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WRITTEN ONLY
TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 2610, H.D. 1

February 26, 2024
2:00 p.m.
Room 308 and Videoconference

RELATING TO DISASTER RELIEF

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill (H.B.) No. 2610, H.D. 1, adds a new section to Chapter 127A, HRS, that establishes the Disaster Relief Match Special Fund (DRMSF), to be administered by the Department of Defense (DOD), to support the local match requirements of the Federal Emergency Management Agency's (FEMA) Maui Wildfires Hazard Mitigation Grant Program.

H.B. No. 2610, H.D. 1, also appropriates an unspecified amount of general funds for FY 25 to be deposited into the DRMSF and appropriates an unspecified amount of special funds out of the DRMSF for the purposes of this measure to DOD as the designated expending agency for the appropriations.

Furthermore, the bill requires DOD to evaluate applications for funding from the special fund; recommend priority applications to FEMA for review, approval, and award; and establish criteria for evaluating requests from potential applicants for matching support out of the special fund.

As a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding H.B. No. 2610, H.D. 1, it is difficult to determine whether the proposed special fund would be self-sustaining.

Thank you for your consideration of our comments.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



KENNETH S. HARA
DIRECTOR OF EMERGENCY
MANAGEMENT

JAMES DS. BARROS
ADMINISTRATOR OF
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STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
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STATE OF HAWAI'I
DEPARTMENT OF DEFENSE
HAWAI'I EMERGENCY MANAGEMENT AGENCY

TESTIMONY ON HOUSE BILL 2610 HD1,
RELATING TO EMERGENCY MANAGEMENT

BEFORE THE HOUSE COMMITTEE ON
FINANCE

BY

JAMES DS. BARROS
ADMINISTRATOR
HAWAI'I EMERGENCY MANAGEMENT AGENCY

FEBRUARY 26, 2024

Aloha Chair Yamashita, Vice-Chair Kitagawa, and Members of the Committee:

Thank you for the opportunity to submit testimony to **SUPPORT** HB 2610 HD1.

I believe this legislative measure would have immense benefits for our community and its ability to recover and mitigate future disasters effectively should the establishment of a Disaster Relief Match Special Fund be created.

The devastating impact of the Maui wildfires cannot be overstated. Not only did they cause significant damage to properties, natural resources, and infrastructure, but they also put the lives and safety of our communities in Lahaina at risk.

The need for immediate and comprehensive action to restore and rebuild our community is evident. This bill would provide a crucial financial mechanism to address the local match requirements of the FEMA Grant program, ensuring that we can maximize the available federal assistance to expedite our recovery efforts.

Furthermore, the establishment of a Disaster Relief Match Special Fund would alleviate the burden on local authorities and communities in securing the necessary funds to meet the required match amounts set by FEMA. It would enable HI-EMA to access federal grants that might otherwise be out of reach due to limited local resources.

HI-EMA is in support of House Bill 2610 HD1 provided that its passage does not replace or adversely impact priorities indicated in the Executive Budget.

Thank you for the opportunity to provide testimony on House Bill 2610 HD1.

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February 24, 2024

TO: The Honorable Kyle T. Yamashita, Chair
House Committee on Finance

FROM: Alice L. Lee
Council Chair 

SUBJECT: **HEARING OF FEBRUARY 26, 2024; TESTIMONY IN SUPPORT OF HB2610, HD1, RELATING TO DISASTER RELIEF**

Thank you for the opportunity to testify in **support** of this measure, which would establish the Disaster Relief Match Special Fund and appropriate funds to provide the local match requirements of the Maui Wildfires Hazard Mitigation Grant Program.

I am providing this testimony in my capacity as an individual member of the Maui County Council.

I **support** this measure for the following reasons:

1. The cost of rebuilding after the August 2023 Maui wildfires is estimated to be in the billions. Collaboration between and funding from Federal, State, and County governments will be necessary to overcome this immense cost. This measure provides valuable funding for the rebuilding effort.
2. Navigating the federal grant process can be daunting, and failure to do so in a timely manner can result in applicants not receiving grant funds. This measure allows applicants to more easily meet local matching fund requirements, easing part of the burden of accessing the hazard mitigation grant.
3. This measure encourages the use of the Hazard Mitigation Grant Program to ensure rebuilding efforts are done with resiliency in mind.

