



L A T E

Deputy Directors  
FORD N. FUCHIGAMI  
JAN S. GOUVEIA  
RANDY GRUNE  
JADINE URASAKI

IN REPLY REFER TO:

STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

March 1, 2011

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION

SENATE COMMITTEE ON WAYS AND MEANS

SENATE BILL NO. 120 (Proposed SD1)

The Department of Transportation is opposed, specifically to Section 43 of Senate Bill 120, proposed SD1.

The Department of Transportation (DOT) is administering proceeds from the rental motor vehicle customer facility charge in accordance with Hawaii Revised Statute §261-5.6. The statute states, "Moneys in the rental motor vehicle customer facility charge special fund shall be used for enhancement, renovation, operation, and maintenance of existing rental motor vehicle customer facilities and the development of new rental motor vehicle customer facilities and related services at state airports."

To fulfill the above statutory requirement the DOT has been working closely with the rental motor vehicle industry and has established a statewide master plan for development of new rental motor vehicle customer facilities along with a plan of finance. The plan of finance requires an accumulation of rental motor vehicle customer facility charges in the rental motor vehicle customer facility charge fund so that future lump sum encumbrances can be made for construction projects. Prior to the encumbrance there may be unexpended collections in the rental motor vehicle customer facility charge fund however, these funds are reserved for specific future uses.

The rental motor vehicle customer facility charge fund is the only source of funding available for new rental motor vehicle customer facilities since these projects are not eligible for Federal funding and airport special funds and revenue bond funds cannot accommodate these improvements in addition to higher priority established needs.

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**From:** Lyle Ueunten [lyle\_lyle\_crocodile@hotmail.com]  
**Sent:** Tuesday, March 01, 2011 9:38 AM  
**To:** WAM Testimony  
**Subject:** SB120 March 1, 2011 9:20

**LATE**

My name is Lye Ueunten. Phone number 808 639 6151. I oppose SB 120. I'm a student at Kauai Community College."

NEIL ABERCROMBIE  
GOVERNOR



LATE

PATRICIA McMANAMAN  
INTERIM DIRECTOR

PANKAJ BHANOT  
DEPUTY DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
P. O. Box 339  
Honolulu, Hawaii 96809-0339

March 1, 2011

**MEMORANDUM**

TO: The Honorable David Y. Ige, Chair  
Senate Committee on Ways and Means

FROM: Patricia McManaman, Interim Director

SUBJECT: **S.B. 120, PROPOSED S.D. 1 - RELATING TO STATE FUNDS**

Hearing: Tuesday, March 1, 2011; 9:20 a.m.  
Conference Room 211, State Capitol

**PURPOSE:** The purpose of this bill is to repeal certain special funds and transfer the balances to the state general fund.

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) does not oppose the deletion of the State Pharmacy Assistance Special Fund in Section 62 and the deletion of the Hawaii Rx Plus Special Fund in Section 61 of this bill. DHS does have concerns on Section 51 of this bill on how the SPAP co-payments are paid.

Additionally, the Department would recommend that the Legislature also consider the repeal of both the State Pharmacy Assistance Program and the Rx Plus program.

Section 62 deletes the State Pharmacy Assistance Special Fund. Section 51, however, amends how the Department may pay for the SPAP co-payments.

DHS is unclear as to the intent of the proposed language in Section 51 which states that SPAP may pay as determined by the Department. It is unclear if the intent is to have the Department pay for all or some of the co-payments only if it determines that

it has sufficient funds or that the Department has to pay something regardless of funding availability.

DHS requests the Legislature's consideration of the repeal of SPAP by deleting HRS 346-341 through 346-347. SPAP was established to assist eligible elderly and disabled individuals in defraying their cost of medically necessary prescriptions under the new Medicare part D drug benefit program. SPAP initially served those with incomes 0-100% FPL (i.e. Medicaid eligible) but was expanded 101-150% (Medicaid ineligible).

Currently, over 50% of the Medicare and Medicaid recipients would pay less than \$5 per month and over 95% would pay less than \$15 per month.

All DHS programs provide some use to people. But given the current economic downturn and reductions that DHS has to make, ending SPAP should be given top consideration for elimination because it is state-only funded and no federal funds would be lost.

Section 61 repeals the Rx Plus Special Fund. DHS supports the repeal of this special fund and also requests the Legislature to consider the repeal of the Hawaii Rx Plus program by deleting HRS 346-311 through 346-319. Similar discount pharmacy programs are available in all the Counties, so this program is no longer needed at the State level.

