100,000 funds for training costs and fees, MOF A, included in HB1600 HD1

Currently, companion bills HB 2424 HD1 and SB 3237 SD1 seek to increase post-permanency services provided by CWS. The additional 40 positions will support visits with families who adopt or are legal guardians and receive subsidies. These will be new annual visits as part of a safety assessment and requirement to receive subsidies. CWSB projects the following positions if approved, and salary ranges are minimally needed.

Position Title	FTE Count	Annual Salary	Total
Social Worker V (Supervisor)	6.00	67,200.00	403,200.00
Social Worker IV	11.00	59,748.00	657,228.00
Social Worker III	11.00	55,200.00	607,200.00
Secretary' 1	6.00	41,100.00	246,600.00
Social Service Assistant IV/Social Services Aid IV	6.00	39,540.00	237,240.00
Grand Total	40.00		2,151,468.00

These are the positions necessary to ensure the Comprehensive Child Welfare Information System moves forward successfully. **HB 1932 HD1** addresses the project to modernize the child welfare data system and the following eight (8) positions.

Position Title	FTE	Annual Salary	BU	SR/Level
Business Lead Level VI	1.00	72,684	13	26E
Business Lead Level V	1.00	67,200	13	24E
Technical Lead Level VI	1.00	72,684	13	26E
Technical Lead Level V	1.00	67,200	13	24E
Organizational Change and Communication Manager	1.00	67,200	13	24E
Planner V	1.00	67,200	13	24E
System Trainer	1.00	67,200	13	24E
Data Quality	1.00	67,200	13	24E
Total	8.00	548,568		

301SA-53 - Increase Special Fund Ceiling for SCASF

HMS Supplemental budget requests that the House did not include in HB1600 HD1. We ask the Senate to reconsider these requests and include them in HB1600 HD1 SD1.

DHS disagrees with HB1600 HD1 for budget request 301SA-53 and is requesting to fully fund the increase for the Special Fund Ceiling for SCASF. DHS appreciates the \$1.00 placeholder for this budget request. Please see the impact statements below.

		BUDGET REQUESTS	FY23			
Prog ID	Dept Pri	Description	MOF	FTE (P)	FTE (T)	\$ Amount
301SA-53	15	Increase Special Fund Ceiling for SCASF	B			5,000,000

ALTERNATIVES CONSIDERED

None available. The only alternative to increasing the Spouse & Child Abuse Special Fund (SCASF) ceiling is an additional recurring general fund appropriation in the base.

IMPACT STATEMENT

- a. *SCASF \$5M MOF B - The Family First Prevention Act (FFPSA) allows federal reimbursements of up to 50% of eligible costs. The Administration for Children & Families approved the Family First Hawaii (FFH) Prevention Plan in August 2021, and CWS implemented the first of four prevention services in October 2021. Based on current data, DHS projects that FFH will require nearly \$5,000,000 of State non-federal funds to operate for the first year of full implementation of the preventive services.*

FFPSA requires states to expend non-federal funds on approved services to claim federal reimbursement. CWS plans to use SCASF as the non-federal fund source for FFPSA reimbursement. Per Section 346-7.5, Hawaii Revised Statutes, the proceeds of SCASF "shall be reserved for use by the department of human services for staff programs, and grants or purchases of service, consistent with chapters 42F and 103F, that support or provide spouse or child abuse intervention or prevention as authorized by law."

For background, in 2018, FFPSA created a new financing model for child abuse and prevention services that requires states to expend non-state funds for approved prevention services to seek federal reimbursement for those expenditures. To create an accessible source of non-federal funds, Act 84, SLH 2019, added federal Title IV-E reimbursements to the State received in the fiscal year after the funds were expended as a new source of funds to SCASF and established a \$3 million ceiling. (The administration asked for a \$5,000,000 ceiling, and the Legislature reduced it to \$3,000,000). DHS requested the \$5,000,000 budget appropriation ceiling based on a 3-year average of nearly \$5,000,000 of federal IV-E reimbursements DHS returned to the general fund. In general, unless otherwise provided by law, reimbursements received after the fiscal year-end in which the funds are expended are returned to the State's general fund.

In 2020, DHS requested a budget adjustment of the SCASF appropriation ceiling to \$3,000,000 to match the statutory change made in Act 84, SLH 2019. However, with the impact of COVID-19, the Legislature did not adjust the budget as requested.

In 2021, the DHS requested to raise the SCASF ceiling to \$5,000,000 in administration measures SB1137 and HB983, both pending, to capture federal IV-E reimbursements. The current budget appropriation ceiling of the SCASF is \$1,007,587. Now that the FFH is approved, the current ceiling amount will limit the planned implementation of FFH.

To increase the source of non-federal funds without increasing the general fund appropriations to the base, CWS requests the SCASF ceiling be raised to 5,000,000. If CWS used \$5,000,000 from the SCASF, CWS could seek up to \$2.5M in reimbursements from the federal government for evidence-based services.

- b. *Failure by the DHS to provide the approved FFH prevention services will result in missed opportunities to prevent child abuse or neglect. In addition, Hawaii will not be able to maximize available federal reimbursement for FFH services; if Hawaii received the additional federal reimbursements, DHS could use the federal reimbursements to fund continuing services.*

c. If the budget does not include an increased SCASF appropriation ceiling, the only alternative available would be for an additional \$5,000,000.00 in general funds added to the base budget.

HMS 601 – Adult Protective and Community Services

HB1600 HD1 in agreement with HB1600. DHS appreciates and agrees with the HB1600 HD1.

		OPERATING BUDGET REQUESTS		FY23		
Prog ID	Dept Pri	Description	MOF	FTE (P)	FTE (T)	\$ Amount
601TA-52	6	Trade-off OCE Funding to restore general fund salaries for 1.00 positions - reduce OCE	A			(31,086) (29,874)
601TA-52	6	Trade-off OCE Funding to restore general fund salaries for 1.00 positions – reduce OCE	N			(1,212)
601TA-52	6	Trade-off OCE Funding to restore general fund salaries for 1.00 positions - add personal svcs	A			31,086 29,874
601TA-52	6	Trade-off OCE Funding to restore general fund salaries for 1.00 positions - add personal svcs	N			1,212

601TA-52 - Trade-off OCE Funding to restore general fund salaries for 1.00 positions - reduce OCE

NOTE: Due to a cost element summary error in Form B for Form A 601TA-52, the amount of general funds transferred from other current expenses to personal services is \$1,212 more than required. DHS requests that the amounts in the Governor's Decisions for FY23 be adjusted by - \$1,212 in personal services and by \$1,212 in other current expenses to correct the request to the actual amounts needed.

601TA-52 Trade off other current expenses for general fund salary for 1 permanent Adult Protective Services Position											
			FY 23 Request - Approved			FY 23 Request - Corrected			FY Request - Adjustment Needed		
			FTE (P)	FTE (T)	(\$)	FTE (P)	FTE (T)	(\$)	FTE (P)	FTE (T)	(\$)
A.	Personal Services		0.00	0.00	32,298	0.00	0.00	31,086	0.00	0.00	(1,212)
B.	Other Current Expenses				(32,298)			(31,086)	0.00	0.00	1,212
C.	Equipment				0			0	0.00	0.00	0
L.	Current Lease Payments				0			0	0.00	0.00	0
M.	Motor Vehicles				0			0	0.00	0.00	0
									0	0	0
TOTAL REQUEST			0.00	0.00	0	0.00	0.00	0	0.00	0.00	0
By MOF:											
A			0.00	0.00	0	0.00	0.00	0	0.00	0.00	0
N			0.00	0.00	0	0.00	0.00	0	0.00	0.00	0

Staff members of the Adult Intake Unit are the first responders from APCS and are the first to make face-to-face contact with vulnerable adults or their family members. To be responsive to

the public and provide timely services to vulnerable adults in crisis, APCS must have sufficient staffing to respond, including this position.

This position is a social worker in the Adult Intake Unit; it is 50% federally funded. To meet the state fund portion of the salary, APCS changed the compensation schedule of one of its contracts with the University of Hawaii from fixed cost to cost reimbursements, resulting in an anticipated saving. APCS will use these savings to fund the general fund portion of the position's salary of \$29,874.

This critical position is a front-line social worker who takes reports of harm to vulnerable adults, assesses eligibility, and assigns cases. This social worker position is also responsible for providing information and crisis intervention to community members, including mandated reporters such as law enforcement, financial institutions, and hospitals. Without this position, calls will not be answered promptly, resulting in delays in investigator response times.

Due to the pandemic and the "silver tsunami," we anticipate that there will be an increase in the number and complexity of reports as the State "opens up" from the pandemic conditions and the visibility of vulnerable adults increase. In addition, we anticipate more reports as many providers are not regularly seeing their vulnerable clients, and protective family members have been unable to visit and check in on their loved ones.

DHS GENERAL ADMINISTRATION

HB1600 HD1 in agreement with HB1600. DHS appreciates and agrees with the HB1600 HD1.

Prog ID	Dept Pri	OPERATING BUDGET REQUESTS			FY23	
		Description	MOF	FTE (P)	FTE (T)	\$ Amount
904AA-52	1	Add 3.00 Perm FTEs for OIT Project Management Office Positions	A	1.95		224,909
904AA-52	1	Add 3.00 Perm FTEs for OIT Project Management Office Positions	N	1.05		195,380
904AA-57	4	Transfer-In Pre-Audit Clerk I 47413 from HMS 501 to HMS 904	A	1.00		34,020
904AA-55	4	Add 1.00 Perm FTE HR-RES HRS IV 92343K and Associated Costs for Background Checks	A	1.00		34,700
904AA-54	6	Fund OIT Information Technology Positions	A			328,278
904AA-53	7	Fund OIT Administration Positions	A			111,069
904AA-59	9	Fund FMO Account Clerk IV 36257	A			39,540
904AA-58	11	Fund FMO Office Assistant III 29900	A			33,120
904AA-56	12	Fund HR-RSS HRA V 22877	A			39,540
904AA-51	26	Correct -2.00 Perm FTE Error	A	2.00		
904AA-60	30	Add funds for continuity response for the impact of the COVID-19 pandemic	V			300,000

904AA-52 - Add 3.00 Perm FTEs for OIT Project Management Office Positions

This request is the Department's top priority for the supplemental budget. These three (3) project management office positions were initially part of the DHS IT Modernization Special Project - the driver of the eligibility systems of Med-QUEST (KOLEA), BESSD (BES Project), and SSD (CCWIS). Permanent staff in the project management office are needed to lead the IT Modernization Project to replace the Department's thirty-year plus mainframe systems with modern technology. Once completed, the modern IT systems will serve Hawaii's residents who rely upon programs administered by the Med-QUEST Division (MQD), the Benefit, Employment, and Support Services Division (BESSD), and the Social Services Division more comprehensively and efficiently.

DHS IT Modernization is ongoing to enable continuous improvement across the DHS enterprise. DHS needs an adequately staffed and funded project management office to ensure DHS meets federal matching requirements, monitor state and federal funds associated with the modernization projects, and maximize federal matching funds for Maintenance and Operations (M&O) required to maintain DHS IT systems. Without these positions and salaries, the DHS may fall out of compliance with federal funders and risk lapsing more than \$37 million needed for federal matching funds intended for phase 3 to overhaul and modernize the child welfare information system and continued development BES.

Pos No. 121315 - Info Tech Implementation Manager is essential to develop overall project plans, including project governance and decision-making structure. Further responsibilities include identifying and validating functional performance requirements, including workflows, tracing matrix detailing technology support needs, developing procurement strategies, assessing the impact on and implementing changes to existing policies, procedures, business processes, and organization structure, and implementing communications and change management and training initiatives.

Pos No. 121414 - Asst Info-Tech Implementation Manager is essential to assist the Info-Tech Implementation Manager in developing and managing the overall project and its components.

Pos No. 122450 - Resource Manager is essential to work with project managers to ensure adequate resources are available and directed at the various projects for smooth integration and to identify risks associated with the interdependencies between the projects.

904AA-57 - Transfer-In Pre-Audit Clerk I 47413 from HMS 501 to HMS 904

DHS is requesting to transfer position 47413, Pre-Audit Clerk, from HMS 503 to HMS 904-FMO to reflect the current organizational structure accurately. This position was established in HMS 501 in 1993 and was reflected organizationally in FMO. The incumbent in this position has continuously physically resided within FMO, which has supervisory control over this position and is one of three positions currently providing payroll services to all of DHS (except HPHA) and, therefore, performs a critical function in FMO. This transfer will be a trade-off with a companion transfer out request for HMS 503.

904AA-55 - Add 1.00 Perm FTE HR-RES HRS IV 92343K and Associated Costs for Background Checks

DHS is requesting one new full-time Human Resources Specialist IV position to conduct comprehensive employment background checks. Approximately 650 positions require background checks to access federal tax information (FTI), of which 150 background checks are required for pre-employment and re-certification annually. In addition, in this session, the administration proposes a bill to authorize comprehensive background checks for the Social Services Division (SSD) new hires and employees to provide direct client services for children, young adults, and vulnerable adults receiving prevention or protective services from SSD. If the measure passes, this will require additional background checks of 480 SSD employees.

Without this position, DHS recruitment and examination activities will be delayed and negatively impacted, adversely impacting operations and performance measures.

904AA-54 - Fund Eight (8) OIT Information Technology Positions

We request the restoration of funding for eight (8) key positions to bring in individuals with talent, skill sets, and experience to support DHS IT infrastructure and staff. By restoring these positions, we will continue the vital IT transformation within the DHS and improve the new solutions implemented as our pandemic response. It is difficult to recruit highly skilled IT staff when competing with private, federal, and other state and county employers. Additionally, when we use contract services, the cost is 3 to 5 times higher with less continuity than staff performing the work.

This skilled team will support new technology:

- Technical and business analysts that work with business users on requirements, user testing, and user training
- Cloud infrastructure, Cloud applications, Cloud security
- Web applications, software developers, Web application security
- Data integration and data analytics specialists

The eight (8) OIT information technology positions for this budget request are listed below:

1. Pos 17861 – Information Technology Band B
2. Pos 25461 – Office Assistant IV
3. Pos 26957 - Information Technology Band B
4. Pos 37432 - Information Technology Band B
5. Pos 51806 - Information Technology Band
6. Pos 51809 - Information Technology Band A
7. Pos 28230 - Information Technology Band
8. Pos 46592 - Computer Operator II

904AA-53 - Fund Three (3) OIT Administration Positions

Pos No. 23672 - Administrative Officer V works directly with the PMO team (DHS request # 904AA-52) to ensure the optimum mix of cost, schedule, performance, and system supportability throughout the life cycle (design, development, testing and evaluation, production, and disposition) of each program. The Administrative Officer V will analyze alternative problem solutions and present a case for the recommended solutions with a detailed analysis of risks and return on investment. Additionally, Administrative Officer V oversees the IT procurement, IT contracts and vendor management, and document preparation for the accounts payable processes for IT-related services, supplies, and equipment.

Pos No. 28783 - Secretary I provides a broad range of administrative and secretarial support services to managerial and professional staff in the DHS Office of Information Technology (OIT). OIT supports all of DHS's IT systems, programs, data, customer services, and subject matter expertise.

Pos No. 42191 - Office Assistant III also assists Secretary I, Administrative Officer V, the Enterprise Officer, and other management and professional staff in performing a broad range of administrative and secretarial support services. The OA III is primarily responsible to supports procurement and accounts payable processes for IT-related services, supplies, and equipment.

904AA-59 - Fund FMO Account Clerk IV 36257

DHS is requesting to restore the salary for an Account Clerk IV, position 36257, defunded by Act 9, SLH 2020.

This position is vital for performing EBT/Hana EBT reconciliation, recording EBT transactions, TANF overpayment collections, fund reconciliation, and federal grant drawdowns. This unfunded vacant position has resulted in overdrawn accounts, requiring immediate corrective actions to resume program operations, impacting program operations as funding is interrupted until the overdraw situation is corrected.

904AA-58 - Fund FMO Office Assistant III 29900

DHS is requesting to restore the salary for an Office Assistant III, position 29900, defunded by Act 9, SLH 2020.

DHS will redescribe this position to start a new procurement audit function in the Property & Procurement (PP) section of FMO. Annual audits of selected programs within DHS are necessary and will add significantly to the workload of the PP section, requiring additional staffing. This audit will cover all methods of procurement and review program policies, training, and procedures related to their procurement activity. Post audit, this program will provide consultative services to programs in addressing any issues identified by the audit.

904AA-56 - Fund HR-RSS HRA V 22877

DHS is requesting restoration of the salary for a Human Resources Assistant (HRA) V position, Records and Support Services Staff (RSS), to process the full range of human resources transactions and pay-related documents. In addition, the position will assist assigned programs with the interpretation of rules, regulations, and collective bargaining contract provisions as they relate to transactions activities.

RSS consists of one Human Resources Specialist supervisory position and four HRA positions to service approximately 1,900 filled positions department-wide or about 450 - 500 employees per HR Assistant. This HRA position has been vacant since December 31, 2019, and the 2020 legislature defunded the position. The individual workload is not manageable with the number of vacancies. It is imperative this position is funded and filled so that the unit can prevent delays and meet the workload demands of the Department.

904AA-51 – Correct –2.00 Perm FTE Error

The House Committee on Finance (FIN) informed the Department of Human Services (DHS) of a legislative error in HB200 HD1 SD1 CD1 (2021), sequence number 2001-001 for FB 21-23. The error affected HMS 904, wherein 2.00 MOF A permanent full-time equivalents (FTEs) were arbitrarily reduced when there were no associated HMS 904 positions against which a reduction could be applied. This error created an imbalance with actual FTEs. To match the program appropriation FTE totals for FB 21-23, we added two HMS 904 budget detail records: 92231K (-1.00 A perm FTE) and 92232K (-1.00 A perm FTE), as reflected in Act 88, SLH 2021. FIN advised the DHS to add 2.00 A Perm FTEs in HMS 904 for Supplemental FY 23 to correct the error so the Committees can resolve this issue. Therefore, this request adds 2.00 A perm FTEs to correct the error and rebalance the position ceiling.

904AA-60 - Add funds for continuity response for the impact of the COVID-19 pandemic

HB1600 HD1 changed the funding source from MOF A to MOF V.

The breakdown of the \$300,000 is below:

- 150,000 KN95 masks (25masks per box = 6,000 boxes @ \$30/box) = \$180,000
- 12,000 12 oz hand sanitizers (4 12oz/pack = 3,000 packs @ \$29/pack) = \$87,000
- Remaining \$33,000 would be for disinfectant

Throughout the pandemic, staff were required to be in offices to maintain essential functions and programs such as child protective and adult protective services, child care licensing, homeless services, and contracted providers' continued in-person services in the office and the community. The Department will require additional funds to provide a ready supply of Personal Protective Equipment (PPE) and rapid testing supplies to ensure services continue and are compliant with safety measures. In addition, DHS has also facilitated the Emergency Support Function 6 (ESF 6), which needs enhanced strategic planning, training, and investment in

available technical solutions given emergency management incidents. DHS is also the primary agency responsible for the State's Emergency Repatriation Plan.

House additions. DHS appreciates and agrees with all House additions to HB1600 HD1 to the HMS Supplemental FY2023.

DHS appreciates and agrees with the additional 1.00 FTE and salary of \$39,640 for a Human Resources Assistant V, SR13C.

		OPERATING BUDGET REQUESTS		FY23		
Prog ID	Dept Pri	Description	MOF	FTE (P)	FTE (T)	\$ Amount
HMS 904	NA	Human Resources Assistant V	A	1.00		39,540

The additional Human Resources Assistant V position will enable DHS to continue to address the sizable backlog of work in the Records and Support Services Staff and provide much-needed clerical support for the comprehensive background check process.

DHS OVERALL

Federal Fund Adjustment Requests

HB1600 HD1 in agreement with HB1600. DHS appreciates and agrees with the HB1600 HD1.

		OPERATING BUDGET REQUESTS		FY23		
Prog ID/Org	Dept Pri	Description	MOF	FTE (P)	FTE (T)	\$ Amount
222RA-FF	1	Increase Federal Fund Ceiling	N			10,196,861
238GB-FF	1	Increase Federal Fund Ceiling	N			511,041
303WP-FF	1	Increase Federal Fund Ceiling	N			3,239,986
901MA-FF	1	Increase Federal Fund Ceiling	N			731,752

238GB-FF: Additional federal fund ceiling is being requested based on a comparison of federal fund appropriations under Act 88, SLH 2021 for FY 23, and currently anticipated federal funds for FY 23. This request will align the budget details with authorized increased hiring, overtime, and workloads.

Form FF Reconciliation

Additional federal fund ceiling is being requested based on a comparison of federal fund appropriations under Act 88, SLH 2021, and anticipated federal fund requirements for FY23.

Thank you for the opportunity to provide testimony and an impact statement on the Department of Human Services supplemental budget requests.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Ways and Means
March 22, 2022 at 9:30 a.m.

by
David Lassner
President
University of Hawai'i

HB 1600 HD1 – RELATING TO THE STATE BUDGET

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the committee:

Thank you for the opportunity to present testimony today. The University of Hawai'i (UH) **supports** HB 1600 HD1, Relating to the State Budget. This bill appropriates funds for the Executive branch's operating and capital improvement budget for the fiscal year 2022-2023 (FY23).

The following table lists the requests for additional General Funds in the Board of Regents (BOR) approved submittal, the Governor's budget submittal for FY23, and the House Draft of the budget.

Description	Board FY23	Gov FY23	House FY23
General Fund Restoration – UH Mānoa	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000
General Fund Restoration - JABSOM	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
General Fund Restoration – UH Hilo	\$ 2,280,000	\$ 2,280,000	\$ 2,280,000
General Fund Restoration – UH West O‘ahu	\$ 1,080,000	\$ 1,080,000	\$ 1,080,000
General Fund Restoration - Community Colleges	\$ 4,600,000	\$ 4,600,000	\$ 4,600,000
General Fund Restoration - System Support	\$ 3,391,232	\$ 3,391,232	\$ 3,391,232
Athletics – UH Mānoa	\$ 3,600,000	\$ 3,600,000	\$ 12,400,000
Athletics – UH Hilo	\$ 400,000	\$ 400,000	\$ 1,400,000
PISCES	\$ 550,000	\$ 550,000	\$ 550,000
Creative Media at UH West O‘ahu	\$ 282,000	\$ 282,000	\$ 282,000
Nursing Clinical Instructors @ UH Mānoa		\$ 381,767	\$ 381,767
Nursing Clinical Instructors @ UH Hilo		\$ 532,150	\$ 532,150
Nursing Clinical Instructors @ CCs		\$ 842,572	\$ 842,572
Residency Program Expansion		\$ 2,040,000	\$ 1,880,000
Teacher Workforce Education		\$ 557,097	\$ 557,097
IT and Cybersecurity Workforce		\$ 1,575,000	\$ 1,575,000
Creative Media at UH Mānoa		\$ 380,000	\$ 580,000
Aviation Program at UH Hilo		\$ 190,000	\$ 190,000
Repairs, Maintenance, and Equipment		\$ 21,700,000	\$ 38,100,000

Description	Board FY23	Gov FY23	House FY23
Immersion School Teaching Pathway at 'Imiloa			\$ 2,889,496
Maui Food Innovation			\$ 146,000
Culinary Institute of the Pacific - Kapi'olani CC			\$ 339,840
Hawai'i Promise Expansion to UH Mānoa			\$ 12,506,283
Hawai'i Promise Expansion to UH Hilo			\$ 1,773,450
Hawai'i Promise Expansion to UH West O'ahu			\$ 5,080,639
Hawai'i Promise - Additional Funds to CCs			\$ 4,800,000
Total	\$ 47,383,232	\$ 75,581,818	\$ 129,357,526

UH BOR Requests

The UH FY22 general fund appropriation was significantly reduced due to the pandemic's negative impact on the economy. The first six items in the table seek restoration of those \$42.5 million in general funds to UH. The Governor and House support this request from the BOR.

Similarly, the Legislature eliminated general fund support to the Athletics programs at Mānoa and Hilo that dates back to FY18. UH is requesting the restoration of these appropriations of \$3.6 million to Mānoa Athletics and \$400,000 to Hilo Athletics. The Governor supports this request from the BOR and we appreciate and support the substantial House increases to our request given the strength of the revenue forecasts. These increases will help us support the physical and mental health and well-being of our student athletes in a Title IX-compliant manner and increase the competitiveness of our programs.

Act 1, Special Session of Hawai'i (SSLH) 2021, transferred the Pacific International Space Center for Exploration Systems (PISCES) from the Department of Business, Economic Development and Tourism (DBEDT) to UH-Hilo. Although funding for PISCES was reduced from DBEDT, the corresponding funding was not transferred to UH-Hilo for the continued operations. UH is therefore requesting \$550,000 in general funds, which equals the appropriation eliminated in DBEDT. The Governor and House support this request from the BOR. In addition, UH also requests \$500,000 in special fund ceiling for the PISCES Special Fund, which is not listed in the table above because it is a non-general fund request.

Five positions and \$282,000 are requested to help staff the new Creative Media facility at UH-West O'ahu, which will be available to students of all UH campuses, and increase instructional capacity for one of our fastest-growing programs. These new positions will provide highly technically skilled expertise in digital creative media for students and faculty. The Governor and House support this request from the BOR.

The final BOR-approved request is a change in Means of Financing from the Community Colleges Special Fund (CCSF) to the Community Colleges Revolving Fund (CCRF) due to the reclassification of the CCSF to the CCRF in Act 9, SSLH 2021. Please note this request is also not listed on the table above because this is a non-general fund request.

Governor's Additions

In addition to the BOR-approved requests, several additional items were included in the Governor's budget submittal of December 2021. These additions were enabled by the improvements to the economy and revenue projections following the preparation of the BOR request and were developed in collaboration with UH.

Current faculty shortages are inhibiting UH's capacity to educate future nurses. Therefore, \$1,756,489 is requested for clinical instructors (expert clinical nurses who can provide "hands on" experience and knowledge) for UH's nursing education programs across the state.

In an effort to address the physician shortage on the neighbor islands, approximately \$2 million is requested to expand the Graduate Medical Education (GME) residency program across the state. The experience of the John A. Burns School of Medicine (JABSOM) is that of those physicians who do their medical school and residency in Hawai'i, 80% remain in Hawai'i to practice. However, these experiences are currently O'ahu-centric. Expansion to the neighbor islands should create a new pipeline of physicians who want to initiate a neighbor island practice. The House reduced this amount by \$160,000 across the four Associated Program Coordinators (APC) by \$40,000 each. This reduction will effectively reduce the number of APC positions that can be hired, negatively impacting the ability to support the ten new residents and six new faculty for this rural residency track. We therefore respectfully request that full funding for this request be included in the budget.

To help address Hawai'i's teacher shortage, UH is requesting \$557,097 in additional funding to hire additional lecturers for elementary and secondary education instruction. There is also funding for additional specialists and support staff associated with this request.