For the foregoing reasons, I **support** this measure.

HB-2610-HD-1

Submitted on: 2/25/2024 3:32:33 PM

Testimony for FIN on 2/26/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Shane Sinenci	Maui County Councilmember	Support	Written Testimony Only

Comments:

Very supportive.

HB-2610-HD-1

Submitted on: 2/24/2024 8:58:06 PM

Testimony for FIN on 2/26/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
David Kennard	Hawaii State Hazard Mitigation Forum	Support	In Person

Comments:

Aloha Chair Yamashita, Vice-Chair Kitagawa, and Members of the Committee In Finance:

Thank you for the opportunity to submit testimony to SUPPORT HB2610.

As we all are painfully aware, on August 8, last year, wildfires devastated Lahaina and parts of upland Maui. Assistance from across the State and from the mainland rushed to support Maui during the initial response to the wildfires and into the on-going recovery from the devastating impacts. In particular, FEMA provided substantial response and recovery assistance via several programs, including the Hazard Mitigation Grant Program (HMGP) which provides funding that communities can use to build back better and stronger as well as to reduce the impact of other natural hazards statewide. The current, 6-month estimate of the HMGP funding under the Maui Wildfire disaster is about \$300,000,000. This estimate is 15% of the total FEMA funding under its Public Assistance (PA) program, Individual Assistance (IA) program and certain Mission Assignments (MA). FEMA will “lock-in” the HMGP funding at the 1-year anniversary of the declaration date, August 10, 2023, so the final estimate could be substantially higher as FEMA’s assistance continues to increase. The HMGP requires a non-federal match which is 25% of the overall project cost. This 25% cost share currently is \$100,000,000 (matching the 75% federal share of \$300,000,000.) Historically, finding and maintaining the local, non-federal match has been a huge impediment to communities wanting to use this funding for their Hazard Mitigation projects.

HB2610 will address this specific hurdle to the complete and efficient use of the HMGP by establishing a fund to support communities in meeting the HMGP match requirement. The bill designates the Department of Defense’s Emergency Management Agency (HI-EMA) as the agency to administer the match fund. This is an appropriate fit since HI-EMA currently administers and manages FEMA’s recovery programs, including the HMGP. HI-EMA’s experience working with FEMA on a range of recovery projects and its expertise in evaluating HMGP proposals will allow them to establish appropriate criteria for distributing the match fund, effectively and equitably, to those applicants with strong proposals that would most benefit from receiving match support. The bill intends the support to be up to half of the required match for most projects. However, in the case of small, economically disadvantaged applicants, the support could cover the entire match.

By providing this match fund, we will make it more likely that our communities will be able to take advantage of FEMA’s HMGP funding and will assist Maui and the State in rebuilding safer,

stronger, and smarter, and in creating a more resilient Hawaii by mitigating the impact of natural hazards.

I look forward to your support of HB 2610 and to working together to build a safer, stronger, and more resilient Hawaii.

David Kennard

Chair, State Hazard Mitigation Forum

HB-2610-HD-1

Submitted on: 2/25/2024 11:01:55 AM

Testimony for FIN on 2/26/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Tamara Paltin	Individual	Support	Written Testimony Only

Comments:

Aloha e Chair Yamashita and Vice Chair Kitagawa,

Mahalo for the opportunity to testify on HB 2610 HD1.

I am in strong support of the establishment of a disaster relief match special fund to support the local match requirements of FEMA Maui Wildfires Hazard Mitigation Grant program for projects that implement mitigation measures to prevent and minimize the impacts of natural hazards affecting the state. With climate change making our landscapes drier and drier, with sea levels rising and more extreme storms, this is a real threat. Insurance companies which make decisions based on risk are pulling out of Hawaii and this is a major concern and reason to act because there is no substitute for private insurance and if they do not have that insurance it will be on us to take care of our citizens and that will cost more in the long run.

Mahalo for your service and commitment to our communities,

Tamara Paltin