

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



STATE OF HAWAI'I
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF DEFENSE
KA 'OIHANA PILI KAUA
OFFICE OF THE ADJUTANT GENERAL
3949 DIAMOND HEAD ROAD
HONOLULU, HAWAI'I 96816-4495

STEPHEN F. LOGAN
MAJOR GENERAL
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KA 'AKUKANA KENELALA

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KA HOPE 'AKUKANA KENELALA

- A. The primary mission of the State of Hawaii, Department of Defense, is to enable a safe, secure, and thriving Hawaii. To accomplish this the department takes an all of community approach to prepare the state for catastrophic natural, or manmade disasters. The department coordinates preparedness activities that improve the state's ability to prevent an event; build resilience to absorb the effects of a disaster; and by organizing capabilities, capacities, and authorities to rapidly respond to and recover from catastrophic disasters.
- B. Current state-wide conditions have not affected our department's ability to operate and respond. However, one condition that is having an impact within the department is the current FRINGE rate. Federal program policy is shifting to a fixed budget amount or directing funds be made available to projects and not necessarily personnel. Impacts are being felt within the Hawaii Emergency Management Agency and the Youth Challenge Academy.
- C. Given the significant reduction in DOD's Budget, from \$140M in FY25 to \$115M in FY26 (\$41M to \$39M in State Funds), there are some programs in jeopardy. HIEMA's general fund base budget is currently at \$14.1 million, down ~\$4.9M from previous years. As such, the Hawaii Emergency Management Agency (HI-EMA) is at risk of potentially losing federal funds that we are unable to match. The funds identified are:
- CFDA 97.042 Emergency Management Performance Grant (\$3.5-\$4.0 million annually)
 - CFDA 97.047 Pre-Disaster Mitigation Grant (varies)
 - CFDA 97.039 Hazard Mitigation Grant (\$24.7 million)
- D. <https://dod.hawaii.gov/blog/category/legislative-reports/>
- E. The Department of Defense prioritizes its budget requests based on our ability to meet mission requirements and the safety of our personnel and the people of Hawaii. Upon receipt of the Department of Budget and Finance's Finance Memorandum for supplemental budget preparation, the DOD takes the following actions:

1) Director DOD issues guidance for budget requests. Budget requests adhere to life safety, sustainment and federally funded positions limited to three requests per division.

2) ASO requests all programs to create and submit Operating Budget and Capital Improvement Project requests that meet the B&F budget policies and guidelines.

3) ASO receives all program requests and reviews, clarifies, and corrects all submissions, as needed. Operating and CIP budget requests are recommended in priority order for the TAG's review, modification, and approval.

4) Prioritized budget requests are compiled and submitted to B&F for review and approval by the submission deadline.

5) B&F questions and comments are fielded and responded to. B&F budget recommendations are received.

6) Appeal to Governor's Office made for budget requests denied or amended by B&F, as required.

7) Approved budget requests are finalized and submitted to B&F for Legislative submittal by submission deadlines.

F. Significant Adjustments contained in the budget request:

1) \$93M (\$35M bond funds and \$58M other Federal funds) in Office of Veteran Services for 3rd Hawaii State Veteran's Home, Maui.

2) \$15M in Youth Challenge Academy for Buildings 1786 and 1787 upgrades and improvements, O'ahu.

3) 2.00 permanent positions and \$2.2M for State Fire Marshal.

4) ~\$2M in Youth Challenge Academy to fund federal payroll fringe benefits.

5) 20.00 temporary positions and \$1.9M (\$1.4M in general funds and \$0.5M in other Federal funds) in Hawaii Emergency Management Agency to restructure the Emergency Management function.

If you have any questions or need additional information to our response, please contact our Administrative Services Officer Rusty Spray at (808) 369-3458 or at rusty.spray@hawaii.gov



STEPHEN F. LOGAN
Major General, HING
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