To meet the workforce needs of Hawai'i's future, we must expand and focus our educational capacity in the areas of computer science and engineering. \$1.575 million is requested for additional faculty in specialty areas of computer science and cybersecurity at Mānoa and Hilo including the creation of a new statewide internship program to provide work-based learning experience for students.

Creative media is also one of the fastest-growing majors at Mānoa and the Governor's request of \$380,000 will enable the upgrade of computer workstations for students in the technical tracks and courses including animation. The House addition of \$200,000

will additionally enable support soundproofing of production facilities for Creative Media students.

In order to provide local students with the opportunity to prepare for careers as pilots, \$190,000 is requested for the Hilo aviation program to hire one Associate Professor and one Instructor.

Finally, \$21.7 million for repairs, maintenance, and equipment is included in the Governor's budget. The House increased this amount to \$38.1 million to accommodate additional projects. Some of the planned projects include demolition of the PBS Building, roofing repairs across various buildings, mechanical and/or electrical improvements, repairs to the parking structure, and additional improvements to the Clarence T.C. Ching Athletics Complex including increasing seat capacity.

House Additions

Fourteen positions and \$2.9 million were added to UH Hilo's budget to support an Immersion School Teaching Pathway and early education. This is directly responsive to the shortages of immersion school teachers and the need for attention to early childhood education in Hawaiian that will only grow as Hawai'i begins to grapple with our early education crisis. We are grateful for the Legislature's continued support of the UH's role in revitalizing, advancing, and normalizing of the Hawaiian language as an official language of the State of Hawai'i.

Three position counts for the Maui Food Innovation Center are included to replace those eliminated during the 2020 Legislative Session, along with the addition of \$146,000. This funding also provides for utilities, classroom/lab equipment, and maintenance support. The Maui Food Innovation Center will operate as a business incubator offering business support services and an FDA-inspected food production facility for the Maui community.

In support of the operations and maintenance of the Culinary Institute of the Pacific at Kapi'olani Community College, seven positions and \$339,840 were added for grounds maintenance staff, security officers, custodians, and an appliance mechanic. These positions will allow for proper care, maintenance, and security of the facility.

The Hawai'i Promise Program currently operates solely at the seven UH Community Colleges. Hawai'i Promise provides the "last dollar" to cover direct educational costs (e.g., tuition, fees, books, etc.) that have not been met by other forms of financial aid such as scholarships and/or federal grants. \$19.4 million was added to expand the Hawai'i Promise Program to the three UH universities. UH has requested this funding multiple times in the past years. It is anticipated that the expansion of this program will help nearly 5,000 students with the cost of postsecondary education. Additionally, \$4.8 million was added to the Community Colleges to expand its ongoing program. These additional funds will allow the program to reach approximately 3,000 additional students.

Capital Improvement Projects

The following table lists the requests for additional General Obligation Bond financed projects in the Capital Improvement Projects (CIP) portion of the budget:

Description	Board FY23	Gov FY23	House FY23
Hamilton Library	\$ 6,000,000		
Central Admin Facility w/ Parking	\$ 4,000,000		
Leeward CC Fascias	\$ 6,500,000	\$ 6,500,000	\$ 6,500,000
Waikīkī Aquarium Discharge System Upgrade	\$ 11,500,000	\$ 11,500,000	\$ 11,500,000
RIM - Systemwide	\$ 33,500,000	\$ 32,000,000	
RIM - UHWO	\$ 2,500,000	\$ 2,500,000	
Capital Renewal & Deferred Maintenance - CCs	\$ 25,000,000	\$ 24,000,000	\$ 25,000,000
UHWO Campus Expansion & University Village		\$ 10,000,000	\$ 10,000,000
Hawai'i CC - Redevelopment of Manono Campus			\$ 2,000,000
Total	\$ 89,000,000	\$ 86,500,000	\$ 55,000,000

The UH respectfully requests funding for the following Board of Regents-approved projects, not included in the Governor's request or the House Draft of the budget:

- \$6 million in funding for Hamilton Library was requested for a feasibility study, planning, and design for renovations to convert conventional library space for books and materials into space to support people including for offices, studying and collaboration. Hamilton Library is air-conditioned 24x7 and as we increasingly digitize library materials we recognize that space can be used more effectively to support post-pandemic university needs and modes of operation.
- \$4 million was requested for design and planning for a new parking facility immediately adjacent to the Campus Services building at the intersection of East-West Road and Maile Way. The multi-level parking structure is being planned in conjunction with the Hawai'i State Department of Transportation to increase the UH's parking inventory such that morning rush hour traffic into town is reduced. The facility will have over 400 parking stalls on the current surface parking lot site and is part of our UH plan to eliminate cars from the central campus core and remove all portable/temporary structures that have been implemented over decades.
- \$33.5 million in additional funding for Renew, Improve, and Modernize (RIM) projects and campus renewal and deferred maintenance is requested for various campuses across the UH system and \$2.5 million in RIM funding for UH West O'ahu. These RIM funds are used to transform and modernize classrooms, laboratories, and offices into quality learning, teaching, and working areas consistent with 21st-century facilities' needs.

The UH is appreciative of the Legislature's support for the following projects, which align with the UH's CIP and repair and maintenance program:

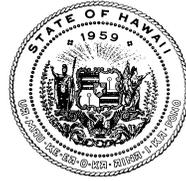
- \$11.5 million for the Waikīkī Aquarium for various repairs and a new wastewater system to meet regulatory requirements.
- \$6.5 million for the design and construction of new building fascias on the Leeward CC campus to enhance the appearance of the campus.
- \$25 million for capital renewal and deferred maintenance projects for the Community Colleges.

The following projects are consistent with university plans but were not included in the BOR Budget request:

- \$10 million was added by the Governor for planning and design work to develop lands located at the West O'ahu campus, and the University Village lands adjacent to the campus and within Transit-Oriented Development (TOD) areas. This project aims to bring a privately built and operated film/production student to campus to create economic growth and high-quality jobs as we develop workforce housing, mixed-use development, and services to create walkable communities around transit nodes.
- \$2 million added by the House for planning for planning the redevelopment of the Hawai'i CC Manono Campus.

The UH is the most critical institution for the future of our state, educating and training our residents for the jobs of today and tomorrow as our faculty address the challenges and opportunities facing Hawai'i and the world through our research and scholarship. This budget request represents a thoughtful and responsible request for funding from the State of Hawai'i to support and advance our service to Hawai'i's people across our islands.

Thank you for this opportunity to testify.



STATE OF HAWAII
DEPARTMENT OF HEALTH
OFFICE OF LANGUAGE ACCESS

1177 Alakea Street, Room B-100
Honolulu, HI 96801-3378
doh.ola@doh.hawaii.gov

**Testimony in SUPPORT of HB1600 HD1
RELATING TO THE STATE BUDGET.**

SENATOR DONOVAN M. DELA CRUZ, CHAIR
SENATOR GILBERT S.C. KEITH-AGARAN, VICE CHAIR
SENATE COMMITTEE ON WAYS & MEANS

Hearing Date: 3/22/2022

Room Number: Via Videoconference

1 **Agency Position:** The Office of Language Access (OLA) supports HB1600, HD 1 which
2 adjusts and requests appropriations for fiscal biennium 2021-2023 funding requirements for
3 operations and capital improvement projects of Executive Branch agencies and programs,
4 specifically as it related to OLA (HTH-908).

5 **Agency Testimony:** English proficiency, or the lack thereof, has a significant impact on
6 individuals' economic and social activities, health literacy, and wellness. It limits access to
7 education, employment, and important public assistance such as benefits, programs, and services.

8 Under Chapter 321C, Hawaii Revised Statutes (HRS), OLA's task is to provide highly
9 specialized technical assistance and to coordinate resources to reduce the burden of
10 implementing language access obligations. OLA is charged with providing oversight, central
11 coordination, and technical assistance to all state and state-funded agencies in their
12 implementation of language access requirements, which is a civil right under both state and
13 federal law.

14 Additional staffing and resources, as adjusted in HB1600 HD1, will enable OLA to better assist
15 state agencies in complying with language access laws and performing its statutorily mandated
16 compliance and technical assistance functions.

17 Thank you for the opportunity to testify.

TESTIMONY OF
JAMES P. GRIFFIN, Ph.D.
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII

TO THE
SENATE COMMITTEE ON
WAYS AND MEANS

March 22, 2022
9:30 a.m.

Chair Dela Cruz and Members of the Committee:

MEASURE: H.B. No. 1600, HD1

TITLE: RELATING TO THE STATE BUDGET.

DESCRIPTION: Adjusts and requests appropriations for fiscal biennium 2021-2023 funding requirements for operations and capital improvement projects of executive branch agencies and programs. (HD1)

POSITION:

The Public Utilities Commission (“Commission”) supports this measure and offers the following comments for consideration.

COMMENTS:

The Commission supports the line item on pages 55-56 of this measure that would preserve the established operating budget and position counts for the Public Utilities Commission Special Fund. It is imperative that the Commission and the Consumer Advocate maintain a sufficient level of funding to ensure the continued protection of the public interest and provision of essential utility services.

The Commission notes that it has requested an adjustment to its FY 23 operating budget through GM 11:

Public Utilities Commission (CCA 901 /MA)

Add \$1,000,000 in special funds in FY 23 for the Public Utilities Commission to expend funds from the Electric Vehicle Charging System (EVCS) Subaccount in

support of the EVCS Rebate Program established pursuant to Act 142, SLH 2019, and expanded pursuant to Act 75, SLH 2021. The EVCS Subaccount receives \$0.03 of the Environmental Response, Energy, and Food Security Tax (Barrel Tax) but currently does not have any appropriation for expenditures from the subaccount for FY 23.

This adjustment will ensure that the Commission is able to expend the funds that are deposited through the barrel tax into the Public Utilities Commission Special Fund, ensuring the continued operation and success of the EVCS Rebate Program.

Thank you for the opportunity to testify on this measure.

LATE

HB-1600-HD-1

Submitted on: 3/21/2022 10:26:45 AM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Rusty Spray	Testifying for Department of Defense	Comments	In Person

Comments:

We request to testify viz Zoom; however, the site is not allowing this option as a selection



LATE

DISABILITY AND COMMUNICATION ACCESS BOARD

1010 Richards Street, Room 118 • Honolulu, Hawaii 96813
Ph. (808) 586-8121 (V) • Fax (808) 586-8129

March 22, 2022

TESTIMONY TO THE SENATE COMMITTEE ON WAYS AND MEANS

House Bill 1600, House Draft 1 – Relating to the State Budget

The Disability and Communication Access Board (DCAB) supports House Bill 1600, House Draft 1. DCAB requests your concurrence with the House Committee on Finance to restore and fund the HTH 520, Position No. 101851, Communication Access (CA) Specialist.

The DCAB CA Specialist administers the Hawaii Administrative Rules, Chapter 11-218 “Communication Access Services for Persons who are Deaf, Hard of Hearing and Deaf-Blind”; tests sign language interpreters and issues the Hawaii State Sign Language Interpreter Credential (HSSLC). In addition, the CA Specialist oversees the Continuing Education Program for sign language interpreters to maintain the HSSLC credential. The CA Specialist ensures that Hawaii’s sign language interpreters meet the definition of a qualified interpreter under the Americans with Disabilities Act (ADA) for all entities, including public accommodations.

The CA Specialist ensures that oral and written communications are accessible, whether presented in person or via virtual public meetings, in documents and on websites, using American Sign Language, captioning, audio-description or alternate formats. Using virtual platforms for remote public meetings has been a challenge for people who are blind or with low vision to access shared screen information, understand overlapping conversations, and receive audio-description of the meeting or video.

The uniqueness of the position is the title, Communication Access Specialist and it was established and created for people with communication disabilities. This underserved population deserves their position to be restored and funded for DCAB to continue the work for improved programs and services that includes training for the state and other entities to be in compliance with local, state, and federal laws relating to people with disabilities.

We respectfully request the position and its funding to be restored.

Thank you for the opportunity to provide testimony.

Respectfully submitted,

KIRBY L. SHAW
Executive Director

DAVID Y. IGE
GOVERNOR



KENNETH S. HARA
MAJOR GENERAL
ADJUTANT GENERAL

STEPHEN F. LOGAN
COLONEL
DEPUTY ADJUTANT GENERAL

STATE OF HAWAII
DEPARTMENT OF DEFENSE
OFFICE OF THE ADJUTANT GENERAL
3949 DIAMOND HEAD ROAD
HONOLULU, HAWAII 96816-4495

TESTIMONY ON HOUSE BILL 1600 HD1
A BILL RELATING TO THE STATE BUDGET

PRESENTATION TO
THE SENATE COMMITTEE ON WAYS and MEANS

BY
MAJOR GENERAL KENNETH S. HARA
ADJUTANT GENERAL AND DIRECTOR OF STATE EMERGENCY MANAGEMENT AGENCY
March 21, 2022

Chair Donovan M. Dela Cruz, and Vice Chair Gilbert S.C. Keith-Agaran, and Members of the Committee.

I am Major General Kenneth S. Hara, State Adjutant General and the Director of the Hawaii Emergency Management Agency. I am testifying on House Bill 1600 HD1.

Thank you for the opportunity to provide testimony on behalf of the Department of Defense. Areas of concern are:

- 1) The Major Disaster Fund (MDF). Though the MDF is funded in the current version of this measure, the means of financing is identified as "V". Federal Funds cannot be used to fund the MDF and must be funded with General Funds.
- 2) Requests to address both legislative and internal budgeting errors. The attached excel spreadsheet provides details of these requests. An example of an internal error was not funding two radio tech positions. The positions were subsequently abolished. These positions are filled.
- 3) Utility increase costs. The Hawaii Air National Guard spent ~\$4M in electricity. The state match is ~\$1M. These figures are from 2021. The requested increase is to address 2023 where we expect costs to be ~\$5M. The state match would need to be \$1.2M

Thank you for the opportunity to comment on HB1600 HD1. If you have any questions or need additional information to our response, please contact our administrative services officer Rusty Spray at (808) 330-7744 or at rusty.spray@hawaii.gov

Encl (HB1600 HD1 Impact Statement

SEQ Number	Item	Impact and Justification
102-001	Add Funds for Hawaii Army and Air National Guard (\$1,334,282)	The Electricity expense in 2021 was \$3,86M. The State Share was \$963K. The Air National Guard requires \$1.34M in order to meet the electric increase in cost. The State share in 2023 is projected to be \$1.22M
10-001	Trade off funds from Pers Svcs (BJ1A) to Pers Svcs (BJ1) Salaries of \$513,404 for 10 positions, and \$40,000 in Overtime.	These funds were approved by the Legislature in Act 88, SLH 2021 (Budget Worksheet 3061-001, DEF 118) but erroneously stated on the budget worksheets for Other Personal Services and not correctly restored to the 10 positions salaries on the BJ personnel tables. These high priority positions were defunded by Act 9, SLH 2020 due to the COVID 19 pandemic. The \$40,000 in Overtime was also approved in Act 88, SLH 2021 (Item 3319-002) and placed in BJ1A, however an error on Form B required this request. These salary funds and overtime are critical to restore the HI-EMA program to a minimum level to provide necessary statewide emergency response services to save and protect human lives, property and the environment, which were approved in Act 88, SLH 2021, Governor's message item. The listing of all positions funded is found in 10-002.
10-002	Trade off funds from Pers Svcs (BJ1A) to Pers Svcs (BJ1) Salaries of \$513,404 for 10 positions, and \$40,000 in Overtime.	See explanation and justification for 10-001, all 10 positions are required, not just Position # 36612 Storekeeper at \$46,476. Also critical to retain and fund salaries for are: #40347 Information Technology Band B \$62,130 - Currently under recruitment, #33025 Civil Defense Planner \$63,858- Currently redescribed to new Emergency Management Specialist and under recruitment, #117816 - Information Specialist III \$54,024 -under recruitment, #118993 Warehouse Worker \$45,348 - under recruitment, #119135 Building Construction Inspector II \$46,476, #119332 Program Specialist IV - Currently redescribed to new Emergency Management Specialist and under recruitment, #121698 Disaster Assistance Accountant \$49,164 - Currently filled with emergency hire, #121699 - Disaster Assistance Office Assistant \$30,240 - Currently filled with emergency hire, #122940 CD Planner - Currently redescribed to new Emergency Management Specialist and under recruitment. \$40,000 in Overtime approved in Act 88, SLH 2021 per info above.
100-001	Add 2.00 A Perm counts for #118861 Radio Technician, and #118862 Radio Technician	This request is required to correct Act 88, SLH 2021 which deleted these two permanent, full time, filled positions with the establishment of DEF 118 AD -new program ID. Through erroneous internal DOD budget detail updates, these positions counts were not included on the budget tables. There was NO legislative action taken to delete these positions, and they are filled with permanent incumbents. The Radio Technicians are an integral part of the early warning program that maintains the statewide siren system activated for pending emergencies or disasters. Currently the Logistics Branch who is responsible for the All-Hazard Siren Program including maintenance and modernization of warning infrastructure is under resourced which has increased the ongoing backlog of about 30% of the State's sirens being out of service or needing critical maintenance and repairs. These two positions are vital to maintenance an effective alert and warning system for the protection of human lives.
105-001	Add \$5,000,000 A funds to restore the HI-EMA Major Disaster Fund.	The Federal Funds (MOF V) can not be used for the MDF. HI-EMA, per HRS 127A, is responsible for administering the Major Disaster Fund (MDF) to support all hazard emergencies and disasters that impact the State. Without the MDF appropriation, the State will be hampered without funding for potential response, recovery, and mitigation activities. As the recent few years have proven, this funding is vital to support services needed in times of emergency and disaster; since the spring of 2018 the State has had over 10 Federal Declared Disasters. Moreover, these funds must be general funds to enable the expenditures to be eligible for Stafford Act funds. Once the incident becomes a declared federal disaster, Hawaii state funds are eligible for federal reimbursement. If the MDF is funded with non-state funds, reimbursements are not allowed.
DEF116	NATIONAL GUARD CONFERENCE CORPORATION OF HAWAII, INC., OAHU (\$360,000)	This GIA request is now listed as a CIP. We request this project be moved from DEF116 to DEF110. The project manager of this requests resides with DEF110AA. If possible, we would further request the project be awarded to the National Guard Conference Corporation

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
HOUSE BILL NO. 1600, H.D. 1**

**March 22, 2022
9:30 a.m.
Room 211 and Videoconference**

RELATING TO THE STATE BUDGET

The Department of Budget and Finance (B&F) offers comments on House Bill (H.B.) No. 1600, H.D. 1.

H.B. No. 1600, H.D. 1, adjusts the appropriations requested by the Executive Branch for FY 2021-23 funding requirements for operations and capital improvement program projects of Executive Branch agencies and programs. While B&F appreciates the funding provided by this bill, the Executive Branch prefers the original version of the bill, H.B. No. 1600, plus subsequent Governor's budget messages (G.M.) to the Legislature, which together include funding to support the Administration's priority programs.

H.B. No. 1600, H.D. 1, reduces the Executive Branch's request (including all means of financing in H.B. No. 1600 and G.M. No. 1) by \$300 million in FY 22 and \$520 million and 26.78 full-time equivalent temporary positions in FY 23. As H.B. No. 1600 would replenish resources for programs that were severely impacted by prior budget reductions, while building back the State's workforce by restoring position counts and funds for deleted positions and funding for defunded and underfunded positions,

and provide funding for increases in essential operating costs, such as utilities and insurance, B&F defers to the departments in regard to the specific program impact of the changes made by H.B. No. 1600, H.D.1.

The funding (general funds) proposed by this bill and other specific appropriation bills must meet the maintenance of effort (MOE) requirement imposed by the American Rescue Plan (ARP) Act for Elementary and Secondary School Emergency Relief Funds (ARP ESSER). The ARP ESSER MOE requires the state to maintain proportional levels of state support for education relative to the state's overall spending over a specified period. As such, the funding levels of subsequent drafts of this bill and other specific appropriation bills must be assessed to ensure that MOE requirements are met.

Thank you for your consideration of our comments.



TESTIMONY BY:

JADE T. BUTAY
DIRECTOR

Deputy Directors
ROSS M. HIGASHI
EDUARDO P. MANGLALLAN
PATRICK H. MCCAIN
EDWIN H. SNIFFEN

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

March 22, 2022
9:30 A.M.
State Capitol, Room 211 & Videoconference

**H.B. 1600, H.D. 1
RELATING TO THE STATE BUDGET**

Senate Committee on Ways and Means

The Department of Transportation (DOT) **supports with comments** this bill, which appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal year 2022-2023.

In general, the Department concurs with the bill, except for the adjustments listed in the attached impact statements that are stated below.

The Airports Division **concurs** with H.B. 1600 H.D.1 regarding Operating and Maintenance (O&M) adjustments but provides impact statements for its Capital Improvement Program (CIP) adjustments (see attachment #1 AIR impact statements–CIP).

The Harbors Division **strongly supports** H.B.1600 H.D.1. The budget items included in the bill will allow the division to efficiently maintain its operations and support its users.

The Highways Division **concurs** with H.B. 1600 H.D.1 regarding Operating and Maintenance (O&M) adjustments with the exception in attachment #2 HWY impact statements–O&M.

The Highways Division appreciates the legislature’s continued support on providing full funding levels to the Capital Improvement Programs (see attachment #3 HWY impact statements–CIP).

The Administration Division **supports** H.B. 1600 H.D.1.

The department requests for your favorable consideration of the attached impact statements #s 1, 2, 3, which detail the negative impacts to our programs.

In addition, the DOT appreciates that the Governor's Message #7 was included in H.B.1600 H.D.1, specifically the addition to HWY's CIP section for \$150,000,000 (\$30,000,000 in revenue bond funds and \$120,000,000 in federal funds) in FY23 for construction for the Bridge Rehabilitation/Replacement Program, Various Locations, Statewide, under program ID TRN595 Highways Administration.

Thank you for the opportunity to provide testimony.

DEPARTMENT OF TRANSPORTATION
REVIEW OF H.B. 1600, H.D. 1
ATTACHMENT- IMPACT STATEMENTS

AIRPORTS DIVISION

CAPITAL IMPROVEMENT PROGRAM ADJUSTMENTS

The Airports Division **concurs** with H.B. 1600 H.D. 1, **except for** the following adjustments:

TRN 102 Daniel K. Inouye International Airport – TRN 195 Airports Administration

Item No.: C-2 to C-16

Adjustment: In HB 1600 H.D. 1, the Item Numbers for Transportation Facilities start from C-2 instead of C-1. To be consistent with the first year of the biennium, the Item Numbers are respectfully requested to start from C-1 for Transportation Facilities.

1. **Impact Statement:** The Item Numbers in the first year of the Biennium, Act 88, SLH 2021, started with Item Number C-1. The supplemental year of the Biennium should be consistent to prevent confusion during the allotment process.
2. **Alternative Reduction:** N/A

TRN 195 Airports Administration

Item No.: C-11

Title: Airfield Improvements, Statewide

Description: Design and construction for airfield improvements at statewide airports. This project is deemed necessary to qualify for federal aid financing and/or reimbursement. (Other funds from Passenger Facility Charges).

Adjustment: The Description correction is respectfully requested as follows:

Description: Design and construction for airfield improvements at statewide airports. This project is deemed necessary to qualify for federal aid financing and/or reimbursement. [~~Other funds from Passenger Facility Charges.~~]

1. **Impact Statement:** The requested correction will dispel confusion since Other Funds are not being requested in this budget.
2. **Alternative Reduction:** N/A

**DEPARTMENT OF TRANSPORTATION
REVIEW OF H.B. 1600, H.D. 1
ATTACHMENT- IMPACT STATEMENTS**

HIGHWAYS DIVISION**OPERATING AND MAINTENANCE (O&M) ADJUSTMENTS**

The Highways Division **concurs** with H.B. 1600 H.D. 1, **except for** the following adjustments:

TRN 501, Oahu Highways

1. **Adjustment: Seq. #:** 101-001 Add funds for Oahu Highways (TRN 501/DC): Repair & Maintenance of Traffic Controllers \$500,000(B)

2. **Impact Statement:** The Highways Division respectfully disagrees with the funding reduction of \$500,000 for the repair and maintenance of the traffic controllers. As part of its Intelligent Transportation System (ITS) initiative, Highways Division is installing smart controllers and AI (artificial intelligence) cameras for traffic signals on our roadways. The first 34 intersections were updated with smart controllers in 2020 on the Nimitz / Ala Moana corridor. It is the Highways Division's intent to continue this effort on the island of Oahu until all state traffic signals, from Hawaii Kai to Makaha are upgraded to the smart controllers.

Historically, the City & County of Honolulu has maintained state traffic signals located on the island of Oahu and they continue to do so for the current, older controllers. However, the City & County of Honolulu personnel are not familiar with or have not been trained to repair and maintain the smart controllers. It is the Highways Division's intent for the City & County of Honolulu to resume the repair and maintenance of state traffic signals once the City & County of Honolulu traffic signal system is operational and employees are trained. To allow for this, the Highways Division plans to contract the repair and maintenance of traffic controllers for 2 years. To keep the ITS initiative moving forward, the Highways Division's Oahu district will require a service maintenance contract for the installed smart controllers.

Malfunctioning smart controllers revert to timed signal intervals which may cause significant traffic delays and negates the purpose of the ITS initiative. If additional budget authority is not provided, the district may have to reprioritize the use of its current limited budget ceiling and divert funds from other maintenance needs which may include sidewalk repair, roadway maintenance, guardrail repair or other various maintenance requirements.

3. **Alternative Reduction:** The proposed executive budget authority increase will have no negative financial impact to the general fund or state highway fund. The Highways Division's FY 23 supplemental operating budget submittal has already taken into consideration projected revenue constraints. Further reductions are unnecessary and will not provide any foreseeable benefit to the division.

TRN 511, Hawaii Highways

1. **Adjustment: Seq. #:** 60-001 Reduce position for Hawaii Highways (TRN 511/DD): (1) PERM Engineer VI SR28C (**#10780**)
2. **Impact Statement:** Please note description correction: Reduce position for Hawaii Highways (TRN 511/DD): (1) PERM Engineer VI SR28C (**#10780Z**).

HB 1600 HD1 has reduced position count and funding for the incorrect position number. B&F had unilaterally established pseudo position #10780Z in place of position #10780 in TRN 511/DD Hawaii Highways. Thus, effective FY 22 the position number has changed to 10780Z in the TRN 511/DD Hawaii Highways BJ-1 table. Position #10780Z is the proper numerical designation for this budget adjustment.

3. **Alternative Reduction:** N/A

TRN 595, Highways Administration

1. **Adjustment: Seq. #:** 105-001 Add funds for Highways Administration (TRN595/DB): 5% Central Services Surcharge \$1,709,058 (B)
2. **Impact Statement:** The Highways Division respectfully disagrees with the funding reduction to \$1,674,338 (\$34,720 less than requested). Chapter 36-28, HRS., requires for the purpose of defraying the central services expenses of government in relation to the special fund, the amount of five percent (5%) of all receipts and deposits in the fund after deducting the amounts for payments of bonds. The Highways Division funding requirement is based on the following:

5% central services requirement:	\$13,076,117
<u>Allocated base budget:</u>	<u>(\$11,367,059)</u>
Budget request:	\$ 1,709,058

3. **Alternative Reduction:** The proposed executive budget authority increase will have no negative financial impact to the general fund or state highway fund. The Highways Division's FY 23 supplemental operating budget submittal has already taken into consideration projected revenue constraints. Further reductions are unnecessary and will not provide any foreseeable benefit to the division.

