

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

SETH S. COLBY, Ph.D.
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

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

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

TESTIMONY BY SETH S. COLBY, Ph.D.
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
HOUSE BILL NO. 2275, H.D. 1

March 30, 2026
10:00 a.m.
Room 211 and Videoconference

RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS

The Department of Budget and Finance (B&F) supports this Administration proposal.

The Departments of Corrections and Rehabilitation (DCR) and Human Services (DHS) have requested cost-neutral general fund transfers to address operating shortfalls.

DCR has requested the transfer of \$1,000,000 in general funds from PSD 410, Intake Services Center, and \$1,600,000 in general funds from PSD 808, Non-State Facilities, for transfer to PSD 405, Hawai'i Community Correctional Center. A total transfer of \$2,600,000 is needed to fund anticipated shortfalls in payroll and operational costs in the third quarter of FY 26. Per DCR, PSD 410 and PSD 808 will not be adversely affected by the proposed transfers.

DHS has several transfers related to the federal government shutdown that began on October 1, 2025. At that time, there was a lack of access to federal funding for the Supplemental Nutrition Assistance Program (SNAP). Over 168,000 individuals were expected to miss out on monthly SNAP benefits during the shutdown, beginning in

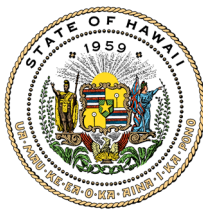
November, as a result. In response, the Governor approved the release of \$12,151,160 in restrictions and the transfer of \$26,712,970 in general funds to HMS 903, General Support for Self-Sufficiency Services, pursuant to Section 49 of Act 250, SLH 2025, to fund the Hawai'i Emergency Food Benefit Program, which provided benefits to SNAP beneficiaries.

The Program IDs from which funds were transferred, and which now require cost-neutral transfers in the third quarter of FY 26, are as follows:

Program ID	Program Title
HMS 211	Cash Support for Families – Self-Sufficiency
HMS 220	Rental Housing Services
HMS 222	Rental Assistance Services
HMS 229	Hawai'i Public Housing Authority Administration
HMS 236	Case Management for Self-Sufficiency
HMS 237	Employment and Training
HMS 301	Child Protective Services
HMS 302	General Support for Child Care
HMS 401	Health Care Payments
HMS 501	In-Community Youth Programs
HMS 555	Office of Wellness and Resilience
HMS 601	Adult Protective and Community Services
HMS 777	Office on Homelessness and Housing Solutions
HMS 802	Vocational Rehabilitation
HMS 888	Hawai'i State Commission on the Status of Women
HMS 901	General Support for Social Services
HMS 902	General Support for Health Care Payments
HMS 904	General Administration for DHS

Thank you for your consideration of our comments.

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 2275, HOUSE DRAFT 1
RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS.

by
Tommy Johnson, Director
Department of Corrections and Rehabilitation

Senate Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

March 30, 2026; 10:00 a.m.
State Capitol, Conference Room 211 & via Videoconference

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

The Department of Corrections and Rehabilitation (DCR) **supports** House Bill (HB) 2275, House Draft (HD) 1, which seeks to provide general fund appropriations to various departments to meet operating budget shortfalls due to the limited ability to transfer funds between programs within the same department and to make related general fund reductions to offset the aforementioned additions.

DCR is grateful to the House Committee on Finance for the inclusion of the following transfers, as approved by the Department of Budget and Finance (B&F) on February 3, 2026 (see attached approval), in the emergency appropriations for fiscal year 2025-2026 for operating shortfalls for PSD 405 – Hawai'i Community Correctional Center (HCCC), and to adjust funding for other programs in order for the adjustments to be budget neutral.

Transfer From:

PSD410 ISC (\$1,000,000)
PSD808 NSF (\$1,600,000)

Transfer To:

PSD405 HCCC \$2,600,000

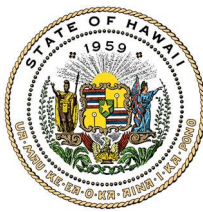
HB 2275, HD1 Relating to Funding Adjustments for State Programs.
March 30, 2026
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The transfer in to HCCC is necessary in order to make payroll obligations in the fourth quarter as well as other current expenses that need to be addressed.

Thank you for the opportunity to provide testimony in **support** of HB 2275, HD1.

Encl.

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

No. 2026-0061

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

January 28, 2026

TO: The Honorable Seth S. Colby, Ph.D., Acting Director
Department of Budget & Finance

FROM: Tommy Johnson, Director 
Department of Corrections and Rehabilitation

SUBJECT: REQUEST FOR TRANSFER OF FUNDS TO BE INCLUDED IN
EMERGENCY APPROPRIATION TRANSFER BILL FOR THIRD
QUARTER

The Department of Corrections and Rehabilitation (DCR) requests the following additional general funds as emergency appropriations for Fiscal Year 2025-2026 for operating shortfalls in quarter 3 funding for PSD405 – Hawaii Community Correctional Center (HCCC). We request that funding adjustments be made to the DCR programs identified below to fund the emergency appropriation to make the funding adjustments budget neutral. DCR respectfully requests that these adjustments be identified in HB2275/SB3094, Relating to Funding Adjustments for State Programs or any other fund transfer option available to the Executive Branch.

