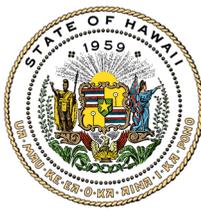


JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



TOMMY JOHNSON
DIRECTOR

Melanie Martin
Deputy Director
Administration

Vacant
Deputy Director
Correctional Institutions

Sanna Muñoz
Deputy Director
Rehabilitation Services
and
Programs

STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII
**DEPARTMENT OF CORRECTIONS
AND REHABILITATION**
*Ka 'Oihana Ho'omalua Kalaima
a Ho'oponopono Ola*
1177 Alakea Street
Honolulu, Hawaii 96813

No. _____

TESTIMONY ON HOUSE BILL 2250
RELATING TO MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE,
ITS OFFICERS, OR ITS EMPLOYEES.

by
Tommy Johnson, Director
Department of Corrections and Rehabilitation

House Committee on Judiciary and Hawaiian Affairs
Representative David A. Tarnas, Chair
Representative Mahina Poepoe, Vice Chair

Thursday, February 12, 2026; 2:00 p.m.
State Capitol, Conference Room 325 & via Videoconference

Chair Tarnas, Vice Chair Poepoe, and Members of the Committee:

The Department of Corrections and Rehabilitation (DCR) supports House Bill (HB) 2250, which seeks to provide for the authorization and payment of claims against the State for refunds of taxes, judgments and settlements, and for other miscellaneous payments as provided by chapters 37, 661, and 662, Hawaii Revised Statutes.

The appropriation to the Department of the Attorney General is to satisfy the claim for legislative relief to the following named person for payment of a settlement against DCR, formerly known as the Department of Public Safety as follows:

<u>Susan O'Gorman v. State of Hawai'i,</u>	\$600,000.00
<u>Department of Public Safety,</u>	(Settlement)
Civil No. 1CCV-24-0000912, First Circuit	

Thank you for the opportunity to provide testimony in support of HB 2250.



STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 02/12/2026

Time: 02:00 PM

Location: 325 VIA VIDEOCONFERENCE

Committee: JHA

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: HB2250, MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES.

Purpose of Bill: Makes appropriations and approves payments for claims against the State, its officers, and its employees.

Department's Position:

The Hawaii State Department of Education (Department) supports HB 2250 which appropriates funds to satisfy claims against the State.

This measure enables timely resolution of legal obligations, preventing unnecessary litigation and financial burdens. By settling claims efficiently, this bill allows the Department to focus on its core mission of educating Hawaii's students. Appropriating these funds ensures fiscal responsibility and protects essential educational resources.

Thank you for the opportunity to provide testimony in support of this measure.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2026**

ON THE FOLLOWING MEASURE:

H.B. NO. 2250, MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES.

BEFORE THE:

HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

DATE: Thursday, February 12, 2026 **TIME:** 2:00 p.m.

LOCATION: State Capitol, Room 325

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Skyler G. Cruz, Deputy Attorney General

Chair Tarnas and Members of the Committee:

The Department of the Attorney General (Department) supports this bill.

The purpose of this bill is to seek appropriations to satisfy claims against the State, its officers, or its employees, including claims for legislative relief, judgments against the State, settlements, and miscellaneous claims.

The bill contains twenty claims that total \$7,996,404.03. To satisfy this total amount, the following appropriations are needed:

- An appropriation in the amount of \$6,596,404.03, allocated among eighteen claims to be paid from the general fund; and
- An appropriation in the amount of \$1,400,000.00, allocated among two claims to be paid from departmental funds.

Attachment "A" provides a brief description of each claim in this bill.

Since the bill was introduced, seven new claims were resolved that total \$10,566,918.98. To satisfy these additional claims, the Department requests that the bill be amended to increase the requested appropriation by the amount of \$10,566,918.98, allocated among seven claims, to be paid as follows:

- An appropriation in the amount of \$9,898,732.22, allocated among five claims, to be paid from the general fund; and

- An appropriation in the amount of \$668,186.76, allocated among two claims to be paid from departmental funds.