DEPARTMENT OF TRANSPORTATION
REVIEW OF H.B. 1600, H.D. 1
ATTACHMENT- IMPACT STATEMENTS

HIGHWAYS DIVISION

CAPITAL IMPROVEMENT PROGRAM ADJUSTMENTS

The Highways Division **supports** H.B. 1600 H.D.1, except for the following adjustment:

TRN 595 Safe Routes to School Program, Leilehua High School – TRN 595 Highways Administration

Adjustment: H.B. 1600 H.D.1 added the appropriation to HDOT TRN 595 Highways Administration.

Impact Statement: The Highways Division supports the addition of this appropriation and would transfer funds to the City and County of Honolulu to lead and manage this effort since California Avenue is under City jurisdiction.

Alternative Reduction: California Avenue is under City and County of Honolulu jurisdiction and therefore we feel it is more appropriate for the City and County to lead and manage this project.



ALA MOANA-KAKA'AKO NEIGHBORHOOD BOARD NO. 11

NEIGHBORHOOD COMMISSION • 925 DILLINGHAM BOULEVARD, SUITE 160 • HONOLULU, HAWAII, 96817
PHONE (808) 768-3710 • FAX (808) 768-3711 • INTERNET <http://www.honolulu.gov/nco>

March 21, 2022

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Senate Committee on Ways and Means
Hawaii State Capitol
415 South Beretania St.
Honolulu, HI 96813

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Committee Members,

Re: H.B. No. 1600, HD1 Relating to the State Budget
Capital Project No. KA01E
Repair of the Fisherman's Wharf Bulkhead – Kewalo Basin Harbor, Kaka'ako, 'Oahu

The Ala Moana-Kaka'ako Neighborhood Board No. 11 passed a unanimous resolution at its February 22, 2022 regular meeting that supports the Hawaii Community Development Authority (HCDA) request to appropriate Capital Improvement Project funds to repair the Fisherman's Wharf Bulkhead at the Kewalo Basin Harbor on 'Oahu.

A copy of the adopted resolution is enclosed. If you have any further questions, please contact our Neighborhood Board Assistant, Mr. Spencer Johnson at Spencer.Johnson@honolulu.gov.

Mahalo for your consideration and support of the community in this matter.

Sincerely Yours,

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

Ryan Tam
Chair, Ala Moana-Kaka'ako Neighborhood Board No. 11

Enclosure



ALA MOANA-KAKA'AKO NEIGHBORHOOD BOARD NO. 11

NEIGHBORHOOD COMMISSION • 925 DILLINGHAM BOULEVARD, SUITE 160 • HONOLULU, HAWAII, 96817
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RESOLUTION SUPPORTING REPAIR OF THE
FISHERMAN'S WHARF BULKHEAD

WHEREAS, Hawaii Community Development Authority (HCDA) staff presented information about the condition of the bulkhead, or loading dock between the Fisherman's Wharf property and the waters of Kewalo Basin Harbor, in Kaka'ako as follows:

- (i) The condition of the bulkhead has deteriorated and has created a health and safety issue due to deep deterioration,
- (ii) The deterioration had increased significantly and is visibly apparent from the surface, not just underwater. Access is now restricted over the entire deck,
- (iii) The older portion of the deck is almost 100 years old, built in 1924 to support the tuna packing operations that used to be located in the Kewalo Basin,
- (iv) In 1968, the deck was extended, this newer section is over 50 years old and has essentially reached the end of its useful life,
- (v) Repairs were made on the older portion in the 80s, but there are no records or visible evidence of repairs to the newer, 50-year-old portion. The need for repairs has now become critical, and
- (vi) Without repairs the bulkhead will continue to deteriorate; and

WHEREAS, the state budget includes an appropriation for the plans, design and construction for replacement of wharf concrete deck including repair of concrete spalling, bulkhead beams, pile caps, and piles that have been deemed unsafe, at an estimated cost of \$25,000,000 (the "Project");

WHEREAS, the Project will also support economic growth, including jobs and support small business in the area as well as other opportunities; and

WHEREAS upon completion, the loading dock would be available to fully service vessels in Kewalo Basin and pedestrians could once again use the deck and the nearby areas; and

BE IT RESOLVED that the Ala Moana-Kaka'ako Neighborhood Board No. 11 supports the HCDA's request to the Hawaii State Legislature to appropriate CIP funds in the amount of \$25,000,000 for the Repair of the Fisherman's Wharf Bulkhead – Kewalo Basin Harbor, Kaka'ako, Oahu to the Department of Business, Economic Development & Tourism - Hawaii Community Development Authority (BED150) for the Project; and

BE IT FURTHER RESOLVED that copies of this Resolution Supporting Repair of the Fisherman's Wharf Bulkhead – Kewalo Basin Harbor, Kaka'ako, Oahu be transmitted to: Hawaii State Legislature, the Governor of the State of Hawaii, Mayor of the City and County of Honolulu, Council Members, Department of Business, Economic Development & Tourism, Hawaii Community Development Authority, and all Neighborhood Boards.

ADOPTED by the Ala Moana-Kaka'ako Neighborhood Board No. 11 at its regular meeting on Tuesday, February 22, 2022, by a unanimous vote of 10-0-0.

RYAN TAM, Chair

DEPARTMENT OF THE PROSECUTING ATTORNEY
CITY AND COUNTY OF HONOLULU

ALII PLACE
1060 RICHARDS STREET • HONOLULU, HAWAII 96813
PHONE: (808) 768-7400 • FAX: (808) 768-7515

STEVEN S. ALM
PROSECUTING ATTORNEY



THOMAS J. BRADY
FIRST DEPUTY
PROSECUTING ATTORNEY

THE HONORABLE DONOVAN M. DELA CRUZ, CHAIR
SENATE COMMITTEE ON WAYS AND MEANS
Thirty-first State Legislature
Regular Session of 2022
State of Hawai'i

March 22, 2022

RE: H.B. 1600, H.D. 1; RELATING TO THE STATE BUDGET.

Chair Dela Cruz, Vice-Chair Keith-Agaran and members of the Senate Committee on Ways and Means, the Department of the Prosecuting Attorney of the City and County of Honolulu ("Department") submits the following comments regarding H.B. 1600, H.D. 1. The Department respectfully asks that funding be added for the Department's Career Criminal Prosecution program and Victim Witness Assistance program, as explained further below.

Currently, the Department is greatly in need of an additional **\$1,025,082**, to maintain its current level of coverage for both the Career Criminal Prosecution ("CCP") Unit (\$653,360 needed) and Victim Witness Kokua Services ("VWKS") Unit (\$371,722 needed), in the next fiscal year. This would account for the difference between actual costs, and costs covered by funding from the Department of the Attorney General, the City and County of Honolulu, and federal grants. Notably, the Governor's Message to the Legislature, dated February 23, 2022, also requested funding for these programs, in the amount of \$1,635,000; we believe that amount may actually be intended for statewide application, to fund these programs in all four counties.¹

Pursuant to legislation passed in 1979, and codified as Sections 845-1, 845-2, and 845-3, of the Hawai'i Revised Statutes, the CCP program was created because a disproportionate amount of serious crimes are committed by a relatively small number of multiple- and repeat-felony offenders, commonly known as "career criminals." To address this ongoing problem, the State created the Career Criminal Prosecution program, which it originally funded annually. In the past,

¹ See Gov.Msg.No.7 (Feb. 23, 2022), page 2, second paragraph, which states:

Legal Services (ATG 100/AA)

Add \$1,635,00 in general funds for FY 23 for the City and County of Honolulu's Career Criminal and Victim Witness programs.

the Department's CCP Unit was periodically scaled back, when there was insufficient funding to maintain full staffing. Money spent on the CCP Unit is an efficient use of resources, as it provides citizens with swift and effective justice, reducing heavy caseloads and long court delays.

VWKS is also crucial to the effective prosecution of cases—and proper, trauma-informed communication with crime victims—as these specifically trained and qualified advocates assist in guiding victims, witnesses and/or surviving family members through the criminal justice system, before, during, and after criminal prosecution of a case. Historically, the Legislature has supported the Victim Witness Assistance Program—of which VWKS is the Oahu-component—since 1983. In 1986, the Legislature enacted HRS §28-111, which established the Victim Witness Assistance program on a statewide basis. While the statute established this program within the Department of the Attorney General, all direct services are provided by each county's prosecuting attorney, in order to provide the most up-to-date information, assistance, and support services to the crime victims and witnesses in their respective counties.

Adequate funding is necessary for our Department to be able to maintain the current level of service for these vital programs. With your support—and additional funding in the amount of **\$1,025,082**—the Department will continue to have the tools necessary to most-effectively protect our public from career criminals, and assist victims of crime through the many challenges they face in the criminal justice process.

Thank you for the opportunity to testify on this matter.

Rebecca Like
Prosecuting Attorney



Leon J. C. Davenport, III
Second Deputy

Keola Siu
First 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, Līhu'e, Hawai'i 96766

808-241-1888 ~ FAX 808-241-1758

Victim/Witness Program 808-241-1898 or 800-668-5734

LATE

March 21, 2022

RE: H.B. 1600; RELATING TO THE STATE BUDGET.

Chair Dela Cruz, Vice-Chair Keith-Agaran and members of the Senate Committee on Ways and Means, the Office of the Prosecuting Attorney for the County of Kauai submits the following comments in regard to H.B. 1600.

Last year, the respective budgets for the Career Criminal Prosecution Program ("CCPP") for all County Prosecutor Offices were zeroed out. In light of the improving financial climate, we are respectfully requesting that your committee re-insert this base budget to ensure that each County receives money to fund their respective CCPP.

Kauai's CCPP historically has practiced vertical prosecution, meaning that the same Deputy Prosecuting Attorney (DPA) handles the case from the investigation phase through trial and sentencing. The program requires the assigned DPA to possess specialized skills and experience because the CCPP addresses particularly serious cases.

The State of Hawai'i funded and administered Kauai's CCPP through the Department of the Attorney General for well over fifteen years. During peak support, the program was able to fund three DPA positions, a Legal Clerk position and a part-time Special Investigator position.

Over the years, State support for the program has decreased precipitously. In FY 2021, the funding only supported one DPA at a 0.90 full time equivalency (FTE). Currently, our Department greatly in need of an additional **\$174,898** to maintain its current level of coverage for our CCPP to fund one DPA at .90 FTE.

For the foregoing reasons, the Office of the Prosecuting Attorney for the County of Kaua'i respectfully submits the above comments regarding the passage of H.B. 1600. Thank you for the opportunity to testify on this matter.



March 22, 2022 at 9:30 am
Via Videoconference

Senate Committee on Ways and Means

To: Chair Donovan M. Dela Cruz
Vice Chair Gilbert S.C. Keith-Agaran

From: Paige Heckathorn Choy
Associate Vice President, Government Affairs
Healthcare Association of Hawaii

Re: Testimony in Support
HB 1600 HD 1, Relating to the State Budget

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 170 member organizations who represent almost every aspect of the health care continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 20,000 people statewide.

Thank you for the opportunity to testify in **support** of the request by the Department of Commerce and Consumer Affairs (DCCA) to increase capacity at the Professional and Vocational Licensing office. Specifically, we support the request on page 55, line 18 for CCA105. An increase in staff is critical for healthcare organizations and clinicians across the state to ensure that patient care is not delayed or interrupted. We are concerned that, without additional staff, it will be difficult to quickly and efficiently approve licenses for key medical providers such as physicians and nurses to care for patients in Hawaii.

We understand and appreciate that staff at DCCA are working around the clock to process licenses and believe that these additional positions will be well used to keep up with the volume of license applications coming from all professions, including critical medical professions. Despite the number of patients with COVID in our hospitals dropping, there are still record numbers of patients being treated in those facilities every day. These positions will help to ensure a strong clinical workforce to care for Hawaii residents needing life-sustaining care.

Thank you for the opportunity to provide support for this request.

HB-1600-HD-1

Submitted on: 3/18/2022 12:42:09 PM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Louis Erteschik	Testifying for Hawaii Disability Rights Center	Support	Written Testimony Only

Comments:

Hawaii Disability Rights Center strongly supports the funding of HTH 520, position number 101851, the Communication Access Specialist (CA). This position is vital to equal access under the Americans with Disabilities Act for Deaf, Hard of Hearing and Deaf-Blind individuals. The Hawaii Disability Rights Center assists many people with communication access issues. We frequently observe the challenges these individuals face daily in accessing oral and written communication. It leads to much misunderstanding, confusion and legal issues. The information the CA specialist provides to Deaf, Hard of Hearing and Deaf-Blind persons and to state and community agencies is essential. The requests for information are frequent. Our staff at HDRC often rely on this position as the best source of legal and accessible information. The CA position also tests and provides credentials statewide for sign language interpreters who provide services to D, HH and D/B individuals. This increases the number of interpreters in our state available to provide services. This position also provides continuing education credits to interpreters to assist them in maintaining their qualifications.

Thank you for funding this position..

**Testimony of The Nature Conservancy
Comments on HB 1600 HD1, RELATING TO THE STATE BUDGET.**

**Committee on Ways and Means
March 22, 2022, 9:30 AM
Conference Room 211 and via Teleconference**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The Nature Conservancy (TNC) supports funding for the Department of Land and Natural Resources (DLNR) to enhance, protect, conserve and manage Hawai'i's natural resources.

TNC supports the DLNR supplemental budget request of \$8 million for the LNR407 CIP. These funds provide critical funding for the protective fencing that provides long-term conservation of watershed forests statewide. These investments help reduce erosion, prevent extinction of endangered species, increase carbon storage in native forests, and protect Hawai'i's fresh water. Forested watersheds provide Hawai'i with drinking water, cultural resources, and are home to unique plants and wildlife found nowhere else in the world. Protection is needed to safeguard these invaluable resources in the face of threats such as invasive species and climate change. Continuing investment in these vital resources will have immense long-term impacts for our forests and far beyond.

TNC supports and appreciates proposed investments in aquatic resources under line LNR401. These investments in programs to support our marine and coastal resources will ensure that the reefs that line our coasts, which are environmental, economic, recreational, and cultural treasures, will continue to support our island lifestyle and livelihoods. Each year, our reefs provide flood protection to people, property, and jobs valued at more than \$836 million, support nearshore fisheries worth \$13.4 million, and contribute more than \$1.2 billion through reef-related tourism to the state's economy. We must continue to make the vital investments to protect and sustainably manage our aquatic resources.

Additionally, TNC supports requests to restore positions that had previously been lost over the COVID pandemic. DLNR play a key role in the health of our environment, which faces many impacts from climate change and human use, and this responsibility requires capacity to manage our State's lands and marine resources.

These budget items contribute to the resilience, sustainability and continued health of our islands' environment, economy, and quality of life. TNC understands that difficult fiscal decisions must be made and we thank you for appreciating the critical importance of protecting

BOARD OF TRUSTEES

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The Nature Conservancy - Hawai'i and Palmyra

March 18, 2022

Page 2

our limited and exhaustible natural resources so that they will continue to support us with fresh water, productive fisheries and farmlands, cultural treasures, and a healthy lifestyle.

Mahalo for the opportunity to provide comments on HB 1600.

The Nature Conservancy of Hawai'i and Palmyra is a non-profit organization dedicated to the preservation of the lands and waters upon which all life depends. The Conservancy has helped protect more than 200,000 acres of natural lands in Hawai'i and Palmyra Atoll. We manage 40,000 acres in 13 nature preserves and work in over 50 coastal communities to help protect and restore the nearshore reefs and fisheries of the main Hawaiian Islands. We forge partnerships with government, private parties, and communities to protect forests and coral reefs for their ecological values and for the many benefits they provide to people.



ALOHACARE

Date: March 9, 2022

To: The Honorable Sylvia Luke, Chair
The Honorable Kyle T. Yamashita, Vice-Chair
House Committee on Finance

From: Peggy Mierzwa, Community and Government Affairs

RE: **HB1600** Relating to the State Budget

AlohaCare appreciates the opportunity to provide testimony in **SUPPORT of HB1600** in reference to two areas for which the MedQUEST Division requested funding:

Restoration of dental benefits for adults. We respectfully request an increased funding allotment rather than the initially requested amount (A funds: \$3,466,328 & N funds: \$6,728,754) to adequately address the dire need for oral healthcare following 13 years of no coverage. It is necessary to address the many complications that arose from those years with no preventative care. Please consider increasing the funding in order to provide a basic preventative package as well as core prosthodontic services to better serve those who have had no oral health care for 13 years and now are faced with catastrophic oral health complications.

Extension of Medicaid post-partum coverage from 60 days to 12 months. Funding this at a higher level than originally requested would help to address the vast health needs of women during the post-partum period, which lasts for a year. This period is critical to ensure the health of mothers, their ability to work and care for their child. Covering women for 12 months following the end of their pregnancy ensures that they will not fall into gaps of coverage in a time when they are vulnerable.

Founded in 1994 by Hawai'i's community health centers, AlohaCare is a community-rooted, non-profit health plan serving over 80,000 Medicaid and dual-eligible health plan members on all islands. We are the only health plan in Hawai'i that exclusively serves Medicaid beneficiaries. Our mission is to serve individuals and communities in the true spirit of aloha by ensuring and advocating for access to quality health care for all. We believe that health is about supporting whole-person care.

Stopping catastrophic healthcare events before they occur is an integral part of healthcare.

We are grateful for your consideration of funding these important services.

1357 Kapiolani Blvd., Suite 1250, Honolulu, Hawaii 96814
Call: 973-0712 • Toll-free: 1-877-973-0712 • Fax: 808-973-0726 • www.AlohaCare.org

PARTNERS IN CARE

Oahu's Continuum of Care

Our mission is to eliminate homelessness through open and inclusive participation and the coordination of integrated responses.

TESTIMONY IN SUPPORT for HB 1600 HD1: RELATING TO THE STATE BUDGET

TO: Senate Committee on Ways and Means
FROM: Partners In Care (PIC)
Hearing: **Tuesday, March 22nd, 2022: 9:30 PM; via videoconference**

Chair Luke, Vice Chair Yamashita, and Members, Committee on Finance:

Thank you for the opportunity to provide testimony on HB 1600, the State Budget. We urge your continued prioritization of funding for affordable rental production to prevent homelessness and give hope to the people of Hawai'i. **We also strongly support other bills now moving in the legislature which would increase the amount of funding to the Rental Housing Revolving Fund for rental units to help the most needy (60% AMI and below households).**

We cannot afford to stop investing in affordable housing development. 60% of Hawaii's families pay more than one-third of their income on rent. Hit hard by the pandemic, many remain in financial jeopardy. Growing homelessness is a real concern. Building affordable rentals builds resiliency for the future, as well as bringing hope to Hawaii's families. The Rental Housing Revolving Fund (RHRF) is the major pathway for the State to promote the development of affordable rental units. RHRF has built thousands of units, yet 20,000 rentals are still needed by 2025 for Hawaii's lower income families (making \$61,000/year or less).

PIC urges your support for a strong allocation to the RHRF to increase its capacity to fund thousands of units of additional housing, with additional funds.

Partners In Care is also very concerned about increasing homelessness for elders. Vulnerable elders with physical disabilities often come into emergency shelters. Besides continuing to be the most vulnerable to the COVID-19 pandemic, elders face significant health trauma from homelessness. **Studies predict almost a 300% increase in elderly homelessness over the next 10 years.** Even worse, these projections were prior to the pandemic which has hit older workers hard.

Housing is healthcare—and can prevent much more expensive institutionalization for Hawai'i seniors. Partners In Care urges your strong support for funding for affordable rentals. Besides the important economic impact, this funding will provide hope to our struggling families, elders and disabled persons.

We stand in strong SUPPORT of the following sections of this measure: HMS 222 (page 35), HMS 224 (page 35) and \$25million for the RHRF (page 85)

Mahalo



Committee on Ways and Means
Senator Donovan Dela Cruz, Chair
Senator Gilbert Keith-Agaran, Vice Chair

March 22, 2022

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee,

We would like to **support HB 1600 HD1**.

As a Coalition supporting quality public education in Hawai'i, we advocate for restoring full funding for our public education system.

Specifically, we believe that priority should be given to full funding of EDN 100 (school-based budgeting) and EDN 150 (special education), which are resources at the school level to support quality teaching and learning.

We also advocate for additional support to be provided to our small and rural schools, which historically have not had consistent resourcing to meet the needs of their populations.

Students have suffered academically, socially and emotionally from disruptions resulting from the pandemic, with the greatest impact on our high-needs students. The chart below shows first quarter 2021-2022 school year English Language Arts (ELA) and mathematics universal screener information for elementary and middle schools. Only 35% of our elementary and middle school students are on grade level or above in ELA, and only 26% in math.

Fall 2021-2022 1 st Quarter Universal Screener Data for Elementary and Middle Schools	Two or More Grade Levels Below	One Grade Level Below	On or Above Grade Level
English Language Arts	35%	30%	35%
Math	34%	40%	26%

[Board of Education Student Achievement Committee Meeting, November 18, 2021](#)

We advocate allocating sufficient funding to schools so that they can provide appropriate supports for all students, but particularly for our high-needs students. We believe that curriculum instruction assessment, differentiated instruction, and social-emotional learning (SEL) supports must be prioritized. This translates to maintaining **quality instruction in the classroom**. We also ask for **more granular financial transparency**,

particularly for school-based budgeting. Stakeholders should know specifically how our school budgets are impacting our student outcomes.

Thank you for this opportunity to testify.

Sincerely,

Cheri Nakamura
HE'E Coalition Director

HE'E Coalition Members and Participants

- | | |
|--|--|
| Academy 21 | Joint Venture Education Forum |
| Alliance for Place Based Learning | Junior Achievement of Hawaii |
| American Civil Liberties Union | Kamehameha Schools |
| Atherton YMCA | Kanu Hawai'i |
| *Castle Complex Community Council | *Kaua'i Ho'okele Council |
| Education Institute of Hawai'i | Keiki to Career Kaua'i |
| *Faith Action for Community Equity | Kupu A'e |
| Fresh Leadership LLC | *Leaders for the Next Generation |
| Girl Scouts Hawai'i | Learning First |
| Harold K.L. Castle Foundation | McREL's Pacific Center for Changing the Odds |
| *HawaiiKidsCAN | Native Hawaiian Education Council |
| *Hawai'i Afterschool Alliance | Our Public School |
| *Hawai'i Appleseed Center for Law and Economic Justice | *Pacific Resources for Education and Learning |
| *Hawai'i Association of School Psychologists | *Parents and Children Together |
| Hawai'i Athletic League of Scholars | *Parents for Public Schools Hawai'i |
| *Hawai'i Children's Action Network | Punahou School PUEO Program |
| Hawai'i Nutrition and Physical Activity Coalition | Special Education Provider Alliance |
| * Hawai'i State PTSA | *Teach for America |
| Hawai'i State Student Council | The Learning Coalition |
| Hawai'i State Teachers Association | US PACOM |
| Hawai'i P-20 | University of Hawai'i College of Education |
| Hawai'i 3Rs | YMCA of Honolulu |
| Head Start Collaboration Office | *Youth Service Hawai'i |
| It's All About Kids | <i>Voting Members (*) Voting member organizations vote on action items while individual and non-voting participants may collaborate on all efforts within the coalition.</i> |
| *INPEACE | |

Tuesday, March 22, 2022 at 9:30 AM
Via Video Conference

Senate Committee on Ways and Means

To: Senator Donovan Dela Cruz, Chair
Senator Gilbert Keith-Agaran, Vice Chair

From: Michael Robinson
Vice President, Government Relations & Community Affairs

Re: **HB 1600, HD1 – Testimony In Support
Relating to the State Budget**

My name is Michael Robinson, and I am the Vice President of Government Relations & Community Affairs at Hawai'i Pacific Health. Hawai'i Pacific Health is a not-for-profit health care system comprised of its four medical centers – Kapi'olani, Pali Momi, Straub and Wilcox and over 70 locations statewide with a mission of creating a healthier Hawai'i.

We are writing in SUPPORT of the request by the Department of Commerce and Consumer Affairs (DCCA) to provide funding to support additional staff for the Professional and Vocational Licensing (PVL) division found in HB 1600, HD1 at page 55, line 18, identified as CCA105.

PVL serves an essential function tasked with reviewing licensing applications and issuing licenses for more than 50 professions, including numerous healthcare professionals. We recognize that DCCA is also facing their own staffing issues which is contributing to the delay in license application approvals. Without the additional staff, PVL may not be able to manage the volume of applications that must be reviewed before licenses are issued. The increase of PVL staff will enable the branch to efficiently issue licenses in a timely manner and ensure that critical healthcare is not delayed due to a lack of licensed healthcare providers.

Our hospitals continue to experience demand for services as we provide care for patients with non-COVID health issues, including conditions exacerbated by delayed care during the pandemic. While the number of COVID cases within our hospitals have declined, the pandemic continues to have a workforce impact on our hospitals to recruit licensed health care providers. Currently, HPH has 75 travel nurses and therapists and 159 current vacancies that require licenses. Providing funding for the additional staff at PVL is a key component of ensuring that Hawai'i has a healthcare workforce which is licensed, ready and available to care for our patients.

Thank you for the opportunity to testify.

Date: March 18, 2022

To: Senate Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

From: Early Childhood Action Strategy

Re: **Comments on HB1600 HD1, Relating to the State Budget**

Early Childhood Action Strategy (ECAS) is a statewide cross-sector collaborative designed to improve the system of care for Hawai'i's youngest children and their families. ECAS partners work to align priorities for children prenatal to age eight, streamline services, maximize resources, and improve programs to support our youngest keiki.