Program ID	From	To
PSD410 ISC	(1,000,000)	
PSD808 NSF	(1,600,000)	
PSD405 HCCC		2,600,000
Total	0	0

PSD 405 – HCCC is the most overcrowded facility in the State. As of January 19, 2026, HCCC housed a total of 281 inmates which is 24% over its operating capacity of 226. The emergency appropriation will ensure that we have sufficient funds to pay for payroll shortfall and higher operational costs in quarter 3.

Att - 001


REQUEST FOR TRANSFER OF FUNDS TO BE
INCLUDED IN EMERGENCY APPROPRIATION TRANSFER BILL

January 28, 2026

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Your favorable support for this request is greatly appreciated. Should you or your staff have any questions, please contact Teresita V. Fernandez, Business Management Officer, at (808) 587-1235 or via email at teresita.v.fernandez@hawaii.gov or Lester Lau, Operating Budget Supervisor, at (808) 587-1238 or via email at lester.g.lau@hawaii.gov.

APPROVE / DISAPPROVE

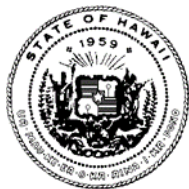


Seth S. Colby, Ph.D.
Acting Director of Finance

Feb 3, 2026

Date

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



RYAN I. YAMANE
DIRECTOR
KA LUNA HO'OKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELawe KANAKA
Office of the Director
P. O. Box 339
Honolulu, Hawaii 96809-0339

TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

March 29, 2026

TO: The Honorable Donovan M. Dela Cruz, Chair
Senate Committee on Ways & Means

FROM: Ryan I. Yamane, Director

SUBJECT: **HB 2275 HD1 – RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS.**

Hearing: March 30, 2026, 10:00 a.m.
Conference Room 211 & Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this administration measure, defers to the Department of Budget & Finance, and provides comments.

DHS requires authorization to transfer funds back to the necessary program IDs to meet the 3rd Quarter State Fiscal Year 2026 requirements. These funds were initially transferred to HMS 903 in response to the 2025 federal government shutdown to prevent widespread food insecurity among Supplemental Nutrition Assistance Program recipients and other residents affected by the shutdown. The funds to be transferred back to the appropriate program IDs include \$14,248,126, which is part of the funds requested in the administration's emergency appropriation bill, HB 2310, and the Senate's version, SB 2211 SD1.

For the committee's information, DHS used the transfers to establish the Hawaii Emergency Food Assistance Program (HEFAP) and to provide additional community resources to reduce food insecurity. The HEFAP provided a one-time \$250 food benefit to eligible SNAP recipient households.

Thank you for the opportunity to provide testimony on this measure.



**Testimony to the Senate Committee on Ways and Means
Monday, March 30, 2026; 10:00 a.m.
State Capitol, Conference Room 211
Via Videoconference**

RE: HOUSE BILL NO. 2275, HOUSE DRAFT 1, RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS.

Chair Dela Cruz, Vice Chair Moriwaki, 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. 2275, House Draft 1, RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS.

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.

Among other things, this measure, as received by Your Committee, would authorize an emergency appropriation of general funds for fiscal year 2025-2026, to offset costs incurred by the Department of Human Services (DHS) in providing emergency food assistance to Hawaii residents during the federal government shutdown.

The bill would take effect upon its approval.

Testimony on House Bill No. 2275, House Draft 1
Monday, March 30, 2026; 10:00 a.m.
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SNAP, formally known as the "Food Stamps Program", is the largest federal food assistance program that is currently in operation. It provides food purchasing assistance for low- and no-income people. SNAP helped approximately 40 million persons in 2018, at a cost of \$57.1 billion. Approximately 9.2% of American households received SNAP benefits at some point during 2017, with approximately 16.7% of all children living in households receiving SNAP benefits.

Founded during the height of the Great Depression, SNAP is the cornerstone of our national social safety net. It is intended to prevent mass starvation caused by unemployment and homelessness. SNAP also seen as a way of helping the poor while boosting the economy and ensuring that American's farmers would obtain a fair price for their labors by allowing government to purchase and distribute excess goods in time of crisis.

The HPCA has strongly endorsed SNAP in the past and we continue to urge your support. The continuation of SNAP benefits for a recipient can mean the difference between having to decide whether someone's last amount of cash will go for food or rent or medications or other necessities.

In November 2025, the federal government shutdown stopped the provision of SNAP benefits to Hawaii's citizens. To prevent catastrophic outcomes for Hawaii's citizens, DHS, by Executive Order, established the Program separate from SNAP to provide a \$250 per person benefit for food and groceries at retail locations that accept Electronic Benefit Transfer cards. It is our understanding that this Program was funded by utilizing existing departmental resources to meet this emergency need. As such, the emergency appropriation requested in this bill would help to cover the shortfall caused by these efforts.

Accordingly, the HPCA respectfully urges your favorable consideration of this measure.

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@hawaiipca.net.