When Hawai'i Rx Plus began in July 2004, the State led the way by offering a drug discount card program that helped lower-income residents with out-of-pocket expenses for prescription medications.

Today, by contrast, many free drug discount cards are available – including ones more generous than Hawai'i Rx Plus that do not have income eligibility restrictions. The Hawai'i Rx Plus program is limited to individuals with household incomes at or below

350 percent of the Federal Poverty Level who do not have all their prescription drugs paid by insurance.

Also lessening the need for Hawai'i Rx Plus is the fact that many residents now receive prescription drug coverage through the Medicare Part D federal program, which started in January 2006. Prior to the launch of Medicare Part D, nearly 6,900 people used their Hawai'i Rx Plus discount cards. Last year, however, fewer than 2,500 people used their cards.

The original DHS contract to operate Hawai'i Rx Plus was with RxAmerica, a pharmacy benefits management company. CVS Caremark, which acquired RxAmerica in 2008, decided not to renew the Hawai'i Rx Plus contract when it expires this August.

DHS recently tried to procure a new vendor for Hawai'i Rx Plus but no bids were received.

Section 24 relates to the Medicaid Investigations Recovery Fund. DHS would defer to the Attorney General on this special fund.

Thank you for the opportunity to provide testimony/comments on this bill.

LATE

NEIL ABERCROMBIE  
GOVERNOR OF HAWAII



LORETTA J. FUDDY, A.C.S.W., M.P.H.  
ACTING DIRECTOR OF HEALTH

STATE OF HAWAII  
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HONOLULU, HAWAII 96801-3378

In reply, please refer to:  
File:

**Senate Committee on Ways and Means**

**SB 120, SD 1, Relating to State Funds  
Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.  
Acting Director of Health**

**March 1, 2011**

1 **Department's Position:** The department strongly opposes this measure.

2 **Fiscal Implications:** These special funds provide funding for operating expenses and many also fund  
3 staffing for these programs. Unless these special funded positions and operating expenses are replaced  
4 with general funds, the programs will be severely hampered or cease to operate.

5 **Purpose and Justification:** SB 120, SD 1 proposes to transfer funds from various Department of  
6 Health special funds to the State General Fund. The programs impacted by this measure provide critical  
7 services to maintain the health and safety of the people of Hawaii.

8  
9 Pursuant to section 37-52.3 (1), HRS, Criteria for the establishment and continuance of special funds, a  
10 Special Fund serves the purpose for which it was originally established and also reflects a clear nexus  
11 between the benefits sought and charges to its users and beneficiaries. Also section 37-62, HRS,  
12 Definitions, defines "Special Funds" as "funds which are dedicated or set aside by law for a specified  
13 object or purpose. As such, the special funds and the revenues deposited into these special funds from  
14 assessed fees or fines, have a clear nexus to the programs that are funded by these special funds.

15

1 For example, the Environmental Management Special Fund (EMSF) funds a total of 9.00 positions in  
2 the Solid and Hazardous Waste Branch. Positions funded by the solid waste tip fee are required to  
3 develop and implement departmental rules on solid waste management activities, implement the  
4 requirements of the Resource Conservation and Recovery Act (CFR part 258); review and approve or  
5 disapprove permit applications for solid waste management, special waste, and materials recycling  
6 facilities; inspect and assure compliance of permitted waste management facilities; investigate and  
7 initiate enforcement actions against violators and illegal operations; analyzes monitoring data relating to  
8 groundwater contamination, ash management and landfill gas generation; respond to complaints  
9 regarding illegal dumping or disposal of solid waste, or other special wastes. There are no other state  
10 agencies that would be able to provide these services. The position funded by the glass advanced  
11 disposal fee provides oversight to contracts for the recycling glass containers in each county. There are  
12 no other state agencies that would be able to provide these services. The reduction may have significant  
13 impact on funding glass recycling programs and may also result in a warm body reduction-in-force at  
14 the county level. Revenues from the advance tire surcharge fee are collected from companies that  
15 import new tires into Hawaii (tire wholesalers and new car dealers) and are intended for cleaning up  
16 illegal tire dumps throughout the state. The transfer of funds would eliminate the State's ability to  
17 initiate a cleanup of any tire piles that pose a risk to human health and the environment. Given the  
18 current economic climate, we expect more illegal dumping associated with companies avoiding cost to  
19 properly dispose and/or abandoning tires.