ECAS supports and wishes to highlight the need for the following budget requests in relation to their alignment with ECAS' specific goals to ensure healthy births and the on-track development, school-readiness, and third-grade learning proficiency of children:

- **HMS 211:** ECAS supports the increases in Temporary Assistance for Other Needy Families funding by \$4,021,809 for Cash Support for Families – Self-Sufficiency to increase benefits payments. Our families with young children are facing exponential financial stress with rising costs and meeting basic needs like food, housing, medical supports and child care.
- **HMS 236:** ECAS supports the increases to personal services by \$797,151 in general funds and decrease personal services by \$83,710 in federal funds to restore and adjust salaries for 35.00 permanent positions that were defunded by Act 9, SLH 2020, and Act 88, SLH 2021 to address staff shortages and impacts to delivery of services.
- **EDN 100:** ECAS supports funding for Hawaii Language Immersion programs and recruitment and retention strategies, given the workforce shortages we are experiencing and the impacts they have to our keiki's education. \$103,884 for the Hawaiian Language Immersion Program; \$61,216 for the Hawaii Language Immersion Program; \$32,500,000 for Teacher Recruitment and Retention will cover costs for teacher shortage differentials, which have helped DOE address labor shortages for licensed special education teachers, licensed teachers to teach in hard-to-staff geographical locations, and licensed Hawaiian Language Immersion teachers.
- **EDN 150:** ECAS supports funding for our keiki with special needs, supporting \$197,904 for Services for Children with Autism; \$193,740 for Targeted Technical Assistance; and \$97,202 for District Special Education Services will restore general fund salaries for positions that were converted to temporary federal funds via Act 88, SLH 2021
- **EDN 200:** ECAS supports restoration of funds, specifically related to Homeless Concerns, as homeless families are our highest need population. \$1,731,083 to restore cuts made at the beginning of the COVID-19 pandemic will help avoid reductions to school-level resources. To include specifically, \$103,884 for Homeless Concerns.
- **HTH 560:** ECAS supports the additions to both Early Intervention Services and Perinatal Support Services and Family Planning Services, enabling the Department to both meet federal mandates, but to also ensure quality services for some of our highest need keiki and `ohana. HTH 560 adds \$3,601,533 for additional funds for federally mandated delivery of Early Intervention Services; Adds \$1,301,931 to restore funding for Perinatal Support Services and Family Planning Services.

In addition, ECAS offers comments on the following budget provisions of HB1600 HD1:

- **HMS 301:** ECAS urges reinstatement of the original budget request increasing the Spouse and Child Abuse Special Fund ceiling by \$5,000,000 in special funds for Child Protective Services to provide prevention services and programs to minimize the number of children entering foster care. To address staff shortages, ECAS also urges reinstatement of the original budget request increasing personal services by \$4,897,157 for Child Protective Services to address payroll shortfalls caused by reduced federal fund reimbursements.
- **HMS 302:** ECAS does not support DHS' request for 25 positions to bring both the Child Care Connection Hawai'i and Preschool Open Doors subsidy programs in-house without further justification and analysis for how this move would improve the effectiveness of the two subsidy programs. We urge DHS to address policy and procedural barriers, including issues related to availability of information and required documentation, and to create a plan to improve the overall subsidy application processes.
- **HMS 401:** ECAS urges reinstatement of the original budget request increasing Medicaid health care payments by \$15,864,124 in general funds and \$10,177,219 in federal funds to provide additional home- and community-based services, extend post-partum categorical coverage, and restore adult dental benefits.
- **HMS 305:** ECAS requests an increase of funding to support the Preschool Open Doors (POD) subsidy program. During the 2021 legislative session, POD's budget was reduced by 60%, resulting in a decrease in the number of children POD could serve from 1,100 to less than 600. Restoration of funding for this program is critical to serving children and families who otherwise may not be able to afford tuition at early learning programs.
- **EDN 612:** ECAS requests restoration of the State Public Charter School Commission's budget to the same funding appropriation as the FY 20 budget, in order to restore seats in the Charter School Commission's Early Learning program lost to budget cuts.
- **EDN 700:**
 - ECAS supports the request for an appropriation ceiling for the Early Childhood Educator Special Fund, which will provide up-front funding to eligible students pursuing early childhood coursework and credentials. Education stipends such as these are a critical measure designed to aid in the recruitment, education, and retention of the early care and learning workforce, which the state is in dire need of bolstering to meet expansion goals.
 - ECAS also requests adoption of the contents of HB1939, to have funding added to the budget for 2 FTEs for the Executive Office of Early Learning (EOEL) to assist with contracting/financial management related to expansion of early learning programs and services. Increased staffing is critical to enhancing the capacity of EOEL at a pivotal point in the recovery and potential expansion of the early learning system in Hawaii.

Thank you for this opportunity to provide comments for your consideration.



Hawaiian Humane Society

People for animals. Animals for people.

2700 Waiialae Avenue Honolulu, Hawaii 96826
808.356.2200 • HawaiianHumane.org

Date: March 20, 2022

To: Chair Sen. Donovan M. Dela Cruz
Vice Chair Sen. Gilbert S.C. Keith-Agaran
and Members of the Committee on Ways and Means

Submitted By: Stephanie Kendrick, Director of Community Engagement
Hawaiian Humane Society, 808-356-2217

RE: Testimony in support of HB 1600, HD1: Relating to the State Budget
Tuesday, March 22, 2022, 9:30 a.m., Room 211 or Videoconference

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Committee Members,

On behalf of the Hawaiian Humane Society, thank you for considering our support for House Bill 1600, HD1, which adjusts and requests appropriations for fiscal biennium 2021-2023 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs. Hawaiian Humane promotes non-lethal responses to conservation concerns. The Department of Land and Natural resources has several budget requests for ungulate-proof and predator-proof fencing designed to protect endangered plant and animal species. We are in strong support of these projects.

DLNR CIP requests in House Bill 1600 include:

- **\$40,000** for a rare plant fence to prevent the extinction of critically endangered species in Kuia Natural Area Reserve, Kauai
- **\$200,000** for ungulate proof fencing to protect palila critical habitat on Mauna Kea, Hawai'i Island
- **\$300,000** for tree snail predator proof fencing in Pu'u Ali'i Moloka'i
- **\$150,000** for tree snail predator proof fencing in West Maui
- **\$150,000** for tree snail predator proof fencing in the Ko'olau mountains, O'ahu
- **\$160,000** for predator proof fencing to protect silversword and 'ua'u on Maunakea, Hawai'i Island

We urge the committee to approve funding for these projects and give DLNR the tools it needs for the humane management of our natural resources. Mahalo for your consideration.

COMMUNITY ALLIANCE ON PRISONS

P.O. Box 37158, Honolulu, HI 96837-0158

Phone/E-Mail: (808) 927-1214 / kat.caphi@gmail.com



COMMITTEE ON WAYS AND MEANS

Senator Donovan Delacruz, Chair

Senator Gilbert Keith-Agaran, Vice Chair

Thursday, March 10, 2022

9:30 AM

SUPPORT FOR DELETING \$15 MILLION FOR NEW OCCC - HB 1600 HD1

Aloha Chair Delacruz, Vice Chair Keith-Agaran and Members of the Committee!

My name is Kat Brady and I am the Coordinator of Community Alliance on Prisons, a community initiative promoting smart justice policies in Hawai'i for more than two decades. This testimony is respectfully offered on behalf of the 3,997 Hawai'i individuals living behind bars or under the "care and custody" of the Department of Public Safety or the corporate vendor as of March 14, 2022¹. We are always mindful that 1,110 of Hawai'i's imprisoned people are serving their sentences abroad thousands of miles away from their loved ones, their homes and, for the disproportionate number of incarcerated Kanaka Maoli, far, far from their ancestral lands.

Community Alliance on Prisons appreciates the opportunity to SUPPORT the HD1 amendment by the House to delete the \$15 million – in addition to the \$10.4 million already allocated – for the proposed OCCC. **The entire process to relocate OCCC has been planned in the dark with absolutely no community input.**

THIS IS NOT THE WAY THAT ONE OF THE LARGEST PUBLIC WORKS PROJECTS IN HAWAII SHOULD BE DEVELOPED.

As of March 14, 2022 the total population of OCCC was 942 human beings. **The pretrial population is 518 persons – 55% of the entire OCCC population.** At \$219 a day, that computes to \$113,442 a day, \$794,094 a week, \$3,176,376 a month, and a whopping \$38,116,512 a year! What are we doing incarcerating people who cannot make bail – some who cannot make even \$10 bail.

If probation violators are included, they represent 304 human beings or 32% of the OCCC population. Together with pretrial detainees, those 822 persons represent 87% of the OCCC population – with an economic cost at \$180,0018 a day, \$1,260,126 a week, \$5,040,504 a month, and \$60,486,048 a year AND huge social cost to the person imprisoned, to their family/loved ones, and to the larger community.

¹ Department of Public Safety Weekly Population Report.

<https://dps.hawaii.gov/wp-content/uploads/2022/03/Pop-Reports-Weekly-2022-03-14.pdf>

What happened to Hawai'i? There is no acknowledgement that the policies that have been enacted have created the situation in which we have overcrowded jails, 18,000 people on probation, and a reputation that Hawai'i is an outlier in the criminal legal arena.

Many retired judges have expressed in public that they are appalled at today's harsh sentencing. Things that used to be citable offenses are now felonies (that mark people for life).

It doesn't have to be this way.

Jurisdictions are realizing that community buy-in is crucial and the only way to actually achieve democracy is through REAL community engagement. To date the only 'community' who has been spoken to is the 'Aiea Neighborhood Board, where the high-priced consultants present mind-numbing power points to the board.

One of the consultants has been sporadically attending the Hawai'i Systems Correctional Oversight Commission meeting where she has been unable (or unwilling) to answer questions. For \$10.4 million of taxpayer money spent during the pandemic - this is shameful. It is obvious that the consultants know little to nothing about our criminal legal system, which is why they are planning old-style punishment chambers, which are in direct opposition to what the community and the legislature have been promoting - rehabilitation and reentry.

Now the Governor is requesting \$15 million more for this ill-conceived, top-down, old-fashioned jail that he admits will cost at least \$1 BILLION (not including the human toll)!

Community Alliance on Prisons does not dispute that OCCC is overcrowded. We wonder, however, why the legislature doesn't connect the dots to realize that Hawai'i's punitive punishment policies and inadequate maintenance have led to Hawai'i's 'third-world' OCCC.

Hawai'i could be spending this hard-earned taxpayer money for alternatives that work. Jail is the gateway to prison and when people cannot pay bail, they are jailed and that oftentimes leads to prison.

We respectfully beseech the committee to support the House amendment NOT TO ALLOW THIS \$15 MILLION allocation. The community, formerly incarcerated persons, families, advocates MUST be part of the DELIBERATIVE process.

Here is some research on why engaging the community is vital:

WHY COMMUNITY ENGAGEMENT MATTERS

<https://aese.psu.edu/research/centers/cecd/engagement-toolbox/engagement/why-community-engagement-matters>

Citizens are 'engaged' when they play a meaningful role in the deliberations, discussions, decision-making and/or implementation of projects or programs affecting them. Accordingly, organizational and government leaders need to broaden the way they see their responsibilities to include roles as facilitator, supporter, collaborator, and empowerer of citizens and stakeholders. This change requires letting go of some of the traditional reins of power and trusting that citizens can and will effectively engage in the issues. The result is a partnership(s) that is nearly always healthy for a community and can more effectively address the issue or problem.

CITIZENS AT THE CENTER, A new approach to civic engagement, The Case Foundation
<http://www.politicipublice.ro/uploads/citizens-at-the-center.pdf>.

Advancing citizen-centered approaches requires a shift in focus from “What we are going to do to encourage civic engagement, how, with whom, where and for how long?”

COMMUNITY ENGAGEMENT MATTERS (NOW MORE THAN EVER), Stanford SOCIAL INNOVATION Review

https://ssir.org/articles/entry/community_engagement_matters_now_more_than_ever

Data-driven and evidence-based practices present new opportunities for public and social sector leaders to increase impact while reducing inefficiency. But in adopting such approaches, leaders must avoid the temptation to act in a top-down manner. Instead, they should design and implement programs in ways that engage community members directly in the work of social change.

It is a sad statement that the state considers incarceration rather than the plethora of options being used successfully in other jurisdictions. Hawai`i needs to implement REAL alternatives to incarceration for people convicted of misdemeanors, petty misdemeanors for low-level offenses.

To determine the extent that misdemeanors and low-level offenses contribute to jail overcrowding, decisionmakers should ask:

- How many people in our jail have been convicted of non-violent misdemeanors and low-level offenses?
- Does Hawai`i offer jail diversion programs for people convicted of misdemeanors and low-level offenses? Are these programs affordable and accessible to all?
- Does Hawai`i have case monitors that continually review people coming into the jail to identify those who could be diverted?
- Has Hawai`i increased its use of diversion programs in order to reduce jail overcrowding?
- What is the average sentence length for people incarcerated in Hawai`i’s jails? How does this compare to jurisdictions that have reduced their jail populations?

The 141 persons imprisoned for misdemeanor offenses are 27% of the pretrial population. This costs \$30,879 a day, \$216,133 a week, \$864,612 a month, and \$10,375,344 a year!

Is Hawai`i...

- **Reducing the number ofailable offenses:** States and counties can reduce their jail populations by reducing the number ofailable offenses, thus reserving jail only for people who pose a demonstrable threat to public safety. For example, states and counties can make some offenses civil matters, and re-classify others as non-ailable offenses. If state law does not allow a county to reclassify offenses, the county should lobby the state to do it.
- **Encouraging prosecutors to be less punitive:** District attorneys have a lot of discretion in whom they choose to prosecute and what charges they bring, giving them enormous power to reduce jail populations if they are reform-minded. Prosecutors can decline to prosecute minor, low-level offenses and instead pursue non-carceral sanctions in order to reduce jail populations.
- **Encouraging judges to give shorter sentences:** Shortening sentences is a key tool for reducing jail populations.

- **Diversion programs and alternatives to incarceration:** Police, prosecutors, and judges should be encouraged to connect people with diversion programs that seek to address the underlying cause of the offense, rather than pursuing jail time. For example, alternatives to incarceration could provide vocational training, literacy and educational support, counseling, mentoring, or residential and outpatient mental health and substance use treatment. Research has demonstrated that diversion programs can dramatically cut reoffending rates and improve employment outcomes compared to incarceration. Hawai`i should ensure that diversion programs are free and accessible and that the programs allow people to avoid the collateral consequences of a criminal conviction. If necessary, rural counties with limited resources should consider collaborating with neighboring counties to fund and create evidence-based diversion programs.
- **Sentencing people to probation in lieu of incarceration:** Probation, by design, is an important alternative to incarceration. In cases where incarceration is the only practical alternative, probation should be used to minimize the broad social and economic harms of incarceration. But Hawai`i should be wary of using probation as a knee-jerk response to low-level offenses (it's been used for things as minor as nonpayment of fines). When used, probation should be minimally restrictive, not fee-based, individualized, and short in length.

For example:

- In 2018, the Manhattan District Attorney decided to decline prosecuting public transportation fare evasion if there are no threats to public safety. Instead, people caught evading fares may be warned, ejected, connected with social services, issued a civil ticket, or issued a criminal ticket. As a result, the number of fare evasion prosecutions declined by 96% in the first year alone.
- In St. Louis, Missouri, the District Attorney announced that prosecutors will no longer pursue charges for most low-level marijuana offenses. Prior to this announcement, lower-level marijuana crimes made up about 20 percent of the prosecution docket.
- Seattle, Miami-Dade County, and several towns in Massachusetts have implemented diversion programs specifically designed for people with mental health and substance abuse disorders.

There are many reasons that planning a jail or any other correctional facility MUST include the community, but first and foremost it is about respect. There has been little to no respect shown to the community OR to legislators during this flawed process where consultants are getting rich and the community is getting shunned. The only community the consultants have spoken to is the `Aiea Neighborhood Board where they give a mind-numbing report to the bored Board. THIS IS NOT COMMUNITY ENGAGEMENT.

Another very disturbing question is why Hawai`i continues to do business with corporate prison profiteers who have terrible records of abuse and shoddy construction and yet the state is happy to sell 1,110 of our people to CoreCivic, who work to promote recidivism. PLEASE DELETE THE \$15 MILLION APPROPRIATION & DEMAND COMMUNITY ENGAGEMENT!



Hawai'i
Children's Action Network Speaks!
Building a unified voice for Hawai'i's children

To: Senator Dela Cruz, Chair
Senator Keith-Agaran, Vice Chair
Senate Committee on Ways & Means

Re: **HB 1600 HD1, relating to state budget**
9:30 AM, March 22, 2022

Chair Dela Cruz, Vice Chair Keith-Agaran, and committee members,

On behalf of HCAN Speaks!, thank you for the opportunity to **testify in support of HB 1600 HD1, relating to the state budget**. As illustrated in the recently published [Hawai'i's Children's Budget](#), over the last 15 years we've seen a decrease in state funding programs that serve children and families. After such a lengthy period of reduced support, now is the time to make the commitment to children through our state's fiscal policy.

EDN 612- Request amendments

The State Public Charter School Commission's Early Learning program's budget is nested in EDN 612. We request their budget be restored to the same funding proportions as the FY 20 budget.

EDN 700- Include 2 FTEs as requested in HB 1939

The 2 FTE positions would increase the Executive Office on Early Learning's capacity to achieve the Legislature's ambitious goal of increasing access to early learning programs and to fulfill the Office's statutory obligations to administer the EOEL Public Prekindergarten Program and coordinate a high-quality early learning system. The positions would aide in fiscal/budget related matters and the creation and implementation of contracts related to expanding early learning programs and services.

HMS 302- Support intent but request amendments

The Child Care Programs Office (CCPO) is requesting 25 positions to move the state's two child care subsidy programs into BESSD. **We disagree with DHS' decision to move subsidy programs in-house when the urgent need is for 12 positions created but not funded in Act 46 (2020)**. We acknowledge the lengthy processing times for the Child Care Connect Hawai'i subsidy but do not believe moving the program in-house will result in a better experience for families or child care providers. Instead, we implore the Department to address issues related to availability of information, required documents, and to create a plan to improve the overall subsidy application process.

Act 46 (2020) created but did not fund 12 positions within CCPO to assist with:

- Expending money in the Preschool Grant Program Special Fund to private entities for the operating costs of new preschools or expansion of existing preschools at private entity's place of business

- Providing operational and financial support to assist service providers with obtaining accreditation
- Expanding the Preschool Open Doors program eligibility to three-year olds (including but not limited to drafting new administrative rules)

We would also like to note that the 25 positions requested are a net loss for personnel currently contracted to process subsidy applications and that the issues related to processing reflect Child Care Connection Hawai'i and not Preschool Open Doors.

HMS 305- Restore 2021 cuts to Preschool Open Doors

The Preschool Open Doors subsidy program provides child care subsidy to children who do not qualify for other child care subsidy programs. In 2020, the program's funding was cut by almost \$7M, which decreased the number of children from around 1,440 to just over 600. Restoration of funding for this program is critical to serve children and families who otherwise may not be able to afford tuition at early learning programs.

HMS 401-Support

We support the Department's budget request to extend post-partum eligibility through the American Rescue Plan Act option and to restore dental benefits for adults on Medicaid. The amount requested for the restoration of benefits is not sufficient to address the need and we request that the program be funded at a more comprehensive level.

HMS 903- Support

We support the budget requests in HMS 903 to address TANF related programs.

HTH 560-Support

- Requests \$3,601,533 to continue federally mandated Early Intervention Services
- Requests 5 FTEs to meet federally mandated Early Intervention Services

Early Intervention Services (EIS) contracts provide services to a child who has a delay in development or is at-risk of developing a delay. EIS services cover 5 domain areas: physical, cognitive, communication, social or emotional, and adaptive. In fiscal year 2019, service providers saw over 1,700 children across the state. Children who participate in EIS have shown to make positive progress in all of the domain areas and families benefit from understanding their role and rights to assist their child. EIS are critical to help children and families integrate into future environments, including academic, community and employment. Without these services, children will not reach their full potential.

Thank you,

Kathleen Algire
Director of Early Learning and Health Policy



March 20, 2022

To: The Honorable Donovan M. Dela Cruz, Chair,
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair, and
Members of the Senate Committee on Ways and Means

Re: **HB 1600, HD 1 – HMS-MQD-401**
RELATING TO ADULT DENTAL MEDICAID BENEFITS

Hearing: Tuesday, March 22, 2022, 9:30 a.m., Room 211 & videoconference

Position: Strong support

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Senate Committee on Ways and Means:

The Health Committee of the Democratic Party of Hawai'i strongly supports inclusion of an appropriation for adult diagnostic, preventive, and restorative dental services to Medicaid beneficiaries in this bill.

For many years, Medicaid included regular diagnostic, preventive, and restorative dental services for adults and children. Then, in 2009, in her last year in office, Governor Linda Lingle cut funding for adult diagnostic, preventive, and restorative dental services in Medicaid, leaving only emergency room services limited to pain relief, injuries, trauma, and tooth removal and extraction. Unfortunately, her successors as governors have failed to rectify that decision.

This decision has been an unmitigated moral, fiscal, and logical failure from the very beginning. It has failed to save any money, and it has caused massive amounts of avoidable pain and suffering.



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Oral disease is a significant health problem among many Hawai‘i residents, affecting their overall health and well-being. Since 2010, Hawaii has received a failing grade of “F” in three oral health report cards published by the Pew Center on the States due to multiple policy and systems issues in the State that have left the oral health of Hawai‘i’s families and children worse than the rest of the nation.

Moreover, Covid-19 has made this bad situation much worse. It has greatly impacted dental care and oral health access in the State. Covid-19 has led to the closure and reduced hours of dental practices except for emergency and urgent services, exacerbating challenges to connect patients to dental care. Because of Covid, many patients have deferred dental visits and timely treatment for their dental needs. Limited care options, and loss of income and employer-sponsored health benefits, have led to increased care in hospital emergency departments, worsening oral health disparities within the Medicaid population, particularly among native Hawaiian and Pacific Islander enrollees.

The disparity of access to dental coverage and oral health care is a health and social justice issue. The lack of preventive and restorative dentistry services for adult Medicaid beneficiaries increases potential health care complications for individuals living with chronic diseases such as diabetes and heart disease. These complications can all lead to increased disability and death.

Moreover, other sources of insurance available in Hawai‘i tend to fail to cover dental services: commercial dental coverage comes with significant co-pays, is not mandated by Hawai‘i’s Prepaid Health Care Act, and is not a covered benefit for adults under the Affordable Care Act, Medicare, or Medicaid.

The Hawai‘i Department of Health’s report *Hawaii Oral Health: Key Findings* issued in 2015 revealed that, among low-income adults aged eighteen and over, 51% had experienced tooth loss compared to 32% of higher income adults, and only 52% of the lower income group had made an annual dental visit compared to 82% of those with higher incomes. In addition, Hawai‘i fails to meet national recommendations for dental care for women during pregnancy, as only 41% of pregnant women obtain an annual dental visit. The rate for those covered by Medicaid is even lower at 27%, a rate likely depressed by the lack of dental benefits.

Nationally, studies have shown that reducing or eliminating Medicaid adult dental benefits has led to significant increases in dental-related emergency room visits and associated costs. In 2012 alone, Hawai‘i Medicaid paid \$4,800,000 for 1,691 adult emergency room visits for preventable oral health problems.



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In Hawai‘i, a disproportionate number of adult Medicaid beneficiaries ages twenty-one and older utilize emergency dental services. While these adult Medicaid beneficiaries represented 25% of Hawai‘i’s population, they represented 56% of all emergency dental services. Just over three thousand emergency room visits for acute oral health conditions occurred in 2016, totaling more than \$17,000,000 in direct costs, a total that has more than doubled since 2007. Data also indicated that rural residents of the State, primarily from the north shore of O‘ahu and the islands of Kaua‘i and Hawai‘i, were more likely than urban residents to go to the emergency room for dental problems.

Recent analysis suggests that investing in dental benefits for Medicaid-enrolled adults will, in the long term, lead to reductions in medical costs financed by Medicaid. In other words, the decision to terminate diagnostic, preventive, and restorative dental services from Medicaid has not only failed to effectuate fiscal savings, but it has backfired, resulting in net fiscal losses of some \$1,900,000 to \$5,300,000 every year since 2009 as compared to what the Medicaid program’s dental-related expenditures would have been if the original policies had simply been left in place.

Moreover, these comments merely address the financial failures of this policy decision, and do not address the long-term pain and suffering and adverse effects on the health and well-being of the Medicaid beneficiary population, which has suffered seriously as a result of this ill-considered policy decision.

For this multitude of reasons, adult Medicaid preventive dental services need to be restored by this bill, and then as a part of the regular State executive budget. We must emphasize also that the appropriation for this benefit should not be made conditional on any search for other funds.

Thank you very much for the opportunity to testify on this very important bill. Please pass it with adult Medicaid dental services included.

Respectfully yours,

/s/ Melodie R. Aduja

Melodie R. Aduja

Chair, Health Committee

Democratic Party of Hawai‘i

Contact: legislativepriorities@gmail.com (808) 258-8889

/s/ Stephen B. Kemble, M.D.

Stephen B. Kemble, M.D.
Member of the Hawai'i Health Authority and
Member of the Health Committee
Democratic Party of Hawai'i

/s/ Marion Poirier, R.N.

Marion Poirier, R.N.
Member of the Hawai'i Health Authority and
Vice-Chair, Health Committee
Democratic Party of Hawai'i

/s/ Alan B. Burdick, Esq.

Alan B. Burdick, Esq.
Treasurer, Health Committee
Democratic Party of Hawai'i

THE KŪPUNA CAUCUS



To: The Honorable Donovan M. Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair
Committee on Ways and Means

Re: **HB 1600 – DHS/MQD HMS 401 – RELATING TO THE STATE BUDGET**

Hearing: Tuesday, March 22, 2022, 9:30 a.m., Conference Room 211 & Via Video-conference

Position: Strong support.

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee on Ways and Means:

The Kupuna Caucus of the Democratic Party of Hawai'i strongly supports HB 1600 – DHS/MQD HMS 401. We humbly request that HMS 401 be passed in your committee. HMS 401 would appropriate funds to reinstate the basic package of diagnostic, preventive, and restorative dental benefits, including Option 2 prosthodontic services, to adult Medicaid enrollees.

Adult dental care is a critical service for our vulnerable populations of 400,000 residents who rely on Medicaid for their health insurance, especially Native Hawaiians and Pacific Islanders who are disproportionately represented in emergency room visits for dental-related diagnoses.

In 2009, during the massive budget cuts to state programs, routine adult dental care was dropped from Medicaid and never restored; coverage was instead reduced to emergency-only care, limited to pain relief, injuries, trauma, and tooth extraction.

The lack of preventive and restorative dentistry services for adult Medicaid beneficiaries increases potential health care complications for persons with co-existing chronic disease, like diabetes and heart disease; thus, poor oral health, and co-existing conditions have been shown to lead to increased disability and death.

Per a 2021 study by the Hawaii Oral Health Coalition with the University of Hawaii's John A. Burns School of Medicine, between 2016 and 2020, 29,536 adults visited the ER with a dental-related diagnosis at a cost of \$54.37 million, of which \$21.7 million was paid by Medicaid; this was a high cost and burden on emergency rooms, and an even greater societal cost causing much human suffering.

THE KŪPUNA CAUCUS



March 22, 2022

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Since 2010, Hawaii has received a failing grade of “F” in three oral health report cards by the Pew Center due to multiple policy and systems issues that have left the real health of Hawaii’s families and children worse than the rest of the nation.

A disproportionate number of Medicaid enrollees ages 21 to 44 years use the ER for emergency dental services; however adult Medicaid beneficiaries represent only 25% of Hawaii’s population but represent 47% of all dental services provided by emergency rooms.

In February 2020, the American Dental Association’s Health Policy Institute and Hawaii DHS’s MedQuest division found a medical care cost savings of \$1.9 million to \$5.3 million per year attributable to a reduction in ER visits for dental conditions and reduced medical care costs among beneficiaries with diabetes, coronary artery disease, and pregnancy.