Attachment "B" provides a brief description of the new claims.

Including the new claims, the appropriation request totals \$18,563,323.01 allocated among twenty-seven claims, with the updated appropriation request as follows:

- An appropriation in the amount of \$16,495,136.25, allocated among twenty-three claims to be paid from the general fund; and
- An appropriation in the amount of \$2,068,186.76, allocated among four claims to be paid from departmental funds.

The Department has a longstanding policy of advising agencies as to how to avoid claims such as those in this bill. The Department has complied with section 37-77.5, Hawaii Revised Statutes, which requires the Attorney General to develop and implement a procedure for advising our client agencies on how to avoid future claims.

We respectfully request passage of this bill with amendments to add the new claims.

lawsuit alleging that DOE and other defendants failed to exercise ordinary care in ensuring that the lawn was reasonably safe for students and were otherwise negligent in keeping the area safe to walk on.

**South Point Investment Group, LLC v.
State of Hawaii
Civil No. 3CCV-20-000040, Third Circuit**

\$ 100,000.00 *(General Fund)*
Settlement

This case arises from the closure of a Hawaii State Public Charter School known as Kau Learning Academy (KLA). Plaintiff South Point Investment Group, LLC (South Point), the Landlord for the property where the charter school operated, executed a Commercial Lease Agreement with KLA for the use of the property. On July 9, 2018, the State Public Charter School Commission revoked KLA's charter for allegedly materially violating its charter contract. South Point then contended that KLA breached the Lease by failing to pay rent and failed to return the property in good condition. South Point brought this lawsuit alleging that KLA was an agent of the State and, therefore, the State was liable for the charter school's breach and for negligently handling the closure of the school, which caused South Point to incur damages.

DEPARTMENT OF HAWAIIAN HOME LANDS:

**William Kaholoa'a Jr. v. Hawaiian Homes
Commission, State of Hawaii
Civil No. 2CCV-24-000037, Second Circuit**

\$ 1,330,000.00 *(General Fund)*
Settlement

Plaintiffs William Kaholoa'a Jr. and Tania Dudoit Kaholoa'a (Kaholoa'as) filed this lawsuit against the Defendants Hawaiian Homes Commission, Department of Hawaiian Home Lands (DHHL), and Department of Health (DOH) (collectively, Defendants) seeking compensation for injuries and damages allegedly suffered as a result of their exposure to used motor oil and hazardous waste stored on their neighbor Curtis Crabbe's (Crabbe) property from January 2015 through February 2023. In 2011, DOH's Solid and Hazardous Waste Branch (SHWB) issued a used motor oil transporter permit to Crabbe. In 2015, DHHL hired Crabbe to transport the used motor oil it generated off the island of Molokai. A field test of the containers of used motor oil performed by Crabbe indicated that two containers contained hazardous waste (chlorinated solvents had been mixed into the used motor oil). Crabbe took the containers from DHHL but was unable to transport them off island because he did not have a permit to transport hazardous waste. When DHHL discovered that the used motor oil had not been transported off island, it enlisted the help of SHWB. SHWB's efforts to have Crabbe remove the hazardous waste were unsuccessful. SHWB then ordered Crabbe to return the containers to DHHL, but the containers were never returned to DHHL. In 2023, the Kaholoa'as complained to DOH about a petroleum-based odor from Crabbe's property. DOH's Hazardous Evaluation and Emergency Response Office (HEER) investigated and found DHHL's containers on Crabbe's DHHL homestead property. HEER cleaned up Crabbe's property. During the clean-up, it was discovered that two of DHHL's

containers were compromised and leaked non-hazardous used motor oil. The Kaholoa'as alleged that they and their property were injured or damaged by the used motor oil.