20

21

22 The Deposit Beverage Container Special Fund (DBCSF) would not be able to return deposits to the  
23 public without a sufficient available cash balance. It is critical for the Deposit Beverage Container  
24 program to retain an available cash balance of \$4-5 million per month to remain operable. The DBCSF  
25 cash balance can fluctuate by several million dollars due to the timing of deposits and expenditures of

1 considerable value. Maintaining adequate funds for the program is also critical because the program is  
2 drawing on funds collected in the beginning years when the redemption rate was lower. If the  
3 redemption rate is at 79% or higher, the container fee will have to be raised in order for the program to  
4 continue operations.

5  
6 The Program reimburses deposits (5-cents/container) and pays handling fees (2-4 cents/container) to  
7 certified redemption centers (CRCs) that pay the public. CRCs generally take out loans from lending  
8 institutions to pay deposits to the public and demand immediate payment from the Program in order to  
9 reduce the finance charges applied to their loans. The Program generates large purchase orders (P.O.s)  
10 to expedite payment to reimburse CRCs within two weeks. If the Program does not have an available  
11 and adequate cash balance, the Program is unable to pay the CRCs. CRCs also are paid handling fees  
12 for DBC material processed and transported for recycling. In general, CRCs need to store material until  
13 it is ready for shipment then submit claims for handling fees. The timing of handling fee claims is  
14 unpredictable and may be submitted well after the DBC material was originally redeemed. If the  
15 Program does not have sufficient funds available, payments on handling fee claims will be delayed.  
16 CRCs rely on the handling fees to offset processing and transportation costs.

17  
18 CRC managers have stated that, if payments on refund reimbursement and/or handling fee claims are  
19 significantly delayed, the CRCs will shutdown. Shutdown of the CRCs will result in CRC worker  
20 layoffs (adding to Hawaii's unemployed) and the elimination of DBC redemption centers. An estimated  
21 300 people work at CRCs around the state. The public outcry from the closed CRCs will be substantial  
22 and may have legal implications, e.g., inequity of paying DBC refunds and fees with no ability to  
23 redeem containers, etc.

24



1 An inadequate DBCSF available balance will result in no funding for the counties of Kauai and Hawaii.  
2 Without funding, the counties may have to lay off staff (4 warm bodies) and will be forced to terminate  
3 contracts with CRC operators. Terminating contracts with CRC operators will eliminate numerous  
4 subsidized redemption centers on the Big Island, i.e., ARC of Hilo CRCs, Maui (Hana CRC - remote  
5 location) and Lanai (only one CRC exists currently on Lanai).

6  
7 An inadequate available DBCSF balance will prevent payments on existing CRC infrastructure  
8 improvement contracts with private CRCs. The infrastructure improvement contracts are currently in  
9 effect and were executed in response to the Legislature's passage of Act 285, Session Laws 2007 (i.e.,  
10 adding HRS section 102.5, which authorized the issuance of such contracts to improve the CRC  
11 infrastructure, establish more CRCs, and, improve DBC redemption services). Besides terminating such  
12 customer service planned improvements, non-payment on these contracts could result in litigation from  
13 the companies' detrimental reliance, e.g., incurring debts and obligations under the contracts, etc.

14  
15 The Deposit Beverage Container Special Fund provides funding for a total of 11.00 budgeted full time  
16 positions at a personal services cost of \$613,569/year. Adequate cash balances are needed to ensure that  
17 funds are available for ongoing payroll. Unexpected shortages will result in staff uncertainty, turnover,  
18 and an accompanying negative effect on the efficiency and effectiveness of the program.

19  
20 These positions provide the administrative and technical resources necessary to ensure ongoing efficient  
21 operations of the Program. Without these positions, payments to CRCs will not be completed in a timely  
22 manner, accounting of revenues and expenditures may not be reconciled, the review and approval of  
23 CRC applications will not be completed, the inspection and assurance that facilities maintain compliance  
24 will not be completed, the investigations and enforcement of violators and illegal operations will also  
25 not be completed.

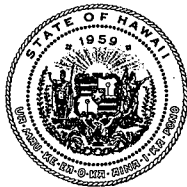
1  
2 The Emergency Medical Special Fund is used to fund ambulance service contracts statewide. In Act  
3 162, SLH 2009 the legislature changed the means of financing for ambulance service contracts by  
4 replacing \$9M in general funds with special funds for FY 2011. Later, to avoid a shortfall, by Act 180  
5 SLH 2010, the legislature changed the means of financing for \$4.5M from special funds to general funds  
6 for FY 2011. Contracts and MOA for ambulance services and EMT/MICT training are executed  
7 annually with a service start date of July 1. The funds for the current year encumbrances are available  
8 from the prior year collections and carry-over of unencumbered funds (July 1 through June 30).  
9 Contracts must be fully encumbered at the beginning of the contract period.