Medicaid coverage for dental benefits should be reinstated to cover diagnostic, preventive, restorative services, including Option 2.

The Kupuna Caucus of the Democratic Party of Hawaii urges the restoration of Medicaid’s dental services, including prosthodontic services, as soon as possible and humbly requests that HB 1600 – DHS/MQD HMS 401 be passed out of Committee for third reading.

Mahalo nui loa,

Melodie Aduja, Vice Chair
and Members of the Kupuna Caucus of the Democratic Party of Hawaii

Testimony of
Jonathan Ching
Government Relations Director

Before:
Senate Committee on Ways and Means
The Honorable Donovan M. Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair

March 22, 2022
9:30 a.m.
CR211 and Via Videoconference

Re: HB 1600, HD1, Relating to the State Budget

Chair Dela Cruz, Vice Chair Keith-Agaran, and committee members, thank you for this opportunity to provide testimony on HB 1600, HD1, which adjusts and requests appropriations for fiscal biennium 2021-2023 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs for the State of Hawai‘i.

Kaiser Permanente Hawai‘i SUPPORTS the request from DCCA for CCA 105.

Kaiser Permanente Hawai‘i is Hawai‘i’s largest integrated health system that provides care and coverage for approximately 265,000 members. Each day, more than 4,400 dedicated employees and more than 650 Hawai‘i Permanente Medical Group physicians and providers come to work at Kaiser Permanente Hawai‘i to care for our members at our 20 medical facilities, including Moanalua Medical Center, providing high-quality care for our members and delivering on our commitment to improve the health of the 1.4 million people living in the communities we serve.

Kaiser Permanente Hawai‘i supports the request by the Department of Commerce and Consumer Affairs (DCCA) to increase capacity at the Professional and Vocational Licensing (PVL) office (CCA 105). We know that the current backlog for certain licensing boards is currently four to six months, which without additional staff, will exacerbate the delay in medical providers, such as medical and osteopathic physicians, physician assistants, nurses, and pharmacists, from receiving their license to provide care to patients.

We understand and appreciate that staff at DCCA PVL are working around the clock to process new licenses, renewals, and any backlog and believe that these additional positions will be well used to keep up with the volume of license applications coming from all professions, including critical medical professions.

Mahalo for the opportunity to testify on this important measure.

HB-1600-HD-1

Submitted on: 3/20/2022 7:40:11 PM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ted Bohlen	Testifying for Hawai'i Reef and Ocean Coalition	Comments	Remotely Via Zoom

Comments:

To: The Honorable Donovan Dela Cruz, Chair, The Honorable Gilbert Keith-Agaran, Vice Chair, and Members of the Senate Committee on Ways and Means:

From: Hawai'i Reef and Ocean Coalition (by Ted Bohlen)

Re: Hearing **HB1600 HD1 RELATING TO THE STATE BUDGET.**

Hearing: Tuesday, March 22, 2022, 9:30 a.m., CR 211 and by videoconference

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Committee on Ways and Means:

Please amend the House Budget Bill to restore the \$4 million FY23 CIP funding (LNR 407 item#5) for forest watershed protection and ungulate fencing. This fencing is critical for recharging drinking water aquifers (particularly given problems at Red Hill), preventing flooding and polluted runoff, controlling invasive species and Rapid Ohia Death, preserving old growth forests and mitigating climate warming. The Greenhouse Gas Sequestration Task Force's study identified protecting existing forests as the top priority action.

Failure to fund this program could lead to the loss of \$5million in federal grant money.

Please amend the House Budget Bill to restore this critical funding!

Mahalo!

Hawai'i Reef and Ocean Coalition (by Ted Bohlen)

To: The Honorable Donovan Dela Cruz, Chair, The Honorable Gilbert Keith-Agaran, Vice Chair, and Members of the Senate Committee on Ways and Means

From: Climate Protectors Hawai'i

Re: Hearing HB1600 HD1 RELATING TO THE STATE BUDGET.

Hearing: Tuesday, March 22, 2022, 9:30 a.m., CR 211 and by videoconference

Aloha kākou Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Committee on Ways and Means,

We would like to request an amendment to the House Budget Bill to provide FY 22-23 CIP funding (LNR 407 item#5) for DLNR's "Watershed Protection and Initiatives, Statewide."

No funding means a lack of critical action to protect our watersheds. Images from the early 1900s show the severity of native forest destruction when cattle and other ungulates were allowed to go unchecked. We didn't have lush valleys but barren hillsides. Today the issue are pigs, goats, and deer. Only nine axis deer were introduced in 1959 and now, it is estimated that there are more than 10,000. It has taken land stewards decades of work to restore some of forests damaged a century ago. Our watersheds now face pressure once again from these grazing and roaming animals, invasive plant species, and Rapid 'Ōhi'a Death. With only 17% of our priority watershed areas protected, we need to be taking action to protect more of our watersheds now.

Forests are water and climate regulators. We have already lost 1.5 million acres of native forests and we don't want to lose more. With the loss of forests, our temperatures and weather are hotter and drier. The changing climate has brought more intense rains and longer periods of drought. This pattern of precipitation, together with land degradation due to the hooved animals, result in increased erosion and run-off affecting our near shore water quality and the health of our coral reefs. DLNR's project activities would include building fences to keep hooved animals out of priority watershed areas, controlling invasive weeds, improving degraded areas, mitigating fire risks, and providing land for hunters. These actions change the trajectory from degradation to restoration and towards resilience and would favor improved water quality and water security in our shifting climate reality.

Watershed protection also equates to habitat and species protection. Hawai'i is sometimes referred to the "Endangered Species Capital of the World" and we lost nine species to extinction in the last year — eight forest birds and a plant species. We have a choice in whether we want to support biodiversity or be complacent about these losses.

Lastly, protecting these watersheds are our best known means for carbon sequestration. In the April 2020 Conservation International report "Reversing Climate Change: A Study of Pathways Through Hawai'i's Natural and Working Lands," forest protection was in the category of *highest* performer for greenhouse gas sequestration, *highest* performer for co-benefits (water quality, soil health, food security, biodiversity, human health, crop yield, reduced fuel use, reduced labor needs, and financial benefits to land manager), and *highest* performer for lack of risks. Watershed protection is forest protection. There cannot be a safer or more worthy investment than our forests among carbon sequestration "technologies."

Choosing to fund DLNR's "Watershed Protection and Initiatives, Statewide" would be choosing to slow the rate of watershed degradation across the state while positively shifting our capacity for carbon sequestration, biodiversity, water quality and water security. It would also help to mitigate potential forest losses that could further disrupt our weather and temperature patterns. Without funding, we can expect further watershed destruction, continued spread of invasive weeds and disease, and reduced management of critical lands. These consequences of inaction will only build over time. We urge you to amend the House Budget Bill to restore, if not increase, this critical funding.

Mahalo!

Cara Oba

Climate Protectors Hawai'i Member



Hunt Development Group, LLC
737 Bishop Street, Suite 2750
Honolulu, Hawai'i 96813
Office: 808-585-7900

Senator Donovan Dela Cruz, Chair
Senator Gilbert Keith-Agaran, Vice Chair
Committee on Ways and Means

**RE: HB 1600 HD1 – Relating to the State Budget – IN SUPPORT
March 22, 2022; 9:30 a.m.**

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee:

Thank you for the opportunity to submit testimony in support of HB 1600 HD1, which adjusts and requests appropriations for fiscal biennium 2021-2023 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs.

Hunt Companies is in strong support of Item No. 17.2 for BED 150, \$12,125,000 for the capital improvement of Saratoga Avenue to the Hawaii Community Development Authority (HCDA).

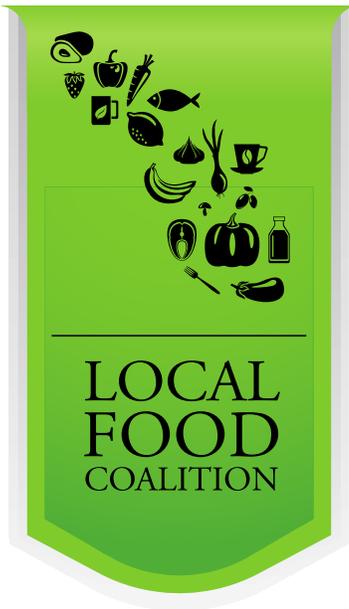
In connection with our 535-acre portion of HCDA's 3,700-acre Kalaeloa Master Plan, Hunt Companies has succeeded in working with Gentry Homes to bring the first 389 new for-sale homes for local families to Kalaeloa, as well as begun construction on the new, 98,000 square foot state-of-the-art VA ALOHA medical clinic.

These were made possible, in part, by Hunt Companies taking on the long-needed upgrades to the infrastructure and operations of the water utility in Kalaeloa, followed by launching more than \$35 million of roadway and utility infrastructure that provide benefit to the entire region.

There is much more to be done in terms of roadways, regional connections, utilities, and additional water and power infrastructure to make Kalaeloa the vibrant new addition for West Oahu families that is envisioned by HCDA's Master Plan, and this capital improvement appropriation to bring electrical down Saratoga Avenue is a vital initial step to that dream becoming reality.

We appreciate your efforts to help spur much needed infrastructure to support community development in Kalaeloa.

Steven W. Colón
President – Hawaii Division



SENATE COMMITTEE ON WAYS AND MEANS
March 22, 2022 – 9:30 a.m. – Via Videoconference

**RE: HB 1600 HD1– Relating to the State Budget –
In Support**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee:

The Local Food Coalition **supports** HB 1600 HD1, which adjusts and requests appropriations for fiscal biennium 2021-2023 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs.

The Coalition specifically supports the budget request for the University of Hawai'i at Mānoa (UOH100), which includes the College of Tropical Agriculture and Human Resources (CTAHR).

CTAHR was severely impacted by budget cuts, which resulted in a faculty and staff reduction of 15-20%. The University and CTAHR are at high enrollment levels historically and the college has been identified as a critical component by the University. Restoring funds will help CTAHR rebuild.

With the average age of a farmer in Hawaii being approximately 60 years old, it is important that we develop the next generation of farmers. CTAHR is key to developing and training those interested in the noble profession of agriculture. CTAHR offers valuable programs and services, such as its GoFarm Hawaii program and extension services, whose extension agents provide technical expertise to farmers across the state.

The Local Food Coalition is an organization comprising of farmers, ranchers, livestock producers, investors and other organizations working to provide Hawaii's food supply.

Thank you for the opportunity to submit testimony in support of CTAHR and the University of Hawai'i at Mānoa's budget request.

Kendall Matsuyoshi
808-544-8345
kmatsuyoshi@wik.com

Hawai'i Aquaculture &
Aquaponics Association
Hawai'i Cattlemen's Council
Hawai'i Farm Bureau
Federation
Hawai'i Farmers' Union
United
Hawai'i Food Industry
Association
Hawai'i Food
Manufacturers Association
Kohala Center
Land Use Research
Foundation of Hawai'i
Maui Farm to School
Network (Maui F2SN)
Ulupono Initiative
College of Tropical
Agriculture and Human
Resources - University of
Hawai'i at Manoa



Community hospitals affiliated with KAISER PERMANENTE.

Senator Donovan Dela Cruz, Chair
Senator Gil Keith-Agaran, Vice Chair
Members of the Senate Committee on Ways and Means

RE: WAM Hearing
Hearing date: Tuesday, March 22, 2022 @ 9:30 a.m.

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and members of the committee,

Thank you for allowing me the opportunity to submit testimony regarding our budget appropriation requests for the 2023 fiscal year. As you are aware, Act 103, SLH 2015, codified as HRS Chapter 323F, Part IV ("Act 103") provides for operating and capital subsidies for Maui Health System ("MHS") in connection with its operation of the hospitals. Under HRS §323F-58 and the terms of the Transfer Agreement signed January 14, 2016 between MHS and Hawai'i Health Systems Corporation, the State of Hawai'i, and the Maui Region of Hawai'i Health Systems Corporation (the "Transfer Agreement"), MHS may request operating support payments annually based upon the amounts needed to cover any operating losses of the Hospitals plus a 2% margin, but the amount requested in any year may not exceed the amount appropriated to subsidize the operating costs of the Maui Regional System for the 2014 fiscal year, which was \$38 million. Under HRS §323F-59 MHS may also request support payments for its capital expenditures during the first ten (10) years of MHS' operations of the hospitals in an amount not less than \$6 million.

The last subsidy the State provided to HHSC-Maui Region for the hospitals before the transition was \$36.8 million. For the current fiscal year of 2022, the appropriation for MHS' operating subsidy is \$11,585,000 in Coronavirus State and Local Fiscal Recovery Funds ("CSFRF"). While this was below our \$19 million request, MHS fully understood the fiscal challenges the State faced in 2020 and 2021 due to the COVID-19 pandemic and appreciates the financial assistance that was appropriated.

MHS was advised of risk in accepting these federal funds. On learning that the operating subsidy would be in the form of CSFRF federal funds rather than state general funds as has typically been the case, we sought the opinion of outside legal counsel who specializes in federal disaster recovery law. MHS learned that it would be a significant challenge to meet the requirements for a subgrantee under the CSFRF given the nature of MHS' role as a health care provider and its typical reimbursement structure. A CSFRF subgrantee must be able to clearly identify and itemize services and expenses that may be attributable to CSFRF funds vs. services and expenses attributable to other types of funds. Our hospitals are reimbursed for a wide spectrum of services from a variety of payors on a daily basis, and this makes it near to impossible to make this distinction. Similarly, CSFRF funds must be used for COVID-19 related services and expenses only. Again, the complexity of the hospitals' services and reimbursement structure creates a major logistical challenge in identifying COVID-19 related expenses that *have not been previously reimbursed*. The risk that MHS will be unable to satisfy the federal terms and conditions associated with the CSFRF funds carries an attendant risk of possible recovery by the U.S. Treasury, and therefore a huge liability for the system.

Fortunately, HHSC graciously agreed to be the subgrantee of the 2022 CSFRF funds, and to provide these funds to MHS under terms appropriate to a contractor of the State. Such transfer is supported by the terms of the Transfer Agreement, and permissible under the CSFRF guidance and regulations.

For the 2023 fiscal year, we are requesting an appropriation of \$11,000,000 in general funds. We are requesting that the fiscal year 2023 subsidy come from general funds to (i) avoid the legal risks and administrative challenges noted above, and (ii) provide MHS flexibility to use the subsidy for general operations (as opposed to only COVID needs) as was originally intended in both Act 103 and the Transfer Agreement.

MHS is truly a community hospital and the only acute care hospital serving all of Maui, Molokai and Lanai. Prior to COVID, in the three and a half years since the transition and with the support of the legislature, MHS was able to reduce its need for subsidies by nearly half when compared to the last subsidy granted to the Maui Region. This significant savings occurred while MHS was able to significantly increase quality scores, manage expenses, increase revenues, and recruit much needed physicians and nurses.

We very much want to continue on that trajectory, and the proposed \$11,000,000 request is the minimum of what is anticipated that our system will need to continue to do so while safely and effectively operating for our residents and visitors in this COVID environment. MHS continues to face the following operational and fiscal challenges which have been exacerbated by COVID:

- As Maui's only hospital, we need to maintain adequate staffing so that the hospital stays operational and ready to serve its community's needs. Significant pay and benefit increases will be challenging to curtail as there is an increased need to successfully recruit and retain staff. Contingent or temporary staffing has become difficult to source and costs have significantly increased.
- A wage reopener with the largest bargaining unit will take place in the fall of 2022. In addition, the other two bargaining units will be entering into union negotiations in 2022.
- Ongoing PPE supplies will continue to be required due to ongoing infection control and protection needs (N95, surgical masks, isolation gowns, gloves, etc.).
- Additional cost related to COVID tests for employees, patients, contractors, etc. will continue to be incurred.

We thank you for your service and hard work on behalf of the State of Hawaii and hope that you can support our subsidy request and the funding source from which it may be derived.

Mahalo for your consideration,

Michael Rembis
Chief Executive Officer

Committee on Ways and Means

Senator Donovan Dela Cruz, Chair

Senator Keith-Agaran, Vice Chair

Tuesday, March 22, 2022 at 9:30 AM
Conference Room 211 & Videoconference

SUPPORT of House Bill 1600 HD1, Relating to the State Budget

Aloha Chair Dela Cruz and Committee Members:

Passage of this bill this bill enables the Bishop Museum to protect Hawai'i's irreplaceable collections, which include 1.2 million cultural artifacts, representing Native Hawaiian, Pacific Island, and Hawai'i immigrant life; more than 125,000 historical publications, including many in the Hawaiian language; 1 million historical photographs, films, works of art, and publications; and over 22 million plant and animal specimens.

The Museum stewards more than 25 million catalogued objects, and actively generates and shares knowledge associated with its collections. Its work supports over 50 state and federal government agencies, departments, and affiliated organizations; and without whom many basic questions concerning Hawaii's people, plants, and animals could not be answered with efficiency and confidence. Museum researchers have discovered over 17,000 species of plants, animals, and insects throughout the Pacific region, and have made countless discoveries related to the migration, settlement, and daily life of Pacific peoples. The Museum's educational programs provide science and cultural education opportunities to thousands of Hawai'i's schoolchildren each year, and it is estimated that the Museum has hosted more than 10 million visitors over its history.

Thank you for your consideration and for the opportunity to provide testimony in support of this important bill.

Me ka ha'a ha'a,



Melanie Y. Ide
President & CEO
Bishop Museum



HALEAKALA RANCH

• EST. MAUI 1888 •

March 18, 2022

Chair Dela Cruz, Vice Chair Keith-Agaran, and Committee Members,

Haleakala Ranch would like to provide comments on HB 1600 HD1 relating to Watershed Initiatives, Statewide CIP request (LNR 407).

Haleakala Ranch is an active member and provides a leadership role in the East Maui Watershed Partnership. EMWP is responsible for watershed protection on approximately 100,000 acres of private and public lands, between Makawao and Kaupo.

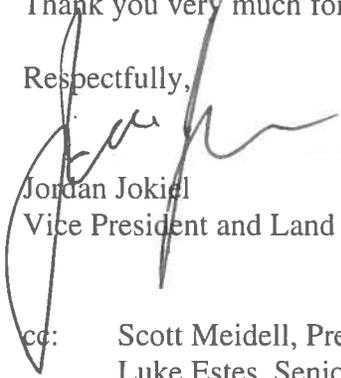
We are requesting that the Watershed Initiatives, Statewide CIP request (LNR 407) be provided \$8m in FY23. Since 2013, CIP and operating funds have been leveraged by over \$49 million in grants from non-State sources.

Forested watersheds provide Hawaii with drinking water, cultural resources, and are home to unique plants and wildlife found nowhere else in the world. Protection is needed to safeguard these invaluable resources in the face of threats such as invasive species and climate change.

In addition, CIP funding contributes to building deer-proof fences that protect forests and adjacent managed rangelands from the rapidly increasing populations of feral deer. Fence building and the exclusion and/or reduction of deer from key areas is an important first step in providing long-term and effective solutions for the axis deer problem on Maui, which along with the on-going drought have required an Emergency Proclamation be declared for Maui County. This has significantly affected our daily operations and bottom line.

Thank you very much for your time and attention to this important matter.

Respectfully,



Jordan Jokiel
Vice President and Land Manager, Haleakala Ranch

cc: Scott Meidell, President and CEO, Haleakala Ranch
Luke Estes, Senior Vice President/Real Estate, Haleakala Ranch
Greg Friel, Vice President/Livestock, Haleakala Ranch



HAWAI'I ORAL HEALTH COALITION

Date: March 22, 2022

To: The Honorable Senator Donovan M. Dela Cruz, Chair
The Honorable Senator Gilbert S.C. Keith-Agaran, Vice Chair

Re: HB1600, Relating to the State Budget

Hrg: Tuesday, March 22, 2022 at 9:30 pm - Conference Room 211 & via Videoconference

The Hawai'i Oral Health Coalitionⁱ, convened by the Hawai'i Public Health Institute, supports the intent of budget item HMS 401, which requests funding to restore certain dental benefits to adult Medicaid enrollees.

HMS 401 restores funds to the DHS to provide limited diagnostic, preventive, and restorative dental coverage to adult Medicaid enrollees. In a 2021 survey conducted by Ward Research for HIPHIⁱⁱ, 9 in 10 registered Hawaii voters (92%) strongly agreed that preventative dental benefits should be included in adult Medicaid coverage.

Oral health is critical to overall physical, psychological, social, and economic wellbeing. Adults with poor oral health often struggle to manage chronic co-conditions such as diabetes. Researchers have linked poor oral health with cardiovascular disease, stroke and bacterial pneumonia. Pregnant women with poor oral health are at an increased risk of delivering preterm and/or low-birth-weight infants. Missing or broken teeth also create social barriers for adults to find and maintain gainful employment in our service-based economy.

Unfortunately, oral health in our state is a public health crisis, with Hawaii receiving a failing grade of "F" in three recent oral health report cards released by the Pew Center for the Statesⁱⁱⁱ. Drastic cuts in 2009 eliminated essential dental services for Medicaid enrollees and reduced coverage to emergency only (extraction and pain management).

As a consequence of these cuts, many in Hawai'i and across the nation have turned to emergency rooms for oral health care. The ADA reported in 2016 that ER visits nationwide continued to increase in 2012, costing the US health care system \$1.6 billion per year at an average cost of \$749 per visit^{iv}. In Hawai'i, recent data^v show that between 2016 and 2020 there was a total of 29,536 ER visits with a dental related diagnosis among adults aged 21 years and older, with an average of 10% of patients who visited ER for principal dental-related conditions having revisited the ER at least twice in the same year. Sixty-seven percent (19,691) of these visits had a principal dental diagnosis as the reason they visited the ER. In that same time period, Medicaid claims constituted 45% of the cumulative total charges for the ER visits with a principal dental-related diagnosis, about \$12.3 million. This does not include the total charges for secondary dental-related diagnoses. An estimated 79% of ER dental visits could be diverted to community settings, saving about 48% of the cost of each visit^{vi}.

Restoring dental coverage for adults on Medicaid is a necessary health equity measure. The lack of coverage for diagnostic, preventative, and restorative dental services has had a disparate impact on Native Hawaiian and Pacific Islander populations, and those on Neighbor Islands, who are at greater risk for poor oral health and limited access to oral health care. Hawai'i County and Kaua'i County saw the state's highest rates of ER visits with a dental-related diagnosis, and a large portion of Medicaid claims for ER visits with a principal diagnosis between 2016 and 2020 were submitted for Native Hawaiians/Part Native Hawaiian (about 31%, or 2,991) patients.

In 2020, the Health Policy Institute of the American Dental Association published a specific fiscal analysis for Legislative consideration about the costs versus cost-savings in reinstating preventive and restorative dental benefits for adults on Medicaid^{vii}. This analysis highlights three funding options for coverage ranging from basic to comprehensive. The federal government does match up to 50% of the state's investment in reinstating diagnostic, preventative and restorative dental coverage for all adult Medicaid recipients and, to date, 34 states do offer limited or comprehensive benefits for its adult Medicaid recipients^{viii}.

In order to adequately address the high needs of this population, due to the lack of access to preventive care since 2009, adults on Medicaid will require greater coverage than what is currently reflected as a basic coverage option. While covering exams, cleanings, and limited restorations is a step in the right direction, patients may continue to seek dental care from emergency departments across the state, or simply defer care due to continued lack of restorative coverage.

For this reason, we support the intent to reinstate certain diagnostic, preventative, and restorative dental coverage for adults in Hawai'i enrolled in Medicaid through the state budget and respectfully request additional funding for a more comprehensive coverage option that will sufficiently address the oral health needs of this population. Thank you for the opportunity to testify.

Mahalo,



Patrick Donnelly
Statewide Oral Health Coalition Manager
Hawai'i Public Health Institute

ⁱ The Hawai'i Oral Health Coalition is community driven and led with fiscal sponsorship from the Hawaii Public Health Institute. Its members represent all Hawai'i islands and diverse sectors across the State. The mission of the Hawai'i Oral Health Coalition is to improve the overall health and wellbeing of all Hawai'i residents by increasing access and equity in oral health care through collaborative partnerships, advocacy, and education.

ⁱⁱ Findings from a Ward Research Study commissioned by the Hawai'i Public Health Institute that summarizes findings from a phone survey among n=810 Hawaii registered voters (+/-3.3 margin of error) conducted between October 26 to November 30, 2021. A copy of the results are available upon request.

ⁱⁱⁱ Hawai'i Oral Health: Key Findings, Hawai'i Department of Health. August 2015.

^{iv} Emergency department use for dental conditions continues to increase. Health Policy Institute Research Brief. American Dental Association. April 2015.

^v Lualima Data Alliance Hawai'i inpatient and Outpatient dental ER data (2016-2020). Accessed October 12, 2021.

^{vi, vii} Estimating the Cost of Introducing Comprehensive Medicaid Adult Dental Benefits in Hawai'i, Health Policy Institute Research Brief. American Dental Association. February 2020.

^{viii} Medicaid Adult Dental Benefits Coverage by State, Center for Health Care Strategies, Inc., September 2019.

March 22, 2022

Senator Donovan Dela Cruz, Chair
Senator Gilbert Keith-Agaran, Vice Chair
Committee on Ways and Means



Working together for Kapolei

**RE: HB 1600 – Relating to the State Budget – IN SUPPORT
March 22, 2022; 9:30 a.m.**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee:

My name is Kiran Polk, and I am the Executive Director of the Kapolei Chamber of Commerce. The Kapolei Chamber of Commerce is an advocate for businesses in the Kapolei region. The Kapolei Chamber of Commerce is an advocate for businesses in the Kapolei region including Waipahu, Kapolei, Ewa Beach, **Kalaeloa**, Nanakuli, Waianae and Makaha. The Chamber works on behalf of its members and the entire business community to improve the regional and State economic climate and help Kapolei businesses thrive. We are a member- driven, member-supported organization representing the interests of all types of business: small, medium or large, for profit or non-profit businesses or sole proprietorship.

We respectfully submit testimony in support of HB 1600 as noted below, which adjusts and requests appropriations for fiscal biennium 2021-2023 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs.

The Kapolei Chamber is in **strong support of Item No. 17.2 for BED 150, \$12,125,000 for the capital improvement of Saratoga Avenue (in Kalaeloa) to the Hawaii Community Development Authority (HCDA).**

West O’ahu’s growing population of almost 200,000 includes the Waianae Coast, Ewa, and Waipahu and Kalaeloa. **Decades ago, the City and County of Honolulu adopted a goal of creating a “Second City” and moving residential and economic growth toward West O’ahu including areas like Kalaeloa.** The State adopted a similar long-standing policy to redirect growth away from Honolulu and toward Kapolei. To match this dynamic growth the emergence of new job centers in West O’ahu is essential to keep pace with the population growth. The planned development in HCDA’s 3,700-acre Kalaeloa Master Plan will play a key role in providing these job centers in Kalaeloa. **Upgrades to aged infrastructure including bringing electricity down Saratoga Avenue is essential for the development of these job centers and economic development in Kalaeloa.**

Thank you for the opportunity to provide testimony.