DEPARTMENT OF HEALTH:

**HELG Administrative Services, LLC v.
Department of Health
Civil No. 1CC191000332, First Circuit**

**\$ 100,000.00 (General Fund)
Settlement**

Curtis Panoke was a patient at the Hawaii State Hospital (HSH) from 2005 through 2010. He was transferred to Columbia Regional Care Center in South Carolina in 2010 after assaulting a nurse at the HSH. In 2016 he was attacked by his roommate and left in a vegetative state until his death in 2025. Plaintiff HELG Administrative Services, LLC (HELG), as conservator for Panoke, brought this lawsuit on behalf of Panoke's estate and his surviving daughter. HELG brought this lawsuit alleging that DOH breached its duty of care to exercise ordinary care and/or the requisite standard of care of a medical and/or psychiatric health care provider for the safety of Panoke at the Columbia Regional Care Center.

DEPARTMENT OF HUMAN SERVICES:

**Tera Graves v. State of Hawaii,
Department of Human Services
Civil No. 3CCV-19-000022, Third Circuit**

**\$ 600,000.00 (General Fund)
Settlement**

Plaintiff Tera Graves (Graves) alleged that she was the victim of sexual assault while she resided in the home of her foster parent, co-defendant Gloria Holmes. At the time the events occurred, Graves was below statutory age, whereas the men who are alleged to have sexually assaulted Graves were adults. Graves alleged that the Department of Human Services, Child Welfare Services, failed to properly screen the individuals that might have access to the foster home, leading to her sexual assaults and to her resulting pain and suffering.

DEPARTMENT OF LAND AND NATURAL RESOURCES:

**Lolita Silva v. Nelson Alana
Civil No. 2CC121000778, Second Circuit**

**\$ 2,000,000.00 (General Fund)
Settlement**

On September 25, 2010, Hal Silva (Silva), Brian Smith (Smith), and Nelson Alana (Alana) were all employees of the Department of Land and Natural Resources Harbors Division and were working at the Lahaina Harbor when an accident occurred involving the testing of a gasoline powered portable generator that allegedly resulted in Silva and Smith being exposed to carbon monoxide fumes. The exposure is alleged to have occurred when Alana decided to place the subject generator into a shed adjacent to an

has not been reimbursed." Cayetano has since retired from the Department of Law Enforcement, the successor department to PSD.

DEPARTMENT OF TRANSPORTATION:

Anacleto R. Battad v. Lawrence J. Dill
Civil No. 5CC181000177, Fifth Circuit

\$ 1,100,000.00 (*Dept. Appropriation*)
Settlement

Plaintiff Anacleto R. Battad (Battad) was an employee of the Department of Transportation (DOT). On December 1, 2016, Battad was injured when he fell from the platform of a contra-flow truck that was being used to set up the contra-flow traffic lanes. Battad sustained head injuries as a result of the incident. Battad and his wife, Jade Battad, filed a complaint against Willy S. Ortal and Lawrence J. Dill, who were Battad's supervisors at the time of the incident. Battad could not bring tort claims against the State as his employer and instead brought suit under an exception in the Workers' Compensation Law that permits an employee to sue a co-worker "if the personal injury is caused by that employee's wilful and wanton misconduct." Section 386-8(k), HRS. Because Battad's injuries were work-related, he was receiving workers' compensation benefits in accordance with chapter 386, HRS. A global settlement was reached that includes both the civil lawsuit filed against Ortal and Dill as well as Battad's workers' compensation benefits claim.

The Estate of Matthew Louis Perreira v.
State of Hawaii
Civil No. 2CCV-22-00000045, Second Circuit

