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WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEES ON WATER AND LAND
AND JUDICIARY AND HAWAIIAN AFFAIRS
ON
HOUSE BILL NO. 2610

February 12, 2024
2:00 p.m.
Room 325 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 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 also appropriates \$25,000,000 in general funds for FY 25 to be deposited into the DRMSF and appropriates \$25,000,000 in 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, it is difficult to determine whether the proposed special fund would be self-sustaining.

Thank you for your consideration of our comments.

Aloha Chairs Ichiyama and Tarnas, Vice Chairs Poepoe and Takayama, and Members of the WAL and JHA Committees,

Thank you for this opportunity to submit testimony in support of HB2610.

One of the Federal Emergency Management Agency (FEMA) recovery programs is the Hazard Mitigation Grant Program (HMGP), funding to assist communities to build back better and stronger, as well as to reduce the impact of natural hazards statewide. This funding becomes available to the State after a Presidentially declared disaster and is 15% of FEMA's expenditures on Public Assistance (PA), Individual Assistance (IA) and certain Mission Assignments (MA.) FEMA currently estimates the HMGP for the Maui Wildfire disaster at \$150,000,000 and will "lock-in" the final amount at the 1-year anniversary of the disaster. So, the HMGP funding could be substantially larger as the PA, IA and MA spending continues to rise. The HMGP requires a 75/25 project cost share, the 25% local match is currently \$50,000,000 in non-federal funding. This 25% local match historically has been a substantial impediment to the complete and efficient use of the HMGP funding.

The intent of HB2610 is to overcome this obstacle. It establishes a \$25,000,000 disaster relief match fund to support State and local applicants who are interested in applying for an HMGP grant but might have difficulty finding and keeping local funds during FEMA's sometimes lengthy review and approval process. The State Department of Defense Emergency Management Agency (HI-EMA) will administer the fund alongside with its existing responsibility of administering the HMGP (and other FEMA Hazard Mitigation Assistance grants). The intent of the fund is to cover up to half of the local match requirement, similar to programs in several mainland emergency management agencies, e.g. California's Office of Emergency Services (Cal OES.) However, in the case of small, economically disadvantaged communities, HI-EMA could use this fund provide the entire local match.

HB2610 will allow the State to take a large step toward the complete and effective use of the opportunity that FEMA's HMGP provides. By creating a dedicated source of non-federal matching funds, HB2610 will support communities, State and local agencies in implementing hazard mitigation actions that will help Maui and the State rebuild safer, stronger and smarter, and create a more resilient Hawaii by mitigating the impacts of natural hazards.

Thank you for the opportunity to provide testimony on House Bill 2610 and I look forward to your support in building a safer, stronger and more resilient Hawaii.

David Kennard

Chair, State Hazard Mitigation Forum

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February 10, 2024

TO: The Honorable Linda Ichiyama, Chair
House Committee on Water and Land

The Honorable David A. Tarnas, Chair
House Committee on Judiciary & Hawaiian Affairs

FROM: Alice L. Lee
Council Chair 

SUBJECT: **HEARING OF FEBRUARY 12, 2024; TESTIMONY IN SUPPORT OF HB 2610, RELATING TO DISASTER RELIEF**

Thank you for the opportunity to testify in **support** of this measure, which would establish a disaster relief match special fund and appropriate funds to provide the local match requirements of the Maui wildfires hazard mitigation grant program.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, 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.

RICHARD T. BISSEN, JR.
Mayor

JOSIAH K. NISHITA
Managing Director



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February 11, 2024

TO: Rep. Linda Ichiyama, Chair
Rep. Mahina Poepoe, Vice Chair
Committee on Water and Land

Rep. David A. Tarnas, Chair
Rep. Gregg Takayama, Vice Chair
Committee on Judiciary and Hawaiian Affairs

FROM: Richard T. Bissen, Jr., Mayor
Josiah K. Nishita, Managing Director

DATE: February 11, 2024

SUBJECT: **SUPPORT OF HB2610, RELATING TO DISASTER RELIEF**

Thank you for the opportunity to testify in **SUPPORT** of this important measure. The Act establishes a disaster relief match special fund to support the local match requirements of the 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 and appropriates funds.

We **SUPPORT** this measure for the following reasons:

1. This bill supports local municipalities needing assistance with matching funds.
2. Large amounts of HMGP funding will be expected given the disasters – these matching funds will be critical given the many recovery and response expenses facing counties recovering from a disaster.

For the foregoing reasons, we **SUPPORT** this measure.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE HOUSE COMMITTEE ON WATER & LAND and
JUDICIARY & HAWAIIAN AFFAIRS
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 325
Monday, February 12, 2024 AT 2:30 P.M.

To The Honorable Linda Ichiyama, Chair
The Honorable Mahina Poepoe, Vice Chair
Members of the Committee on Water & Land
To The Honorable David A. Tarnas, Chair
The Honorable Gregg Takayama, Vice Chair
Members of the Committee on Judiciary & Hawaiian Affairs

SUPPORT HB2160 RELATING TO DISASTER RELIEF

The Maui Chamber of Commerce **SUPPORTS HB2160.**

The Chamber supports the establishment of a disaster relief match special fund and appropriate funds to provide the local match requirements of the Maui wildfires hazard mitigation grant program.

We note that the bill proposes to fund this money from the general fund. We would like to suggest using the Emergency and Budget Reserve (EBR) fund and possibly the hurricane relief fund instead. We realize that it takes a two-thirds vote from both chambers to appropriate from the ERB fund. We feel this a very definite emergency that would qualify for use of these funds. We all must come together on solutions when dealing with catastrophic events.

We appreciate the forward thinking of this initiative. We hope that the state will continue to explore federal and other methods of funding for expediting protective measures in order to help lessen the impacts of future disasters.

The Chamber looks forward to continued discussions on this and other related bills to find the best possible solutions.

For these reasons we **SUPPORT HB2160** and respectfully ask that it be passed.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.