Respectfully,

A handwritten signature in black ink, appearing to read "Kiran Polk".

Kiran Polk
Executive Director



**Hawai'i Conservation Alliance
FOUNDATION**



**FRIENDS OF
LANAI**

WWW.FRIENDSOFLANAI.ORG



**JOINT ORGANIZATIONAL TESTIMONY OFFERING COMMENTS ON HB1600 HD1
Urging the Restoration of CIP Funds for Watershed Protection**

Senate Committee on Ways and Means

March 22, 2022

9:30 a.m.

Room 211 and Videoconference

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Ways and Means Committee,

We, the undersigned organizations, offer this testimony respectfully urging your Committee to restore the appropriation for LNR407, item #5 (investment capital), being proposed for deletion in the current HD1 draft of HB1600.

We understand that this funding may be critical to **preventing the loss of \$5,000,000 in federal grants** that have been secured through a promised state match, based on the FY22 and FY23 appropriations that were approved in the biennium budget last year.

Moreover, we understand that the CIP projects that would be carried out with these funds are critical to reaching Hawai'i's goal to protect 30% of our priority watershed areas by 2030. Such protection is urgently needed, in order to:

- Ensure our islands' water security, particularly as we grapple with droughts and reduced rainfall trends due to climate change;
- Prevent the further loss of native and threatened or endangered plant and animal species, including the cultural, ecological, scientific, and economic values provided by our islands' unique environment;
- Reduce the severity of flooding events that may have significant human, environmental, and economic impacts;
- Reduce runoff and nutrient loads that can degrade our nearshore fisheries and coastal habitats; and
- Do our part to fight back against the destabilization of our planet's climate, through the enhanced carbon sequestration of healthy native watersheds.

Therefore, for these reasons and others, we respectfully but strongly recommend restoring the FY23 appropriation for the capital investments under LNR407 proposed for deletion under HB1600 HD1.

Mahalo nui for your consideration of this testimony.

Signed,

Sierra Club of Hawai'i
Conservation Council for Hawai'i
The Trust for Public Land
Hawai'i Conservation Alliance Foundation
The Nature Conservancy Hawai'i and Palmyra
Surfrider Foundation Hawai'i Region
Center for Biological Diversity
Climate Protectors Hawai'i
Hawai'i's Thousand Friends
Hawai'i Reef & Ocean Coalition
Ko'olau Waialua Alliance
Friends of Lāna'i
Ma'alaea Village Association

HISTORIC HAWAII FOUNDATION

TO: Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Committee on Ways and Means (WAM)

FROM: Kiersten Faulkner, Executive Director
Historic Hawai'i Foundation

Committee: Tuesday, March 22, 2022
9:30 a.m.
Via Video Conference/Conference Room 211

RE: HB 1600 HD1, Relating to the State Budget

On behalf of Historic Hawaii Foundation (HHF), I am writing in **support for the appropriation to the Historic Preservation Division of the Department of Land and Natural Resources.**

Operating support for the State Historic Preservation Division (SHPD), as shown in HB1600 HD1, LNR802, will address severe staffing shortfalls that hamper the State's historic preservation program. The operational appropriation will add 15 professional and administrative positions to meet the workflow and volume under the Review and Compliance, Burial Sites, State and National Register, Survey and Inventory, Tax Incentive, Certified Local Government Programs, and project reviews mandated by HRS, Chapter 6E and Sections 106 and 110 of the National Historic Protection Act of 1966, as amended. The SHPD Administrator has stated that this would provide a full complement of staff sufficient to meet its mandates and regulatory timeframes.

In addition, the operational support will increase compensation for 21 SHPD Program positions to compete with federal agencies and private industry for qualified professional staff and reduce the loss of professional staff to entities that offer higher compensation in an extremely tight labor market. Other funds will allow SHPD to continue to implement process improvements for digitization, electronic document management and public access to cultural resource information.

HHF supports efforts to ensure that the State has a robust, functional and well-resourced historic preservation program to meet the legislative intent in HRS 6E-1 that:

“It shall be the public policy of this State to provide leadership in preserving, restoring, and maintaining historic and cultural property, to ensure the administration of such historic and cultural property in a spirit of stewardship and trusteeship for future generations, and to conduct activities, plans, and programs in a manner consistent with the preservation and enhancement of historic and cultural property.”

Thank you for the opportunity to comment.



THE QUEEN'S HEALTH SYSTEMS

To: The Honorable Donovan M. Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair
Members, Senate Committee on Ways and Means

From: Jacce Mikulanec, Director, Government Relations, The Queen's Health Systems

Date: March 22, 2022

Re: Comments on HB1600, HD1: Relating to the State Budget – DCCA/Professional and Vocational Licensing Office.

The Queen's Health Systems (Queen's) is a not-for-profit corporation that provides expanded health care capabilities to the people of Hawai'i and the Pacific Basin. Since the founding of the first Queen's hospital in 1859 by Queen Emma and King Kamehameha IV, it has been our mission to provide quality health care services in perpetuity for Native Hawaiians and all of the people of Hawai'i. Over the years, the organization has grown to four hospitals, 66 health care centers and labs, and more than 1,600 physicians statewide. As the preeminent health care system in Hawai'i, Queen's strives to provide superior patient care that is constantly advancing through education and research.

Queen's appreciates the opportunity to testify in support of the request by the Department of Commerce and Consumer Affairs (DCCA) for funding to increase capacity at the Professional and Vocational Licensing Office. Funding for these additional positions will allow licenses to be reviewed and approved at a much higher rate, which will contribute to safely and efficiently expanding our healthcare workforce in Hawai'i. Despite the drop in COVID patients in Hawai'i's hospitals, we continue to experience a high rate of patients seeking medical attention for non COVID related issues while also facing challenges with attracting and retaining licensed healthcare professionals. We urge the Committee to provide the Department with these critical funds to help ensure a strong clinical workforce to care for Hawai'i residents.

Thank you for allowing The Queen's Health Systems to provide testimony on HB1600, HD1.

The mission of The Queen's Health Systems is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.



CATHOLIC CHARITIES HAWAI'I

TESTIMONY IN SUPPORT OF HB 1600, HD1: RELATING TO THE STATE BUDGET

TO: Senate Committee on Ways and Means

FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i

Hearing: Tuesday, 3/22/22; 9:30 AM via videoconference

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members, Committee on Ways and Means:

Thank you for the opportunity to provide testimony **support of HB 1600, HD1, on issues of housing assistance, homeless services and affordable rental housing.** I am Rob Van Tassell, with Catholic Charities Hawai'i. We are also a member of Partners In Care (PIC).

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 75 years. CCH has programs serving elders, children, families, homeless, and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i. Catholic Charities Hawai'i has a long history of working in the areas of affordable housing and homelessness.

We support the following sections of this bill:

Page 35 (HMS 222): funding for rental assistance: While we must continue to create new rental housing, rental assistance is the solution for the immediate housing needs of our residents. With this, rents that are out of reach become possible for many working families and elders. The \$500,000 increase in the original budgeted amount is critical to help current recipients pay their monthly rents. Over 60% of current recipients are elders.

Page 35 (HMS 224): Steady funding for homeless services: These funds will enable proven, successful homeless services to remain stable. We appreciate the legislature's support for these services. **We also urge that it is now time to put these vital services into the base budget going forward.** Reliable ongoing funding is needed to continue to move the homeless off our streets and into permanent housing. Please consider putting this funding into the base budget.

Page 85 (CIP Budget): \$25 million cash infusion for the Rental Housing Revolving Fund (RHRF) statewide. **If Hawai'i is to end homelessness, it must create more affordable rental units to prevent homelessness and enable our local families to remain in Hawai'i.** New affordable rentals are needed in each county to help struggling households that are being priced out of market rentals. The Rental Housing Revolving Fund has a proven track record to work with its partner developers to create this housing. We also support other bills now being considered by the legislature that would increase funding to the RHRF. We urge your support to add funding in the budget for the RHRF to serve the most vulnerable in our State, with incomes of 60% AMI or below, as you continue to look at the overall housing needs in the State.

Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or alohabettylou@hotmail.com if you have any questions.



CLARENCE T. C. CHING CAMPUS • 1822 Ke'eaumoku Street, Honolulu, HI 96822
Phone (808) 373-0356 • bettylou.larson@CatholicCharitiesHawaii.org



LATE

Mauna Kahālāwai Watershed Partnership

March 21, 2022

Committee on Ways and Means Opposed to HB1600 HD1 Concerning watershed CIP provisions under the LNR407

Aloha Honorable Legislators,

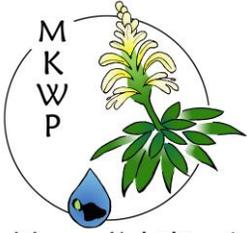
The Mauna Kahālāwai Watershed Partnership, would like to express its strong opposition to budget cuts aimed at allocations for CIP fencing via LNR 407 at 8 million in FY23. This funding is critically needed and matched funding may be lost as a result of proposed cuts. The fences planned will protect Hawaii’s precious forested watersheds statewide. Such funding has allowed MKWP to make great strides toward protecting watersheds in West Maui and further funding will be needed to protect our watershed lands and those statewide.

This funding empowers us to protect the sustainability of the native Hawaiian forest that functions to provide Maui’s life giving water. Nearly 76% of Maui’s municipal source water originates from Mauna Kahālāwai. Without a healthy forest our community’s water source can degrade.

Today, after twenty-three years of effort, we have over 24 miles of fence built, protecting over 66% of our watershed or more than 31,000 acres. Our vigilant zero tolerance policy for feral ungulates such as pigs, goats, deer, and cattle has maintained near zero animals behind our fences. Maintenance and expansion of our fencing network continues to be extremely important due to the growing levels of pressure from the outside animal populations especially from pigs and deer.

The requested funds will help protect vital watershed lands statewide including those in Lahaina and Wailuku that we have yet to fence. Maui has been facing an overpopulation of deer that are ranging beyond traditional areas and it is extremely important that we continue to get ahead of the problem before animals overwhelm our management efforts. Should you have any further questions, please do not hesitate to contact our Program Manager, Chris Brosius, at (808) 661-6600 or brosius@maunakahalawai.org.

Mahalo for your consideration!



Mauna Kahālāwai
Watershed Partnership

P.O. Box 13240

Lahaina, Hawai'i 96761

Phone (808) 661-6600

Fax: (808) 661-6604

Westmauiwatershed.org

Watershed Partners

County of Maui

Hanaula Ranch, LLC

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.

State of Hawaii
Dept. of Land & Natural
Resources

The Nature
Conservancy

U.S. Fish & Wildlife
Service

Wailuku Water Co. LLC



LATE

**Testimony to the Senate Committee on Ways and Means
Tuesday, March 22, 2022; 9:30 a.m.
State Capitol; Conference Room 211
Via Videoconference**

RE: HOUSE BILL NO. 1600, HOUSE DRAFT 1, RELATING TO THE STATE BUDGET.

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** House Bill No. 1600, House Draft 1, RELATING TO THE STATE BUDGET.

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

This measure, as received by your Committee, would adjust and request appropriations for fiscal biennium 2021-2023 funding requirements for operations and capital improvement projects of executive branch agencies and programs.

The HPCA urges your favorable consideration of the following items:

I. ADULT DENTAL MEDICAID BENEFITS

Since 2008, the HPCA has consistently urged the reinstatement of this essential benefit. At that time, the Legislature faced enormous fiscal challenges that forced your predecessors to make many difficult decisions. The elimination of adult dental Medicaid benefits was just one of many painful cuts that needed to be made for the good of all. As the economy rebounded, most of the programs cut were reorganized and many were reinstated to ensure that the needs of our citizens are met. Yet, adult dental Medicaid was never returned..

Testimony on House Bill No. 1600, House Draft 1
Tuesday, March 22, 2022; 9:30 a.m.
Page 2

To ensure seamless transition should the Legislature agree to provide the state's portion for the reinstatement of the benefit, the benefit should appropriately be integrated into the State Medicaid Plan. The State would also need to show a continual funding source for this additional benefit.

We note that the approval of a "stand alone" bill would only provide a one-time appropriation for this purpose.

To ensure that the benefit would be eligible for federal match, it would need to be incorporated into the State budget. We note that according to the Budget-in-Brief submitted by the Governor in his Supplemental Budget request, that document contains a provision that indicates that funds for this expanded benefit is indeed contained in the proposed budget bill under Line Item HMS-401. Specifically, the Administration requests \$3,466,328 in general funds and \$6,728,754 in federal funds to "restore and expand. . . adult dental benefits". (See, 2023 Budget in Brief, pp. 744-745.).

The House inserted \$1 into the worksheets for Line Item HMS-401 for the reinstatement of adult dental Medicaid benefits. (See, attached budget worksheets on House Bill No. 16500, House Draft 1, pp. 364-366.)

We further note that as part of the Administration's Executive Budget request to the 2017 Hawaii State Legislature, DHS requested \$4,704,480 in general funds and \$7,056,720 in federal funds for fiscal year 2018, and \$9,408,960 in general funds and \$14,113,440 in federal funds for fiscal year 2019 for "the restoration of the adult dental benefits. (See, 2018 Budget in Brief, pages 1056-1059.).

In the purpose clause of House Bill No. 1754, three options were offered to address the need for dental benefits for Medicaid recipients:

- OPTION 1. Basic package of diagnostic, preventative, and restorative services;
- OPTION 2. Basic package plus core prosthodontic services; and
- OPTION 3. A further expansion to a more robust set of prosthodontic services.

These packages of benefits, and the costs associated, were published by the American Dental Association's Health Policy Institute, in a report dated February 2020. (See, https://www.ada.org/-/media/project/ada-organization/ada/ada-org/files/resources/research/hpi/hpibrief_0220_1.pdf)

The HPCA asserts that the prolonged damage caused to the oral health of adult dental Medicaid recipients from fourteen (14) years of neglect and apathy by the State will necessitate significant resources to remediate this population. After all, what good are x-rays and cleanings if you don't provide the necessary resources to adequately treat these patients?

The HPCA further proclaims that the State has a moral obligation to provide the most robust package of benefits possible for this underprivileged and underserved population. At the very minimum, until such time as the oral health conditions of Hawaii's adult Medicaid population is stabilized, the benefit package should be at the OPTION 3 level.

In sum, the HPCA asks this Committee approve an increase to Line Item HMS401 in this bill and that the amount of the increase be equal to the OPTION 3 level of benefits recommended in the American Dental Association's report dated February 2020.

II. POSTPARTUM MEDICAID COVERAGE

The HPCA firmly believes that the sixty-day time period of coverage currently authorized under Medicaid for post-partum recipients is not enough to address the health care needs of the patient. This restriction is listed in the scope of services authorized for the categorically needy under the Hawaii State Medicaid Plan. While the State is not precluded from expanding coverage without a State Plan Amendment, it is unclear whether the State would be eligible for federal reimbursement for the additional services provided.

It should be noted that this very issue is a point of discussion by Congress and there is expectation that coverage for post-partum recipients for federal Medicaid reimbursement will be expanded to 12 months.

To ensure seamless transition should the Legislature agree to provide the state's portion of this expanded benefit, the expanded benefit should appropriately be integrated into the State Medicaid Plan.

19a

Revision: HCFA-PM-91-4 (BPD)
AUGUST 1991

OMB No.: 0938-

State/Territory: HAWAII

Citation 3.1(a)(1) Amount, Duration, and Scope of Services:
Categorically Needy (Continued)

1902(e)(5) of
the Act

(iii) Pregnancy-related, including family planning services, and postpartum services for a 60-day period (beginning on the day pregnancy ends) and any remaining days in the month in which the 60th day falls are provided to women who, while pregnant, were eligible for, applied for, and received medical assistance on the day the pregnancy ends.

(iv) Services for medical conditions that may complicate the pregnancy (other than pregnancy-related or postpartum services) are provided to pregnant women.

1902(a)(10),
clause (VII)
of the matter
following (F)
of the Act

Rev PM # 412-4
dated 03/19/2

(v) Services related to pregnancy (including prenatal, delivery, postpartum, and family planning services) and to other conditions that may complicate pregnancy are the same services provided to poverty level pregnant women eligible under the provision of sections 1902(a)(10)(A)(i)(IV) and 1902(a)(10)(A)(ii)(IX) of the Act.

Excerpt from State Medicaid Plan, above.

The State would also need to show a continual funding source for this additional benefit. We note that the approval of an appropriation in a "stand alone" bill would only provide a one-time appropriation for this purpose.

To ensure that the benefit would be eligible for federal match, it would need to be incorporated into the State budget. We note that according to the Budget-in-Brief submitted by the Governor on his Supplemental Budget request, that document contains a provision that indicates that funds for this expanded benefit is indeed contained in the proposed budget bill under Line Item HMS401. (See, Budget in Brief, pp. 744-745.)

III. GRANT-IN-AID

The HPCA supports inclusion of general fund appropriations for the following applications submitted by our member FQHCs:

- | | |
|-------------|--|
| \$1,000,000 | For planning, design and construction of a new facility for a federally qualified health center in Honokaa. The new center will enable Hamakua-Kohala Health to increase the number of physicians, psychologists, telehealth specialists and dentists to shorten appointment wait times for patients and ensure that there is an adequate facility for physicians to practice so that they don't leave the Big Island. The new center will also create new jobs as well as expand training opportunities for residents waiting an opportunity to pursue a career in the medical field. |
| \$970,000 | To complete construction of the Hana Health Rehabilitation and Support Center, a 3,800 square foot mixed-use facility which will accommodate behavioral and mental health services, physical therapy and cardiac rehabilitation, telehealth and complimentary cultural healing practices. The facility will also include alternative offices which have been housed in trailers for more than twenty years. Complete pre-development plans for on-site affordable workforce housing in order to recruit and retain health care workers, locum tenens physicians and specialists. |
| \$304,000 | Renovation of Kokua Kalihi Valley Comprehensive Family Services' (KKIV's) Judd Medical Clinic to improve patient care and increase safety and functionality for patients and staff. Work will focus on the second floor patient waiting area, examination rooms, staff offices, and medical reception area. The scope of work includes removal of worn flooring, painting, replacement of furnishings, cabinetry, and COVID safety measures for the reception area. Additionally, KKV's plans to purchase medical equipment to enhance care of Hepatitis B patients. |
| \$150,000 | Renovation of KKV's Judd Medical Clinic to improve patient care and increase safety and functionality for patients and staff. Work will focus on the second floor patient waiting area, examination rooms, staff offices, and medical reception area. The scope of work includes removal of worn flooring, painting, replacement of furnishing, cabinetry, and COVID safety measures for the reception area. Additionally KKV plans to purchase medical equipment to enhance care of Hepatitis B patients. |

\$1,000,000	To build administration office space and meeting room space at the Kahuku property so that administrative operations at Koolauloa Health Center will be contained in the same site as the main health facility. The move would allow expansion of clinical space at the Hauula clinic.
\$1,500,000	COVID-19 further highlighted the need for Lanai Community Health Center (LCHC) to alter/renovate its current 6,800 square foot facility to meet the current behavioral, medical and dental health needs on Lanai -- even more so now, since LCHC is the ONLY adult dental, pediatric dental, and optometry provider on the island.
\$1,409,854	To provide staff and 2 MedPods to increase telehealth capacity at Wahiawa Center for Community Health (WCCH). Current staff and provider patient panels are maxed out. WCCH can't take on any new target populations without additional infrastructure of staffing -- not only additional providers but the clinical ancillary and support staff to address wrap-around, enabling services to ensure health equity for all.
\$900,000	Waianae Coast Comprehensive Health Center is constructing an Emergency Food Warehouse facility to serve the Waianae Coast. As the first Emergency Food Warehouse on the Waianae Coast, the facility will strengthen community preparedness by storing and distributing food to nearly 40 partnering agencies, ensuring that the Waianae community will have the food and supplies available for emerging natural disasters and continued emergency response to food insecurity due to the ongoing COVID-19 pandemic.
\$500,000	With support from the State of Hawaii, Waimanalo Health Center will enhance its patient-centered health care home approach through the expansion of services. Funding will support the construction of a new expansion facility.

With these amendments, the HPCA urges your favorable consideration of House Bill No. 1600.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiiipca.net.

Program ID: HMS401 HEALTH CARE PAYMENTS
 Structure #: 060203050000
 Subject Committee: HHH HEALTH, HUMAN SERVICES, & HOMELESSNESS

SEQ #	EXPLANATION	FY 2022			FY 2023		
		Perm	Temp	Amt	Perm	Temp	Amt
		0.00	0.00	982,477,598 A	0.00	0.00	982,477,598 A
		0.00	0.00	1,376,660 B	0.00	0.00	1,376,660 B
		0.00	0.00	1,803,909,546 N	0.00	0.00	1,803,909,546 N
		0.00	0.00	6,781,921 U	0.00	0.00	6,781,921 U
		0.00	0.00	13,474,795 P	0.00	0.00	13,474,795 P
	BASE APPROPRIATIONS	0.00	0.00	2,808,020,520	0.00	0.00	2,808,020,520

- 1

OBJECTIVE: TO ENSURE THAT QUALIFIED LOW-INCOME AND
 DISABLED INDIVIDUALS AND FAMILIES ARE PROVIDED
 HEALTH CARE SERVICES, INCLUDING MEDICAL, DENTAL,
 HOSPITAL, NURSING HOME, HOME AND COMMUNITY-BASED,
 AND OTHER PROFESSIONAL SERVICES, EITHER THROUGH A
 FEE-FOR-SERVICES OR QUEST-MANAGED CARE PROGRAM.

100-001	SUPPLEMENTAL REQUEST: ADD FUNDS FOR HEALTH CARE PAYMENTS (HMS401/PE). ***** HOUSE CONCURS.						9,948,756 A
	DETAIL OF GOVERNOR'S REQUEST: MISCELLANEOUS CURRENT EXPENSES (9,948,756)						

Program ID: HMS401 HEALTH CARE PAYMENTS
 Structure #: 060203050000
 Subject Committee: HHH HEALTH, HUMAN SERVICES, & HOMELESSNESS

SEQ #	E X P L A N A T I O N	Perm	FY 2022 Temp	Amt	Perm	FY 2023 Temp	Amt
101-001	SUPPLEMENTAL REQUEST: ADD FUNDS FOR HEALTH CARE PAYMENTS (HMS401/PE). ***** HOUSE DOES NOT CONCUR. BREAKOUT AS FOLLOWS: MISCELLANEOUS CURRENT EXPENSES (1A) DETAIL OF GOVERNOR'S REQUEST: MISCELLANEOUS CURRENT EXPENSES (2,449,040A/3,448,465N)						1 A
102-001	SUPPLEMENTAL REQUEST: ADD FUNDS FOR HEALTH CARE PAYMENTS (HMS401/PE). ***** HOUSE DOES NOT CONCUR. BREAKOUT AS FOLLOWS: ADULT DENTAL BENEFIT (1A) DETAIL OF GOVERNOR'S REQUEST: ADULT DENTAL BENEFIT (3,466,328A/6,728,754N)						1 A

Program ID: HMS401 HEALTH CARE PAYMENTS
 Structure #: 060203050000
 Subject Committee: HHH HEALTH, HUMAN SERVICES, & HOMELESSNESS

SEQ #	EXPLANATION	FY 2022		FY 2023	
		Perm	Temp	Perm	Temp
		Amt		Amt	
1000-001	HOUSE ADJUSTMENT:				610,118 A
	ADD FUNDS FOR HEALTH CARE PAYMENTS (HMS401/).				

	DETAIL OF HOUSE ADJUSTMENT:				
	FAMILY PLANNING SERVICES (610,118)				

TOTAL BUDGET CHANGES

10,558,876 A

BUDGET TOTALS

0.00	982,477,598	0.00	993,036,474
0.00	1,376,660	0.00	1,376,660
0.00	1,803,909,546	0.00	1,803,909,546
0.00	6,781,921	0.00	6,781,921
0.00	13,474,795	0.00	13,474,795



LATE

TESTIMONY IN SUPPORT OF HB1600, HD1
Relating to the Office of Language Access

TO: Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

FROM: Amy Agbayani, Co-Chair & Pat McManaman, Co-Chair

SUBJECT: **HB1600, HD1**

HEARING: March 22, 2022
Conference Room 211 & Videoconference

The Hawai'i Friends of Civil Rights Supports the HB1600, HD1 adjustments to the Office of Language Access (OLA) operating budget for 2022-2023.

The proposed adjustments add a full-time, permanent language access coordinator position to OLA's staff and supplemental funding to provide capacity building for qualified interpreters and translators, language proficiency testing, and the development of a comprehensive state plan for language access that includes enterprise-level solutions for state departments and agencies. The proposed adjustments will help OLA to assure language access services for limited English proficient (LEP) community members, support and build workforce opportunities for Hawai'i's interpreters and translators, and improve Hawai'i's compliance with federal and state language access laws.¹

The federal court, the federal offices for civil rights (including the Department of Justice), and the Hawai'i Civil Rights Commission have sanctioned the state repeatedly for its

¹ Federal authorities include Title IV of the Civil Rights Act of 1966, 42 U.S.C. §§2000d to 2000d7; Executive Order 13166 issued by President Clinton on August 11, 2000, *Improving Access to Services for Persons with Limited English Proficiency*, 3 C.F.R 13166 (2000); and *Lau v. Nichols*, 414 U.S. 563 (1974). In 2006, the Hawai'i Legislature affirmed the State's commitment to civil rights and inclusive access to services regardless of national origin through the creation of the Office of Language Access (OLA). Hawai'i Revised Statutes, §321-C.

failure to provide language access.² Recently the U.S. Department of Labor cited the Department of Labor and Industrial Relations for failure to provide language access services. Ultimately, a Settlement Agreement was entered on September 20, 2021. Additionally, the National Health Law Program filed a language access complaint against the Hawai'i Department of Health (DOH) and 17 other states on April 30, 2021. The complaint alleges the DOH failed to provide interpreters for its contact tracing program, failed to translate testing information and resources, and inaccurately translated outreach materials.

Without access to language services, almost 200,000 Hawai'i residents are placed at risk when seeking health and mental health care, access to benefits, including unemployment and worker's compensation, and education.

Thank you for the opportunity to testify.

² Hawai'i Department of Human Services, Consent Decree, Department of Health and Human Services (2008); Hawai'i Office of Elections, United States District Court for the District of Hawai'i, Settlement Agreement (2010); Hawai'i Department of Labor and Industrial Relations, Settlement Agreement (2014); Hawai'i Department of Transportation, FACE v. DOT, United States District Court for the District of Hawai'i Settlement Agreement (2015); Hawai'i Judiciary, Technical Assistance Agreement, Department of Justice (2015); Hawai'i Public Housing Authority, Settlement Agreement, Hawai'i Civil Rights Commission (2016).