\$ 300,000.00 (*Dept. Appropriation*)
Settlement

This case arises from a motor vehicle accident on the island of Maui that resulted in the death of Matthew Louis Perreira (Perreira). On December 13, 2020, Perreira was traveling southwest on Dairy Road on a motorcycle that he had built and modified. Patrick Ventura, the driver of a pickup truck, drove from Hukilike Street into the intersection intending to make a left turn onto Dairy Road to head northeast. Perreira and Ventura collided while the pickup truck was turning left in front of the fire station. Perreira was taken to the hospital where he later died as the result of the injuries he sustained. His parents and widow, individually and on behalf of their minor child, sued Alexander & Baldwin, LLC (A&B), the State, and Maui County alleging negligent design, operation and maintenance of the highway and intersection. The subject intersection has a history of accidents that have occurred through the years. The crashes include accidents involving left and right turning vehicles from Hukilike Street colliding with vehicles traveling on Dairy Road. Plaintiffs' experts opined that, among other things, there are sight-distance limitations from vehicles turning from Hukilike Street onto Dairy Road. The traffic and transportation engineering expert retained on behalf of the State in this case determined that the sight distances met and exceeded current engineering guidelines. Irrespective of the compliance of the subject intersection with engineering guidelines, pursuant to sections 663-10.5 and 10.9(4), HRS, the State was at risk of being held jointly and severally liable with A&B, Maui County, and Ventura, the driver

Maria Lundblad

\$ 104,460.50 (*General Fund*)

Claimant requests reissuance of an outdated check that was misplaced or lost. The legislative claim was filed with the Attorney General within six years from the date on which the claim for payment matured, within the period specified by section 37-77, HRS, or claimant has shown good cause for any delay.

ATTACHMENT "B"

MISCELLANEOUS CLAIMS:

U.S. Department of the Treasury and the Treasury Office of Inspector General Reminding All Emergency Rental Assistance Award Recipients of Responsibilities and Requirements for Reporting Fraud and Reimbursing Fraud Losses and Unallowable Costs dated October 4, 2024 **\$1,223,732.22 (General Fund) Reimbursement**

On October 4, 2024, the U.S. Department of the Treasury (U.S. Treasury) and the Treasury Office of the Inspector General issued a Joint Notice to the State of Hawaii (State) informing the State that it is now fully liable for fraudulent activity committed by applicants in the Emergency Rental Assistance (ERA) programs that provided funding to states, local governments, and U.S. territories to assist low-income renters facing financial hardship, directly or indirectly due to the COVID-19 pandemic, aiming to prevent eviction and housing instability. The Notice, titled "*U.S. Department of the Treasury and the Treasury Office of Inspector General Reminding All Emergency Rental Assistance Award Recipients of Responsibilities and Requirements for Reporting Fraud and Reimbursing Fraud Losses and Unallowable Costs*," mandates the State to reimburse the U.S. Treasury for the total amount of fraud losses incurred under the ERA programs. The total amount of fraud losses is \$1,223,732.22. This amount was determined after review by the U.S. Treasury's Office of the Inspector General and the State's Department of Budget and Finance.

DEPARTMENT OF EDUCATION:

D.C. v. State of Hawaii, Department of Education Civil No. 1CCV-20-0000657, First Circuit **\$ 400,000.00 (General Fund) Settlement**

This lawsuit was brought by a woman (Plaintiff) who, in 1979, was a 15-year-old student at Campbell High School (Campbell). Plaintiff was a member of Campbell's canoe club, which paddled in events throughout the year competing against other public and private high schools. During a trip to a paddling regatta on Hawaii Island, Plaintiff was sexually assaulted by the assistant coach of Campbell's paddling team. She disclosed the sexual assault to police immediately. Plaintiff brought this lawsuit alleging that DOE breached its duty to provide care and supervision over Plaintiff during this school-related activity, which she claims caused her to be sexually assaulted by the assistant coach.