LATE



ACOG
The American College of
Obstetricians and Gynecologists

*American College of Obstetricians and Gynecologists
Hawai'i, Guam & American Samoa Section*

TO: Senate Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

DATE: Tuesday, March 22, 2022, 9:30AM

FROM: ACOG Hawai'i Section
Reni Soon, MD, MPH, FACOG, Chair

Re: HB 1600– Relating to the State Budget

As the leading medical professionals in the care of Hawai'i's pregnant and postpartum people, the Hawai'i Section of the American College of Obstetricians and Gynecologists (HI ACOG) **strongly supports retaining item No. 18, Program ID HMS401 in the state budget.** This item includes appropriations to extend postpartum insurance coverage for pregnant people receiving Medicaid for their pregnancy to 12 months (from 60 days), and would **promote access to safe, high-quality maternity care** for all of Hawai'i's families.

Our Hawai'i Maternal Mortality Review Committee found that half of the maternal deaths in Hawai'i in 2015 and 2016 occurred in the late postpartum period (43 days to 1 year after the pregnancy ended).¹ Mortality is just the tip of the iceberg – for every one maternal death, experts estimate there are over 100 life-threatening complications occurring related to pregnancy (e.g. stroke, organ failure, seizures).

Maternal morbidity (illness or complication) exacts a high cost not only from the individual and their family, but from the healthcare system and society as a whole. The increasing rates of not-so-uncommon pregnancy complications like gestational diabetes, pregnancy-related high blood pressure, obesity, and depression are imposing a substantial economic burden on health systems.² The cost to society of these complications increases when these illnesses are left untreated and therefore worsen.

Because many of the complications associated with pregnancy do not end when the pregnancy ends, it is critical that postpartum women have uninterrupted health insurance and access to healthcare. Access to healthcare would prevent more severe complications arising and could also prevent another high-risk, high-cost pregnancy from occurring before stability of the illness is achieved. Preventing a severe illness has always been more cost-efficient than treating one.

By appropriating funds for Hawai'i State Medicaid to apply for the waiver and extend postpartum coverage to 12 months, the state would also **qualify for matching federal funds.** Not only should there be no price tag on a mother's life, but the cost we pay up front will more than pay for itself.

We thank the Hawai'i State Legislature for showing its commitment to improving maternal health in Hawai'i by passing the legislation that created the Hawai'i Maternal Mortality Review Committee in 2016. It is time to take the findings of this committee and take the next step in recognizing the importance of access to health care for a full year postpartum and the importance of this access to ALL of Hawai'i's women and families. For these reasons, HI ACOG **respectfully urges this committee to fund item No. 18, Program ID HMS401 in the state budget.**

Thank you for the opportunity to testify.

¹ Hawaii Department of Health. Report to the 30th Legislature, State of Hawaii, 2019.

² Moran et al. Economic burden of maternal morbidity-a systematic review of cost-of-illness studies. PLoS One, 2020; 15:e0227377



To: Senate Ways and Means Committee

Hearing Date/Time: Tuesday, March 22, 2022, 9:30 AM

Re: HB 1600, HD1-DHS/MQD HMS 401 (Funds for Option 2 dental coverage for adults on Medicaid)

Dear Chair, Vice Chair, and committee members,

Thank you for the opportunity to *testify in support* on HB 1600, HD1-DHS/MQD HMS 401 relating to adult dental Medicaid benefits. I strongly support this bill and urge funding at the Option 2 level. I also respectfully request that the funds be placed in the line item budget under DHS/MQD HMS 401, so that this is treated as a sustainable program rather than one year of funding with an uncertain future.

In 2009, Hawaii eliminated diagnostic, preventive and restorative dental services for adults on Medicaid. Hawaii is currently one of only 13 states that provide emergency care only. Since 2009, we have seen increased emergency department (ED) utilization, particularly by Medicaid recipients, and increased costs related to otherwise preventable conditions.

The Hawaii Med-QUEST Division and the State Legislature received the Hawaii-specific fiscal analysis from the Health Policy Institute of the American Dental Association in February 2020 that projected both costs and cost benefits to restore Hawaii adult dental benefits. Three options for reinstating dental benefits were provided at that time.

It is recommended that the House advocate for Option 2, which would enable Medicaid recipients to get a range of diagnostic, preventive and restorative services, as well as basic prosthodontic and periodontal services, as needed. The difference in State funding would be \$8,823,781 in state funds for option 2, versus \$3,466,328 in State funds for option 1. Federal funding would provide the remainder of the costs under the Federal Medicaid Assistance Percentage (FMAP). Limited coverage under option 1 would be capped per recipient and may only cover an annual exam, fluoride treatment, bi-annual cleanings, one set of bite wing X-rays per year and one non-emergency tooth extraction or filling per year. Reinstating coverage to the second option makes more sense, given the high costs paid for poor oral health exacerbated co-conditions and visits to the ER for acute dental care. What is important to note that this fiscal analysis also projects that over time, additional medical care cost savings are expected due to health status improvements in cooccurring health conditions such as diabetes, heart disease, pregnancy, and fewer ER visits for services

Thank you for your time to testify in support of this bill,

David Derauf, MD, MPH
Executive Director

Kokua Kalihi Valley Comprehensive Family Services

Providing Medical & Dental Services, Health Education, Family Planning, Perinatal, WIC and Social Services to
Kalihi Valley residents since 1972. Neighbors being neighborly to neighbors.



Hawai'i

LATE

Committee: Ways and Means
Hearing Date/Time: Tuesday, March 22, 2022 at 9:30am
Place: Via Videoconference
Re: *Testimony of the ACLU of Hawai'i relating to HB1600 HD1: Comments in Opposition to PSD's Request to Restore \$15 MIL to build a new jail and Support for Increased Appropriations for Alternatives to Incarceration*

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Committee Members:

The American Civil Liberties Union of Hawai'i ("ACLU of Hawai'i") offers comments on **HB 1600 HD1 Relating to the State Budget**. This measure adjusts and requests appropriations for fiscal biennium 2021-2023 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs.

The ACLU of Hawai'i is committed to transforming Hawaii's criminal legal system and building a new vision of safety and justice. We advocate for the State to shift spending priorities away from mass criminalization and incarceration that disparately impacts Native Hawaiians, Pacific Islanders and Black people and low-income people towards rehabilitation, education, housing, health and human services in the community. This systems-change approach through data driven strategies would address the drivers of incarceration, and significantly reduce the incarcerated population in Hawai'i. In turn, this will resolve the issue of overcrowding, and avert the purported justification for building new and expanding jails and prisons – including Oahu Community Correctional Center ("OCCC").

For the reasons outlined below, the ACLU requests that this Committee **not restore the \$15 million dollars capital project requested by the Department of Public Safety** listed as Item No. 3. OCCC New Housing and Support Facilities Oahu.¹ Jails and prisons are poor investments, when you consider the exorbitant costs and the return of the investment – high recidivism rates. Moreover, while the full cost to build a new jail is estimated to be close to \$1 billion, the amount of construction, pales in amount to operational costs in the future.

The ACLU also has questions about the Department of Public Safety's request to restore \$4 MIL reduction in the OCCC Laumaka Work Furlough Center Infrastructure Repairs, Renovation, and Improvements request. **Before spending millions to make improvements to Laumaka, we recommend that the State conduct a cost benefit analysis of appropriating**

¹ This project is described as follows: "Plans, land, design, construction and improvement for a new Oahu Comm. Corr. Center (OCCC) in Halawa Valley Oahu to include the required professional services to perform infrastructure, ground and site improvements, including demolition work, new furniture, fixtures and equipment, and related costs and services as required for the project."

funding for the Laumaka repairs and improvement through the Department of Public Safety versus contracting with community-based furlough and reintegration programs.

Simultaneously, we urge this Committee to **increase appropriations** for data driven strategies and programs that divert people from our criminal legal system, reduce the number of people in our jails and prisons, and provide comprehensive reentry support to enhance opportunities for success as people exit our jails and prisons.

Data Driven Strategies Have Proven Effective in Reducing Jail and Prison Populations

The Hawai'i Legislature has created multiple task forces, an Oversight Commission, and a Criminal Justice Research Institute, for the purpose of examining the state's criminal justice system, and the Legislature should heed these groups' recommendations. **The H.C.R. 85 Task Force and the Hawai'i Correctional Oversight Commission both recommended that the State immediately halt plans for the costly new jail to replace OCCC until meaningful changes to our criminal legal system have been implemented.** This is necessary to shift the State's corrections system to a rehabilitative and therapeutic model. Halting construction of the jail is also fiscally wise. The Oversight Commission estimated that "each bed in the new jail would cost taxpayers \$380,000 and the cost of housing a large number of pretrial detainees statewide is over \$180,000 per day."

As outlined in *Blueprint for Smart Justice Hawai'i*², Hawai'i can dramatically reduce its incarcerated population by implementing just sensible reforms:

- Invest in alternatives to incarceration that divert people from jails and prisons.
- Prioritize criminal pretrial justice reform and end Hawaii's overreliance on cash bail.³
- End the expansion of the criminal code and supporting decriminalization.
- Eliminate mandatory minimum sentences.
- Reduce parole and probation revocations through reforms that would prohibit incarceration for technical violations and an earned time credit to incentivize compliance with community supervision conditions.⁴

² https://www.acluhi.org/sites/default/files/SJ-Blueprint-HI_1.pdf

³ See SB2778/SB2871 and HB2017 Relating to Pretrial Release (2022). These bills will establish a presumption that a person charged with a crime is entitled to unconditional release unless proven otherwise and requires the consideration of nonfinancial conditions of release before bail is ordered. See also, *Hawaii's Accused Face an Unequal Bail System: As Much Justice As You Can Afford*, ACLU Smart Justice, ACLU Hawaii (January 2018). <https://www.acluhi.org/sites/default/files/2018/01/aclu-of-hawaii-bail-report.pdf>

⁴ See SB2514/ HB 2344 Relating to Probation and HB2342 Relating to Parole (2022). These measures would create a good time credit system, by which persons under probation and parole supervision may reduce their sentence through compliance with conditions of community supervision. The bills would also prohibit incarceration for certain technical violations.

Other states have achieved substantial reductions in its incarcerated populations through data-driven policy reforms, high profile leadership, bipartisan support, inter-branch collaboration, and community engagement. These demarcation strategies were successful in New Jersey, Connecticut, Michigan, Mississippi, Rhode Island, New York, California, and South Carolina, as outlined in "*Demarcation Strategies: How 5 States Achieved Substantial Prison Population Reductions*" (2018) and "*Fewer Prisons, Less Crime: A Tale of Three States*" (2014) by The Sentencing Project.

Comprehensive Criminal Pretrial Reform in Hawai'i Remains Incomplete

Before moving ahead with plans for a costly new jail, Hawai'i must dramatically change its approach to corrections. This starts with reforming our pretrial system. Pretrial incarceration is one of the major drivers of overcrowding in Hawai'i's jails. Currently, **roughly 1003 out of 1736 or 58% of individuals in Hawai'i's jails have not been convicted of any crime and are merely awaiting trial, most often because they cannot afford the amount of bail set in their case.**⁵ While recent changes to pretrial practices are steps in the right direction, there is a long way to go before Hawai'i can claim to have substantially ended its reliance on cash bail and reformed its pretrial system.

In fact, Hawai'i lawmakers still have an opportunity this session to enact comprehensive criminal pretrial reforms by incorporating provisions from HB 2017 into HB1567 HD1, that would be in greater alignment with New Jersey's successful reforms to its criminal pretrial system.

Prior to comprehensive pretrial criminal legal reforms in New Jersey, nearly 75 percent of the 15,000 individuals sitting in New Jersey jails were there not because they had been convicted of a crime — but awaiting trial or sentencing. The average length of incarceration for pretrial inmates was more than *10 months*. The cash bail system was mostly to blame, as nearly 40 percent of the total jail population had the option to post bail but lacked the money to do so.⁶

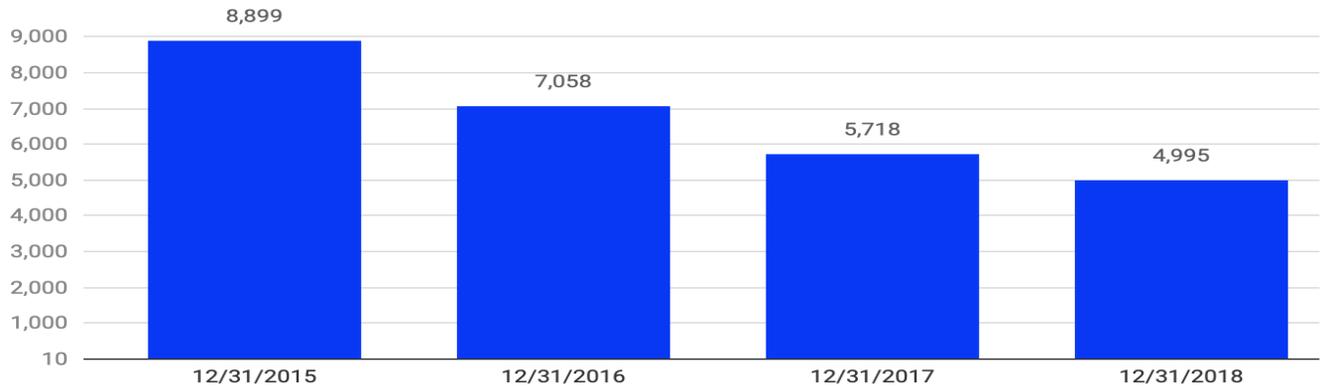
⁵ Department of Public Safety, Weekly Population Report, January 24, 2022.

⁶ <https://www.arnoldventures.org/stories/new-jersey-set-out-to-reform-its-cash-bail-system-now-the-results-are-in/>

Since the enactment of comprehensive criminal pretrial reforms in New Jersey, the pretrial jail population decreased by nearly 44%.

Nonsentenced Pretrial Jail Population

The pretrial jail population in New Jersey has experienced a 43.9% decrease since Dec. 31, 2015.



These numbers provide a preliminary summary of Criminal Justice Reform data. Statistics continue to be reviewed, revised, and validated.

Source: [New Jersey Courts](#) · [Get the data](#)

Research also showed that court appearance rates in New Jersey remained high (a slight decrease from 92.7 percent in 2014 to 89.4 percent in 2017) while the rate of alleged new criminal activity stayed low (a statistically insignificant increase from 24.2 percent in 2014 to 26.9 percent in 2017).⁷ Defendants released under bail reform were no more likely to be charged with a new crime or fail to appear in court than defendants released on bail under the old system.

An independent third party research center, the MDRC (Manpower Demonstration Research Corporation), analyzed the findings of the New Jersey Judiciary Report and concluded that New Jersey's reform has been successful. New Jersey nearly eliminated money bail and released more defendants on complaint-summons and without conditions; resulting in far fewer people in jail awaiting trial.⁸

If lawmakers have the will to enact comprehensive criminal pretrial reforms, Hawai'i will likely experience a 30-40% reduction in the pretrial population within 3-4 years. In turn, this would reduce the incarceration population below the operational and design capacity of each jail and prison, and there would be no justification for building a new jail.

Reducing the carceral population through criminal pretrial (bail) reforms would save taxpayers the high costs associated with incarceration. **Hawai'i currently spends \$219 a day or nearly \$80,000 a year to incarcerate an adult in our jails and prisons.** For comparison, we spend less than \$10,000 to educate a child within our public schools.

⁷ *Id.*

⁸ *Id.*

Cost-savings from reducing the incarcerated population, and averting jail construction would be better invested in strategies, programs and policies that have proven effective in helping people to rebuild their lives and become contributing members of their families and our community.

Hawai'i Lawmakers Have An Opportunity to Avert Jail Construction and Invest in Alternatives to Incarceration

Hawaii's families will continue to bear the human and financial cost of incarceration until we implement meaningful, community-based solutions and alternatives to incarceration.

Countless research, from university-based studies to reports from street-level service providers, find time and time again that approaches that use community-based solutions to harm and violence, have exponentially better outcomes. Outcomes that keep families intact, assist loved ones to overcome the hardships of substance use, reduce the likelihood of repeated harm, increase community stability—rather than locking people up.

Prior to authorizing any new correctional facility, the Legislature should implement the recommendations presented by community members, civil rights and criminal legal reform experts, and the task forces and commissions that it created for the purpose of proposing changes to our corrections system.

For the above reasons, the ACLU of Hawai'i requests that this Committee withholds the \$15 million capital improvement appropriation requested by the Department of Public Safety. We also request that you increase appropriations for the following:

- Diversion Programs
- Culturally based Support Services and Family Strengthening Programs (i.e. Ho'omau Ke Ola, OHA, Family Visitation Pilot Project at Waiawa prison)
- Substance Use Treatment Programs (i.e. Salvation Army, Hana Makua, Ho'omau Ke Ola, Aloha House, BISAC, Habilitat, etc.)
- Health and Behavioral Health Programs (i.e. Hawai'i Health Harm Reduction Center, etc.)
- Employment training and support (i.e. Alu Like, Work Net, Maui Economic Opportunity, Inc., etc.)
- Education and support services (i.e. GED, higher education, books, etc.)
- Community based work-furlough programs (i.e. YWCA Fernhurst and Going Home Hawai'i)
- Housing assistance and Clean and Sober/Transitional Housing (i.e. YWCA Fernhurst, Going Home Hawai'i Men of Pa'a, Habilitat, Aloha House, Mental Health Kokua, etc.)

- Reentry/Reintegration Programs (i.e. Maui Economic Opportunity, Inc.'s BEST Reintegration Program, Waikiki Health Center's Pu'uohonua Prison Program, YWCA Fernhurst, Going Home Hawai'i, Men of Pa'a, First LAP, Hawaii Health and Harm Reduction Center, Aloha House, Mental Health Kokua, Mental Health America, Share your Mana, Inmate Initiative, etc.
- Restorative Justice programs - Hawai'i Friends of Restorative Justice, etc.

Thank you for the opportunity to submit testimony in opposition to the Department of Public Safety's request for restoration of the \$15 million to continue plans for a new jail in light of more cost-effective alternatives to incarceration. Please **invest in appropriations for community based diversion, work-furlough, rehabilitation and reentry support services** to enhance opportunities for people to rebuild their lives after incarceration and become contributing members of their 'ohana and community. In turn, this approach to **performance based budgets** will enhance community safety.

Sincerely,

Carrie Ann Shiota

Carrie Ann Shiota
Policy Director
ACLU of Hawai'i
cshiota@acluhawaii.org

The mission of the ACLU of Hawai'i is to protect the fundamental freedoms enshrined in the U.S. and State Constitutions. The ACLU of Hawai'i fulfills this through legislative, litigation, and public education programs statewide. The ACLU of Hawai'i is a non-partisan and private non-profit organization that provides its services at no cost to the public and does not accept government funds. The ACLU of Hawai'i has been serving Hawai'i for over 50 years.

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HB-1600-HD-1

Submitted on: 3/17/2022 3:03:23 PM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Anela Evans	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Keith-Algaran and the Senate Committee on Ways and Means,

Thank you for your willingness to consider this measure that includes funding for the Kaho‘olawe Island Reserve Commission (KIRC) to be routed through the Department of Land and Natural Resources account (LNR906).

This bill includes a request by the Governor to reinstate the funding previously awarded to KIRC (\$100,000) and to add a KIRC Cultural Resource Specialist II position to replace funding and positions that were eliminated during the pandemic.

The funding to reinstate the Cultural Resource Specialist II position as well as additional funding for more staff positions will allow the KIRC to continue their commitment to the restoration and revegetation of Kaho‘olawe. The Cultural Resource Specialist II position is a critical position in the KIRC's mission to Kūkulu Ke Ea A Kanaloa - to restore the life force of Kanaloa (Kaho‘olawe). Kaho‘olawe is a living cultural treasure that must continue to be fostered for future generations.

I continue to have the amazing opportunity for the past 17 years to volunteer on Kaho‘olawe with both the Protect Kaho‘olawe ‘Ohana (PKO) and the KIRC. I also had the privilege to work full-time for the KIRC for two years. Throughout those 17 years, I have seen the progression and growth of the island as it recovers from over 100 years of devastation - beginning with the introduction of ungulates and then continuing with the U.S. Navy's bombing of the island.

The KIRC staff members are some of the most hardworking and talented individuals that I've ever had the opportunity to work with. Many of them are versatile in their knowledge and perform many diverse tasks. For example, many of us, while hired to perform duties such as a marine biologist or a restoration specialist, also assisted in boat operations necessary to transport volunteers, food, and fuel to the island.

I would like to strongly urge you to please support HB1600, especially the funding of the Kaho‘olawe Island Reserve Commission via the Department of Land and Natural Resources (LNR906). The KIRC's role in the restoration of Kaho‘olawe and their mission of Kūkulu ke ea a Kanaloa is critical to the success and growth of our ‘āina and our people. Aloha.

HB-1600-HD-1

Submitted on: 3/18/2022 10:10:38 AM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Cassandra L. Smith	Individual	Support	Written Testimony Only

Comments:

To Senate Ways and Means Committee Members,

I urge you to pass the HD1 amendment to the State Budget bill, HB1600. I am in full SUPPORT of this measure to provide additional financial and staff support for the Kaho`olawe Island Reserve Commission (KIRC) to continue their long-term restoration of Kaho`olawe, which will benefit all of Hawai'i's people for generations to come. This funding is necessary for the KIRC to effectively meet the unique challenges of restoring, preserving and managing the appropriate, safe uses of the Reserve for the people of Hawai'i. Funding will enable the continuation of innovative land and ocean restoration programs for Kaho`olawe, while also entrusting a unique and critical opportunity to introduce, encourage and develop the next generation of land, ocean and cultural resource managers through an integrated mauka to makai volunteer program. Through immersive, hands-on experience within a cooperative natural and cultural resource management system, these opportunities incorporate both traditional indigenous practices and modern scientific methods. I respectfully ask you to please PASS HD1 amendment to HB1600.

Mahalo for your time and consideration,

Cassie Smith

HB-1600-HD-1

Submitted on: 3/18/2022 4:19:53 PM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Sherry Shimizu	Individual	Support	Written Testimony Only

Comments:

Greetings Chair Donovan M. Dela Cruz, Vice Chair Gilbert S.C. Keith-Agaran, and members of the Ways and Means Committee:

My name is Sherry Shimizu, resident of Pearl City and I am testifying in support of HB1600 HD1 Relating to the State Budget that includes the restoration and funding for the HTH520 - Disability and Communication Access Board (DCAB,) Communication Access Specialist position #101851.

As a Deaf person, this position (being in place for 35 years since 1987) is important to the community, because it provides access to state qualified interpreters and in turn creates improved economic recovery in job hiring. Also, Deaf, hard of hearing, and DeafBlind people require access to Hawaii State's oral and written communications. This 11th position assures we can continue to be part of information directed to the general population.

Thank you and sincerely,

Sherry Shimizu

HB-1600-HD-1

Submitted on: 3/20/2022 6:49:56 AM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
pookela hanson	Individual	Support	Written Testimony Only

Comments:

Dear Members of the House Finance Committee,

I urge you to pass HB1600 with the funding being provided to DLNR in account LNR906 for KIRC. I am in full SUPPORT of this measure to provide \$500,000 in operating funds and two permanent positions that were eliminated during the pandemic. This funding will allow the Kaho`olawe Island Reserve Commission (KIRC) to continue their long-term restoration of Kaho`olawe, which will benefit all of Hawai'i's people for generations to come. This funding is necessary for the KIRC to effectively meet the unique challenges of restoring, preserving and managing the appropriate, safe uses of the Reserve for the people of Hawai'i. Funding will enable the continuation of innovative land and ocean restoration programs for Kaho`olawe, while also entrusting a unique and critical opportunity to introduce, encourage and develop the next generation of land, ocean and cultural resource managers through an integrated mauka to makai volunteer program. Through immersive, hands-on experience within a cooperative natural and cultural resource management system, these opportunities incorporate both traditional indigenous practices and modern scientific methods. I respectfully ask you to please PASS HB1600 with the the funding being provided to DLNR in account LNR906 for the KIRC.

Mahalo, Po'okela Hanson

HB-1600-HD-1

Submitted on: 3/20/2022 7:02:41 AM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Elaine Wender	Individual	Support	Written Testimony Only

Comments:

I strongly support this much-needed funding for KIRC.

HB-1600-HD-1

Submitted on: 3/20/2022 7:03:01 AM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Margaret Pulver	Individual	Support	Written Testimony Only

Comments:

Members of the Senate Committee on Ways and Means,

I urge you to pass HB1600 with the funding being provided to DLNR in account LNR906 for KIRC. I am in full SUPPORT of this measure to provide \$500,000 in operating funds and two permanent positions that were eliminated during the pandemic. This funding will allow the Kaho`olawe Island Reserve Commission (KIRC) to continue their long-term restoration of Kaho`olawe, which will benefit all of Hawai'i's people for generations to come. This funding is necessary for the KIRC to effectively meet the unique challenges of restoring, preserving and managing the appropriate, safe uses of the Reserve for the people of Hawai'i. Funding will enable the continuation of innovative land and ocean restoration programs for Kaho`olawe, while also entrusting a unique and critical opportunity to introduce, encourage and develop the next generation of land, ocean and cultural resource managers through an integrated mauka to makai volunteer program. Through immersive, hands-on experience within a cooperative natural and cultural resource management system, these opportunities incorporate both traditional indigenous practices and modern scientific methods. I respectfully ask you to please PASS HB1600 with the the funding being provided to DLNR in account LNR906 for the KIRC.

Sincerely,

Margaret Pulver

HB-1600-HD-1

Submitted on: 3/20/2022 7:44:00 AM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jan Becket	Individual	Support	Written Testimony Only

Comments:

Dear Members of the House Finance Committee,

I have been on four accesses to Kaho‘olawe. I have seen at first hand the prudent and successful use of state funds to stabilize and regenerate the island’s damaged ecosystems.

I urge you to pass HB1600 with the funding being provided to DLNR in account LNR906 for KIRC. I am in full SUPPORT of this measure to provide \$500,000 in operating funds and two permanent positions that were eliminated during the pandemic. This funding will allow the Kaho‘olawe Island Reserve Commission (KIRC) to continue their long-term restoration of Kaho‘olawe, which will benefit all of Hawai‘i’s people for generations to come. This funding is necessary for the KIRC to effectively meet the unique challenges of restoring, preserving and managing the appropriate, safe uses of the Reserve for the people of Hawai‘i. Funding will enable the continuation of innovative land and ocean restoration programs for Kaho‘olawe, while also entrusting a unique and critical opportunity to introduce, encourage and develop the next generation of land, ocean and cultural resource managers through an integrated mauka to makai volunteer program. Through immersive, hands-on experience within a cooperative natural and cultural resource management system, these opportunities incorporate both traditional indigenous practices and modern scientific methods. I respectfully ask you to please PASS HB1600 with the the funding being provided to DLNR in account LNR906 for the KIRC.

Thank you,

Jan Becket

Retired Kamehameha Schools Teacher

HB-1600-HD-1

Submitted on: 3/20/2022 9:47:58 AM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
William Philpotts	Individual	Support	Written Testimony Only

Comments:

Dear Members of the House Finance Committee,

I urge you to pass HB1600 with the funding being provided to DLNR in account LNR906 for KIRC. I am in full **SUPPORT** of this measure to provide \$500,000 in operating funds and two permanent positions that were eliminated during the pandemic. This funding will allow the Kaho`olawe Island Reserve Commission (KIRC) to continue their long-term restoration of Kaho`olawe, which will benefit all of Hawai'i's people for generations to come. This funding is necessary for the KIRC to effectively meet the unique challenges of restoring, preserving and managing the appropriate, safe uses of the Reserve for the people of Hawai'i. Funding will enable the continuation of innovative land and ocean restoration programs for Kaho`olawe, while also entrusting a unique and critical opportunity to introduce, encourage and develop the next generation of land, ocean and cultural resource managers through an integrated mauka to makai volunteer program. Through immersive, hands-on experience within a cooperative natural and cultural resource management system, these opportunities incorporate both traditional indigenous practices and modern scientific methods. I respectfully ask you to please **PASS** HB1600 with the the funding being provided to DLNR in account LNR906 for the KIRC.

We have a responsibility to clean up after ourselves, and KIRC does this while engaging our community to meet incredible challenge of island rehabilitation both environmentally and culturally.

Thank you for your service and leadership. Aloha.

William Philpotts

HB-1600-HD-1

Submitted on: 3/20/2022 9:58:03 AM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Manuel Kuloloio	Testifying for Ke Kai O Kuloloi'a	Support	Written Testimony Only

Comments:

Aloha Hawai'i Senate Committee on Ways and Means Chair Donovan Dela Cruz, Vice Chair Gilbert Coloman Keith-Agaran, and Committee Members Lorraine Inouye, Dru Mamo Kanuha, Michelle Kidani, Bennete Evangelista Misalucha, Sharon Moriwaki, Maile Shimabukuro, Brian Taniguchi, Glenn Wakai, and Kurt Fevella:

I write seeking your unanimous **support for HB1600 HD 1 RELATING TO THE STATE BUDGET with funding being provided to the Department of Land and Natural Resources (DLNR) in account LNR906 for the Kaho'olawe Island Reserve Commission (KIRC)**. This request by the Governor reinstates the funding previously awarded to the KIRC (\$100,000) **and adds a KIRC Cultural Resource Specialist II position to replace funding and positions eliminated during the COVID-19 pandemic**. This supports the uncommon mission and continuing work of the KIRC to protect, to preserve, to restore, and to meaningfully and safely use Kaho'olawe and surrounding 2 miles of Kanaloa for ancestral and traditional knowledge continuum and for cultural, educational, and scientific opportunities and purposes.

Aiai, the son of Ku-ula, is associated with abundance, plenty, and reverence as he travels from Haneo'o, Hana to Honua'ula, Maui, to Hakioawa, Kaho'olawe, to Cape Kaunolu, Lanai, to Punakou, Molokai, to Makapuu, Koolau, to Kalia, to Kakaako, to the **sea of Kuloloia**, to Pakaka, to Kapapoko, to Ulakua, to Puuiki, and to Mamala ("Aiai, Son of Ku-ula, Part II of the Legend of Ku-ula, The Fish God of Hawaii" as translated from Moke Manu by M. Nakuina in *Hawaiian Folk Tales: A Collection of Native Legends* as compiled by Thos. G. Thrum, 1907).

The Ku-ula shrine at Haki'oawa thanks you. The Kamohi'o Bay shrine of *wana* (sea urchin) carved and *pohaku* images and *kapa* [on exhibit at the Bishop Museum] thanks you. The adze quarry of Pu'u Mo'iwi thanks you. The petroglyphs at Ahupu Iki thanks you. The *palupalu o Kanaloa* of Ale'ale, Pu'u Koa'e and Kaho'olawe li'ili'i thanks you. The *limu lipoa* of Honokanaenae thanks you. The *nai'a* and *kohola* playing and resting in Honokanai'a Bay thanks you. The *honu* of Keanakeiki thanks you. The falling *kupe'e* of Honoko'a thanks you. The sands of Ki'i thanks you. The beached whale carcass and *iwi kohola* of Kanapou Bay thanks you. The storied navigational places of Kealaikahiki and Moa'ula 'Iki thanks you. The prehistoric basalt adze of Kaho'olawe found on Napuka Atoll in the Tuamotu Archipelago thanks you. Lae 'O Kaka, where the recovery of warshot torpedoes by Uncle John Kelly of Kupikipikio (BlackPoint), with permission from ship Captain Northrup Castle, "was considered extremely important in order that cause of failure might be determined" by US Navy Admiral Lockwood

and Captain Momsen for United States Pacific Fleet Admiral Chester W. Nimitz, thanks you. *Ka Lae o Kamohoali'i thanks you.*

E ka I! E ka Ahu! E ka Mahi! E ka Palena! E ka Paia! a me ka Luahine! E o'u poki'i mai na kupuna. Ke poe na-na i na-i i ka aina, a i kukulu i ke Aupu-ni o na Kamehameha. Mai ka pa-ana laau mua ana i ka wai o Keomo a ka hui lokahi ana o na mokupuni i ke Kai o Ku-loloia.

David Kalakaua, December 28, 1872 campaign broadside

(T.C. Heuck Collection, Hawai'i State Archives)

WE thank you for your unwavering declaration, determination, and dedication to perpetuate this special tasking of the Kaho'olawe Island Reserve Commission and for your over 28+ years of commitment to bring this sacred and special place in Kanaloa Kaho'olawe HOME to the people of Hawaii, where Title and Access Control now resides in the hands of the State of Hawaii, where **cultural and environmental management stewardship is perfected**, where **healing of land, sea, and military relationships** from the destructive bombardment and Unexploded Ordnance (UXO) legacy of the United States Navy and invited RIMPAC nations **is In-Process**.

Me Ke Aloha Maluhia,

Aloha Ke Akua,

Manuel Wayne Makahiapo DeCosta Kuloloio

Kuloloi'a 'Ohana, Honua'ula, Maui, Hawai'i

HB-1600-HD-1

Submitted on: 3/20/2022 10:51:51 AM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
johann winkler	Individual	Support	Written Testimony Only

Comments:

Dear Members of the House Finance Committee,

I urge you to pass HB1600 with the funding being provided to DLNR in account LNR906 for KIRC. I am in full SUPPORT of this measure to provide \$500,000 in operating funds and two permanent positions that were eliminated during the pandemic. This funding will allow the Kaho`olawe Island Reserve Commission (KIRC) to continue their long-term restoration of Kaho`olawe, which will benefit all of Hawai'i's people for generations to come. This funding is necessary for the KIRC to effectively meet the unique challenges of restoring, preserving and managing the appropriate, safe uses of the Reserve for the people of Hawai'i. Funding will enable the continuation of innovative land and ocean restoration programs for Kaho`olawe, while also entrusting a unique and critical opportunity to introduce, encourage and develop the next generation of land, ocean and cultural resource managers through an integrated mauka to makai volunteer program. Through immersive, hands-on experience within a cooperative natural and cultural resource management system, these opportunities incorporate both traditional indigenous practices and modern scientific methods. I respectfully ask you to please PASS HB1600 with the the funding being provided to DLNR in account LNR906 for the KIRC.

Thank you,

Johann Winkler

HB-1600-HD-1

Submitted on: 3/20/2022 1:45:10 PM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Robert Enriquez	Individual	Support	Written Testimony Only

Comments:

Dear Members of the House Finance Committee,

I urge you to pass HB1600 with the funding being provided to DLNR in account LNR906 for KIRC. I am in full SUPPORT of this measure to provide \$500,000 in operating funds and two permanent positions that were eliminated during the pandemic. This funding will allow the Kaho`olawe Island Reserve Commission (KIRC) to continue their long-term restoration of Kaho`olawe, which will benefit all of Hawai'i's people for generations to come. This funding is necessary for the KIRC to effectively meet the unique challenges of restoring, preserving and managing the appropriate, safe uses of the Reserve for the people of Hawai'i. Funding will enable the continuation of innovative land and ocean restoration programs for Kaho`olawe, while also entrusting a unique and critical opportunity to introduce, encourage and develop the next generation of land, ocean and cultural resource managers through an integrated mauka to makai volunteer program. Through immersive, hands-on experience within a cooperative natural and cultural resource management system, these opportunities incorporate both traditional indigenous practices and modern scientific methods. I respectfully ask you to please PASS HB1600 with the the funding being provided to DLNR in account LNR906 for the KIRC.

Thank you, Robert Enriquez

Item: HB 1600, HD1-DHS/MQD: HMS 401 (Funds for Option 2 dental coverage for adults on Medicaid)

Hearing Date &Time: Tuesday, March 22, 2022, 9:30am

Committees: Senate Ways and Means Committee

Testifier: Nancy Partika, RN, MPH

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, and Members of the Senate WAM Committee:

My name is Nancy Partika, and I am the Hawaii grassroots representative for OPEN (the Oral Health Progress and Equity Network).

As has been stated many times during this session, Hawaii has struggled for decades with oral health disparities and problems accessing care for its most needy. Poor oral health is linked to an array of acute and chronic health conditions, including: heart disease, diabetes, stroke, depression, low birth weight and premature birth. The fiscal costs of not intervening in oral health conditions early and preventively will cost us collectively much more later on in unintended direct and indirect costs.

Fiscally, it seems logical that these millions of dollars that could be potentially saved via fewer ER visits and instead allocate funds to pay upfront for preventative and restorative dental care benefits for Medicaid recipients. By adding a comprehensive dental services benefit, Hawaii's adults on Medicaid should be able to experience fewer oral health-related ER visits, with improvements to their chronic disease risks and overall health status, as well as the employment marketability and socio-economic strength of our communities.

It has been 12 years since adult dental benefits (other than emergency) have been accessible, and so we anticipate that many adults on Medicaid will be needing more than basic/skeletal preventive dental care. I therefore respectfully ask that the Senate support financing for Option 2 (in the 2020 ADA/DHS fiscal brief), which would enable Medicaid recipients to get a wider range of diagnostic, preventive and restorative services. as well as basic prosthodontic and periodontal services, as needed.

The difference in State funding would be \$8,823,781 in state funds for option 2, versus \$3,466,328 in State funds for option 1. Federal funding should provide the remainder of the costs of the benefits under the Federal Medicaid Assistance Percentage (FMAP) match.

Limited coverage under option 1 would be capped per recipient and may only cover an annual exam, fluoride treatment, bi-annual cleanings, one set of bite wing X-rays per year and one non-emergency tooth extraction or filling per year. As you can imagine, dental care for someone who has been without any for a long while is likely to exceed this limited benefit. It seems that reinstating coverage to the second option makes more sense, given the high costs paid for poor oral health exacerbated co-conditions and visits to the ER for acute dental care.

I also respectfully request that the funds be placed in the line item budget under DHS/MQD HMS 401, so that this is treated as a sustainable program rather than one year of funding with an uncertain future. It would also ensure that the federal matching FMAP funds could be accessed.

Finally, in order to expand statewide capacity to serve this population, it will be important to ensure that private sector dental providers providing care receive equitable reimbursement for dental services provided to Medicaid recipients that is commensurate with FQHC provider reimbursements.

Your strong support for allocating HMS 401 funds to DHS/MQD for option 2 dental coverage for adults on Medicaid is most appreciated—Mahalo for this opportunity to testify.

HB-1600-HD-1

Submitted on: 3/20/2022 3:35:55 PM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Diane Ware	Individual	Comments	Written Testimony Only

Comments:

Dear Chair and Committee Members,

I strongly support native forests and watershed protections. I object to this year's supplemental appropriations act now proposing to remove \$4M in appropriations for watershed protection CIP projects.

I've been told this can jeopardize federal grants the DLNR already received based on state matching funds (which would now be deleted), and CIP projects intended to protect priority watershed areas from ungulates and other invasive species. This protection is absolutely necessary to protect the native ecosystem and mitigate climate disasters such as flooding.

Respectfully,

Diane Ware, 99-7815 Kapoha Pl, Volcano Hi 96785

HB-1600-HD-1

Submitted on: 3/20/2022 4:05:43 PM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Dylan Ramos	Individual	Comments	Written Testimony Only

Comments:

Aloha,

My name is Dylan Ramos, I live in Kaimuki, and though I offer this testimony in my personal and private capacity, I write from about a decade of experience in environmental and conservation work that has informed and shaped my views on sustainability and land management, especially in the context of Hawai'i.

That said, the removal of FY23 CIP funds for watershed management is both disheartening and concerning. We cannot focus on our watersheds only when it is convenient for us or when we are most concerned about them (granted, now should be that time). If watershed management's serious implications for the climate crisis aren't enough, what about the economic consequences of losing ecological services, the social and environmental consequences of destroying these spaces, the hydrological aspect that is far more salient with the discussion of Red Hill, our sustainability goals, or -- and this really should be a primary consideration -- our responsibilities to this 'āina, our commitments to Native Hawaiians, and our desire to revive a more ahupua'a-like land management system.

Please amend HB1600, HD1 to restore funding for our watersheds.

Mahalo,
Dylan Ramos

HB-1600-HD-1

Submitted on: 3/20/2022 5:16:37 PM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Paul Bernstein	Individual	Comments	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and WAM Committee Members:

My understanding is no money has been allocated no money for Watershed CIP. Given what happened with Red Hill, it seems that we need to do whatever we can to protect our resources related to water. In addition, my understanding is that with no money for Watershed CIP, we will lose out on Federal matching funds. Therefore, I urge you to commit to the original legislature approval of \$4M, which should be combined with the executive supplemental budget for a total of \$8M.

Respectfully,

Paul Bernstein

HB-1600-HD-1

Submitted on: 3/20/2022 8:06:25 PM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Melissa Barker	Individual	Support	Written Testimony Only

Comments:

Honorable Members:

I am respectfully asking that you support HB1600.

Thank you,

Melissa Barker

Kapaa, HI

HB-1600-HD-1

Submitted on: 3/20/2022 8:15:29 PM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Lisa Tom	Individual	Support	Written Testimony Only

Comments:

My name is Lisa Tom, and I am a deaf advocate of Honolulu. I would like to support of HB 1600 HD1.

I want the HTH 520, Position No. 101851, Communication Access Specialist position for Disability and Communication Access Board, restored and funded. Please don't eliminate the position because the position is in need and vital to the community, especially with people who are deaf, hard of hearing, and deaf-blind. In additional, the position entails varied roles and responsibilities: overseeing the continuing education program for sign language interpreters to maintain the state credential, providing test and issue state credential to sign language interpreters, and providing technical assistance and training on website accessibility and access to state programs and services for people who are deaf, hard of hearing, blind and deaf-blind. It also provides vlogs related to visible and communication access issues, legislative bills, trainings, and others.

There is not enough pool of certified American Sign Language interpreters in the statewide. I need more certified interpreters because it is my communication needs and equal access to information and interactions.

I have attended a few Communication Access conferences, and I learned a lot about ADA and disability rights that applied to my professional career and personal life.

Please vote in support of this bill that includes the restoration and funding of HTH 520, Position No. 101851, Communication Access Specialist position, and mahalo for the opportunity to submit testimony.

HB-1600-HD-1

Submitted on: 3/20/2022 9:23:26 PM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Noa Emmett Aluli	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Sylvia Luke and Members of the House Finance Committee.

I am Noa Emmett Aluli, Family Medicine Primary Care Physician and a Medical Executive Director of the Molokai General Critical Access Hospital.

I am one of the original nine occupants of Kaho`olawe in January, 1976 and the lead plaintiff in the Federal civil suit, Aluli v. Brown, against the U.S. Navy in 1977, which was partially settled in the historic Consent Degree that provided “joint governance” of the Island with the U.S. Navy. It was our Protect Kaho`olawe `Ohana who had the where-with-all to orchestrate a bipartisan coup that stopped the bombing of the Island in 1990 and established the Kaho`olawe Island Conveyance Commission for which I served as Vice Chair. When the island was transferred to the State of Hawai`i and the Kaho`olawe Island Reserve Commission was established, I served as Chair for 17 years.

I am encouraged by your support over the years in funding the Kaho`olawe Island Reserve Commission (KIRC). I urge you to pass HB2600 with funding of \$500,000 to be provided to DLNR in account LNR906 for the KIRC’s operating funds and two permanent positions that had been eliminated due to the pandemic.

This funding will enable continuance of the innovative land, ocean and cultural resources programs, with the Protect Kaho`olawe `Ohana, incorporating Native Hawaiian traditional practices with modern scientific methodology.

I respectfully ask that you please pass HB1600.

Mahalo Piha

To: Hawaii State Legislature – Committee on Ways and Means
Hearing: Date/Time: Monday, 3-22-2022 9:30am
Place: Hawaii State Capitol, Room 211 & Videoconference
Re: Judith Ann Armstrong is in support of HB1600-HD1 (Relating to the State Budget)

Aloha Chair Senator Donovan M. Dela Cruz and Vice Chair Senator Gilbert S. C. Keith-Agaran and esteemed members of the Committee on Ways and Means,

I am writing in support of HB1600-HD1.

Poor oral health is linked to an array of acute and chronic health conditions, including: heart disease, diabetes, stroke, depression, low birth weight and premature birth. The fiscal costs of not intervening in oral health conditions early and preventively will cost us collectively much more later on in unintended direct and indirect costs. Fiscally, it seems logical that these millions of dollars that could be potentially saved via fewer ER visits and instead allocate funds to pay upfront for preventative and restorative dental care benefits for Medicaid recipients. By adding a comprehensive dental services benefit, Hawaii's adults on Medicaid should be able to experience fewer oral health-related ER visits, with improvements to their chronic disease risks and overall health status, as well as the employment marketability and socio-economic strength of our communities.

I respectfully request the committee support HB1600-HD1.

Sincerely,
Judith Ann Armstrong
jaapfg@twc.com
Honolulu, HI 96815

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, and distinguished Senators,

My name is Dr. Don Sand, I'm a dentist who worked in a cosmetic private practice and as a dental consultant in California for 20 years. The last 7 years I have working in our State's Community Health Centers both on the front lines providing care and in leadership.

My great uncle was Senator Joseph Itagaki and my father and uncle both served in the 442nd regiment in World war II.

I am currently in the battle to bring healthy smiles to the very deserving underserved population you all have a vision to help. I am a leader at NNOHA and I'm serving as the NNOHA Ambassador to Hawaii. The National Network of Oral Health Access is focused on supporting 1,200 community health care center's dental departments. Half of our 5,000 members are FQHC dental directors, C-suite admin, and public health "thought leaders". NNOHA has created platforms for sharing knowledge, training and implementing high performance delivery systems. They have become the top repository of knowledge, office manuals, policy, quality control tools and gold standard for sharing "best practices."

Although the ADA 2020 briefing was an excellent start to studying this reinstatement., Option 1 does not seem practical to start a sustainable program. Option 3 seems excessive without justifying a smaller implementation and a trial period. Option 2 could not only impact over 3 times as many Hawaiians compared to Option 1 but more importantly Option 2 can provide extra funding to invest in 5 *key factors*:

1. **Measure impact: Data collection and analysis** is essential to study the implementation and to continually work to improve the program systems. Not only do we need to measure the impact on the decrease in ER visits but we need the metrics to measure the impact on specific outcomes of oral health for every dollar invested.
2. **Best practice consultants** will be needed for Hawaii to hire some of the brightest and best of seasoned public health dental leaders who work with the Medicaid delivery models.
3. **Small trial models** with some of the funding will allow this bill to create new prototypes to trial and measure. Other states have deployed innovative models of delivery programs that teach patient accountability, teach preventive care and these programs can be adapted to our local culture and values.
4. **Increasing capacity** to the CHC's and by *raising the reimbursement* to *private practice* dentists are essential keys needed for success to prepare to meet this new demand.
5. **An oversight committee and an advisory council** is needed to bring all the key stakeholder voices and needs together including private practice dentists, dental directors of the CHC's, Native Hawaiian dental health like Ke Ola Mamo, our primary care association and our best 3rd party program administrators.

In closing since we do not have a Department of Public Health dental director's office logically the best administrator for now should be our own **Department of Health's division DHS/MQD**. DHS appears the most qualified to create a world class implementation team.

Mahalo, Dr. Don Sand, DDS

HB-1600-HD-1

Submitted on: 3/21/2022 7:28:03 AM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Terri Gavagan	Individual	Support	Written Testimony Only

Comments:

Aloha kakou,

I am writing in support of funding for DLNR account LNR906 for the KIRC as outlined in the submitted budget. This funding is critical in allowing the KIRC to continue fulfilling its mission of providing safe and meaningful to the Kaho'olawe Island Reserve.

Mahalo for your time,

Terri Gavagan

HB-1600-HD-1

Submitted on: 3/21/2022 8:10:58 AM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Courtney Kerr	Individual	Support	Written Testimony Only

Comments:

Dear Members of the House Finance Committee,

I urge you to pass HB1600 with the funding being provided to DLNR in account LNR906 for KIRC. I am in full **SUPPORT** of this measure to provide \$500,000 in operating funds and two permanent positions that were eliminated during the pandemic. This funding will allow the Kaho`olawe Island Reserve Commission (KIRC) to continue their long-term restoration of Kaho`olawe, which will benefit all of Hawai'i's people for generations to come. This funding is necessary for the KIRC to effectively meet the unique challenges of restoring, preserving and managing the appropriate, safe uses of the Reserve for the people of Hawai'i. Funding will enable the continuation of innovative land and ocean restoration programs for Kaho`olawe, while also entrusting a unique and critical opportunity to introduce, encourage and develop the next generation of land, ocean and cultural resource managers through an integrated mauka to makai volunteer program. Through immersive, hands-on experience within a cooperative natural and cultural resource management system, these opportunities incorporate both traditional indigenous practices and modern scientific methods. I respectfully ask you to please **PASS** HB1600 with the the funding being provided to DLNR in account LNR906 for the KIRC.

Thank you,

Courtney Kerr

LATE

HB-1600-HD-1

Submitted on: 3/21/2022 10:07:31 AM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Larry Smith	Individual	Support	Written Testimony Only

Comments:

Please support funding for Dental Services for Medicaid enrollees as outlined under DHS-MQD401.

Larry Smith

Chair

Kupuna Caucus

Democratic Party of Hawaii

LATE

HB-1600-HD-1

Submitted on: 3/21/2022 12:44:27 PM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Tambara Garrick	Individual	Support	Written Testimony Only

Comments:

Dear Members of the House Finance Committee,

I urge you to pass HB1600 with the funding being provided to DLNR in account LNR906 for KIRC. I am in full SUPPORT of this measure to provide \$500,000 in operating funds and two permanent positions that were eliminated during the pandemic. This funding will allow the Kaho`olawe Island Reserve Commission (KIRC) to continue their long-term restoration of Kaho`olawe, which will benefit all of Hawai'i's people for generations to come. This funding is necessary for the KIRC to effectively meet the unique challenges of restoring, preserving and managing the appropriate, safe uses of the Reserve for the people of Hawai'i. Funding will enable the continuation of innovative land and ocean restoration programs for Kaho`olawe, while also entrusting a unique and critical opportunity to introduce, encourage and develop the next generation of land, ocean and cultural resource managers through an integrated mauka to makai volunteer program. Through immersive, hands-on experience within a cooperative natural and cultural resource management system, these opportunities incorporate both traditional indigenous practices and modern scientific methods. I respectfully ask you to please PASS HB1600 with the the funding being provided to DLNR in account LNR906 for the KIRC.

Mahalo,

Tambara Garrick

LATE

HB-1600-HD-1

Submitted on: 3/21/2022 12:56:35 PM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Michele McLean	Testifying for County of Maui	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Committee Members,

Please accept this testimony in SUPPORT HB1600 HD1 to provide funding for DLNR (account LNR906) for the Kahoolawe Island Reserve Commission (KIRC). This would restore funds that were cut during the pandemic. As a former KIRC staff member and commissioner, I can state without question that the KIRC will make the most of any funding it receives and that this additional funding is crucial to the KIRC continuing its incredible mission of restoring and protecting the cultural and natural resources of the Kahoolawe Island Reserve.

Mahalo for your suport and consideration!

-Michele McLean, AICP

LATE

HB-1600-HD-1

Submitted on: 3/21/2022 1:26:50 PM
Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Janeece Beauchamp	Individual	Support	Written Testimony Only

Comments:

Aloha,

By adding operating funds and two permanent positions, will help the KIRC achieve there mission.

Mahalo

LATE

HB-1600-HD-1

Submitted on: 3/21/2022 1:53:47 PM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
grant Thompson	Individual	Support	Written Testimony Only

Comments:

I support the KIRC in their need for funding that will help them fulfill their mandate and extra staff with increase their ability to attend to their cultural and revegetation mission.

LATE

Dear Chairperson Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Committee on Ways and Means:

I strongly support HB1600, HD 1, and thank you for your kind consideration of Option 2 that covers prevention and restorative dental services for adults in the Medicaid budget. This critical step will contribute to the reduction of overall health costs, increase the health of people in poverty, and avoid the pulling of teeth that often becomes a barrier to employability.

Mahalo for your kind consideration. Best wishes.

Me ke aloha pumehana,

Susie Chun Oakland

LATE

HB-1600-HD-1

Submitted on: 3/21/2022 2:16:05 PM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Nikki Kepoo	Individual	Support	Written Testimony Only

Comments:

Aloha,

I am writing in full support of HB1600. Specifically the restoration and funding of HTH 520, Position No. 101851, Communication Access Specialist in the bill.

I advocate for the deaf, hard of hearing community and throughout the years the communication specialist played a vital role in all aspects of the community. Recently the position was vacant and we saw a drastic drop in adequate and appropriate services primarily because we don't have someone to assist us.

They do all the leg work and without someone in this capacity, we fail the community. Please pass and restore the position.

mahalo,

LATE

HB-1600-HD-1

Submitted on: 3/21/2022 9:34:12 PM
Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ami Tsuji-Jones	Individual	Support	Written Testimony Only

Comments:

Aloha, my name is Ami Tsuji-Jones, I want to express my support for HB1600 HD1 that includes the restoration and funding of HTH 520, Position No. 101851. I am Deaf myself and I was not happy when the CAC (Communicatrion Access Specialist) position was removed. That position is so crucial to the Deaf community as communication is one of the main reasons why we are struggling with the access like not being able to hear what was being said at the airport. I know that many of us have contacted CAC to help with our situations, especially with the issues of having access to interpreters in a medical situation or public conference. The CAC has helped us many times. CAC has often had to contact the person/people/agency/ogranization/etc. to explain about our rights as a Deaf person/people and/or ADA. Please do have the CAC position back and fund it.

Mahalo,

Ami Tsuji-Jones

LATE

HB-1600-HD-1

Submitted on: 3/22/2022 9:15:15 AM

Testimony for WAM on 3/22/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Nanea Lo	Individual	Support	Written Testimony Only

Comments:

Hello,

My name is Nanea Lo. I come from Papakōlea, O‘ahu. I'm a Kanaka Maoli born and raised in the Hawaiian Kingdom. I'm writing in full support of HB1600 HD1.

Support HB1600 HD1.

me ke aloha ‘āina,

Nanea Lo