In the Matter of K.P. v. Department of Education, State of Hawaii Impartial Due Process Hearing No. DOE-SY2425-041 **\$8,000,000.00 (General Fund) Settlement**

This case concerns the resolution of a long-standing dispute over the special education programming and services of a severely disabled student. Petitioners are student K.P. and her parents A.P. and P.P. (Petitioners). In 2023, an administrative hearing officer

determined that the State of Hawaii, Department of Education (DOE) had been providing K.P. with inconsistent special education and related services since 2018. The hearing officer found that this had resulted in the denial of a Free Appropriate Public Education (FAPE) required under the Individuals with Disabilities Education Act (IDEA). As a result of DOE's noncompliance with the IDEA, the hearing officer ordered DOE to provide K.P. with a specified number of minutes of services through her twenty-fourth birthday. Although DOE was able to comply with the hearing officer's decision for a time, DOE was unsuccessful in its efforts to secure all the service providers needed to provide K.P. with all the minutes of services specified in the hearing officer's decision. The number of missing service minutes accrued over time. On June 2, 2025, Petitioners filed a request for an impartial due process hearing alleging that DOE denied K.P. of a FAPE by failing to provide the two years of compensatory education that had been awarded to her in 2023 as well as the special education and related services K.P. was entitled to under applicable federal and state laws and regulations. Petitioners alleged that because of the years-long failure to consistently provide necessary special education and services, K.P. suffered post-traumatic stress disorder, a significant regression in skills and abilities, and exhibited various heightened behavioral issues. Settlement of this matter resolves the claims at the administrative level and also includes the claims that could have been filed in a federal lawsuit.

United Public Workers v. Keith Hayashi
Case No. CE-01-539

\$ 75,000.00 (*General Fund*)
Settlement

This administrative matter stems from a Prohibited Practice Complaint (PPC) filed with the Hawaii Labor Relations Board (HLRB) by the United Public Workers (UPW) on behalf of James Ah Sing against the Department of Education (DOE) and Connections Charter School (collectively, Respondents). Ah Sing was a janitor at Connections Charter School, whose employment was not renewed in 2003. UPW alleged that Ah Sing's non-renewal violated a memorandum of agreement entered into between DOE and UPW in 2000, which constituted a prohibited practice in violation of section 89-13(a), HRS. In 2017, HLRB issued a decision finding that Respondents committed a prohibited practice. The matter was appealed and in 2020, the Hawaii Supreme Court held that HLRB had jurisdiction to order affirmative remedies and remanded the case to HLRB. In 2021, HLRB ordered Respondents to pay Ah Sing back wages and lost vacation pay, with interest compounded daily. HLRB did not specify the specific amount of interest to be paid or the period of time that interest would accrue. On August 6, 2022, the State paid Ah Sing a total amount of \$125,275.38, which included the principal award of back wages and lost vacation pay and attorneys' fees. This settlement resolves the parties' dispute over the amount of interest to be paid to Ah Sing.

They claimed that DOT, in particular, was negligent in its oversight of Grace Pacific and that Grace Pacific failed to implement proper traffic control plans.

OFFICE OF THE PUBLIC DEFENDER:

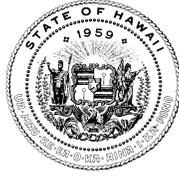
**Joshua Priestersbach v. Office of the
Public Defender
Civil No. 1CCV-24-0000470, First Circuit**

\$ 200,000.00 (*General Fund*)
Settlement

This lawsuit arises from the arrest of Plaintiff Joshua Priestersbach (Priestersbach) on May 11, 2017, based on a probation bench warrant that had been issued for a different individual named Thomas R. Castleberry. At the time of his arrest, Priestersbach did not have any physical identification. However, the arresting officer searched the State of Hawaii Criminal Justice Inquiry System for the social security number that Priestersbach verbally provided to him, which showed a record for Priestersbach with Thomas Castleberry listed as an alias. Following his arrest, Priestersbach was placed in the custody of the Department of Public Safety (PSD) and was initially housed at the Oahu Community Correctional Center (OCCC). Priestersbach was represented by the Office of the Public Defender (OPD) in the criminal proceedings that followed his arrest and incarceration. Several different Deputy Public Defenders were assigned to represent Priestersbach in the criminal matter. Early in their representation of Priestersbach, it became apparent to the OPD Deputies that Priestersbach suffered from mental illness. At OPD's request, Priestersbach was required to undergo a mental fitness examination pursuant to section 704-404, HRS. A three-doctor panel diagnosed Priestersbach as suffering from schizophrenia and found that he was not fit to proceed in the criminal prosecution. Priestersbach was then transferred from OCCC to the Hawaii State Hospital (HSH) where he remained until his discharge on January 17, 2020, after his true identity as Priestersbach, rather than Thomas Castleberry, was verified. Plaintiff brought this action against OPD and the Deputy Public Defenders who represented him in the criminal proceedings alleging legal malpractice. He claimed that the Deputy Public Defenders had an independent duty, apart from the Honolulu Police Department, PSD, the HSH physicians, to verify his identity and that they breached that duty. This settlement was part of a global settlement that included settlement of Priestersbach's claims against the City and County of Honolulu and other defendants in a separately filed federal court action.

JOSH GREEN, M.D.
GOVERNOR
STATE OF HAWAII
*Ke Kia'āina o ka Moku'āina 'o
Hawai'i*

SYLVIA J. LUKE
LT. GOVERNOR
STATE OF HAWAII
*Ka Hope Kia'āina o ka Moku'āina
'o Hawai'i*



KALI WATSON
CHAIRPERSON, HHC
Ka Luna Ho'okele

KATIE L. LAMBERT
DEPUTY TO THE CHAIR
Ka Hope Luna Ho'okele

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
Ka 'Oihana 'Āina Ho'opulapula Hawai'i

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF KALI WATSON, CHAIR
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON
JUDICIARY & HAWAIIAN AFFAIRS
ON FEBRUARY 12, 2026 AT 2:00PM IN CR 325

**HB 2250, RELATING TO MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE
STATE, ITS OFFICERS, OR ITS EMPLOYEES**

February 12, 2026

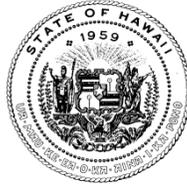
Aloha Chair Tarnas, Vice Chair Poepoe, and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) **supports** this bill which makes appropriations and approves payments for claims against the State, its officers, and its employees.

This bill serves as the vehicle by which claims against the State are transmitted to the Legislature for its consideration. This legislative request is to authorize and fund the payment of these claims through appropriations of general and special funds. Timely passage of this bill will serve to minimize interest on those amounts for which interest is accruing. DHHL stands to benefit from this bill through appropriation to pay for the settlement noted on page 3, lines 7-13 of HB2250.

Thank you for your consideration of our testimony.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



EDWIN H. SNIFFEN
DIRECTOR
KA LUNA HO'OKELE

Deputy Directors
Nā Hope Luna Ho'okele
DREANALEE K. KALILI
TAMMY L. LEE
CURT T. OTAGURO
ROBIN K. SHISHIDO

STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

Thursday, February 12, 2026
2:00 PM
State Capitol, 325

HB2250
RELATING TO CLAIMS AGAINST THE STATE

House Committee on Judiciary & Hawaiian Affairs

The Department of Transportation (DOT) supports House Bill 2250, which makes appropriations and approves payments for claims against the State, its officers, and its employees.

We want to thank the State AG office for all their support and hard work on completing these cases for the DOT.

Thank you for the opportunity to testify in support of this bill.

HB-2250

Submitted on: 2/11/2026 2:51:23 PM

Testimony for JHA on 2/12/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Shelby "Pikachu" Billionaire	Ohana Unity Party & Kingdom of The Hawaiian Islands	Oppose	Remotely Via Zoom

Comments:

HB2250 - Making Appropriations for Claims Against the State

OPPOSE

Aloha,I oppose HB2250, appropriating funds for claims against the State, officers, or employees.Without specifics on Native Hawaiian claims (e.g., overthrow-related), this risks diverting resources from priorities like OHA/DHHL funding. It could perpetuate inequities if unrelated payouts prevail.Reject unless tied to justice for beneficiaries.This is a trap and the tax payers would have to pay for their faults. Defer & oppose this bill!

Mahalo Nui Loa,
Pikachu Shelby Billionaire