10  
11 The Drug Demand Reduction Assessments Special Fund is part of a federal grant whose terms require  
12 the state to expend funds exclusively for grant objectives. Redirection of funds without corresponding  
13 replenishment by general or other funds will result in sanctions, such as dollar-for-dollar reductions in  
14 future grant awards. Fund balance has increased to due recent changes to statute increasing the number  
15 of fineable offenses; the department recommends and is working towards adjusting corresponding  
16 ceilings.

17  
18 The Neurotrauma Special Fund is used to fund safety net programs for stakeholders who would  
19 otherwise have little or no means to address rehabilitation. Approximately \$1M was transferred from  
20 the fund by Act 192. The Developmental Disabilities Division is working to increase the ceiling for this  
21 fund given new plans for contracts and projects intended to expand the network of services available to  
22 neurotrauma victims.

23

24 Thank you for the opportunity to testify.



LATE

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TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION

SENATE COMMITTEE ON WAYS AND MEANS

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To fulfill the above statutory requirement the DOT has been working closely with the rental motor vehicle industry and has established a statewide master plan for development of new rental motor vehicle customer facilities along with a plan of finance. The plan of finance requires an accumulation of rental motor vehicle customer facility charges in the rental motor vehicle customer facility charge fund so that future lump sum encumbrances can be made for construction projects. Prior to the encumbrance there may be unexpended collections in the rental motor vehicle customer facility charge fund however, these funds are reserved for specific future uses.

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**STATE OF HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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March 1, 2011

To: The Honorable David Y. Ige, Chair  
and Members of the Senate Committee on Ways and Means

Date: Tuesday, March 1, 2011  
Time: 9:20 a.m.  
Place: Conference Room 211, State Capitol

From: Dwight Takamine, Director  
Department of Labor and Industrial Relations

**Re: S.B. No. 120, Proposed S.D. 1, Relating to State Funds**

**I. OVERVIEW OF PROPOSED LEGISLATION**

S.B. 120, Proposed S.D.1, authorizes the transfer of \$700,000 from the employment and training fund, or as much as may be necessary, to the general fund for fiscal year 2011-2012.

**II. CURRENT LAW**

Section 383-128, Hawaii Revised Statutes, established the Employment and Training Fund (ETF) as a special fund collected at an assessment rate of .01 percent, pursuant to Section 383-129. The moneys in the ETF may be used for funding:

1. The operation of the state employment service for which no federal funds have been allocated;
2. Business-specific training programs to create a more diversified job base and to carry out the purposes of the new industry training program pursuant to Section 394-8;

3. Industry or employer specific training programs where there are critical skill shortages in high growth occupational or industry areas;
4. Training and retraining programs to assist workers who have become recently unemployed or likely to be unemployed;
5. Programs to assist residents who do not otherwise qualify for federal or state job training programs to overcome employment barriers; and
6. Training programs to provide job specific skills for individuals in need of assistance to improve career employment prospects.

Employers who use or are assisted by any of these programs are required to contribute fifty percent of the cost of the assistance in cash or in-kind contributions.

### **III. SENATE BILL**

While the Department supports the bill's intent to balance the state budget, we oppose the transfer of the ETF fund balance to general funds. The ETF Program is a vital resource for workforce development because it is the only program that can upgrade workforce skills of any business. Unlike federal job training programs that target individuals with employment barriers, the ETF provides businesses with the opportunity to upgrade the skills of the incumbent workforce from entry-level to top management and allows workers to acquire the job skills necessary to keep pace with local, national, and international competitors. These funds are designed specifically to help keep Hawaii's workforce competitive at the cutting edge of their chosen profession and occupations, which is crucial to the State's economic recovery.

For example, ETF supported the 2008 Hawaii Clean Energy Initiative by conducting two RFP solicitations for green training projects in March and July of 2009. This resulted in the award of four grants to develop innovative training programs in Energy Management, Green Building Skills, Building Operator Certification, and On-Farm Food Safety Certification Training to promote an increased demand for local agricultural production. Three of the four projects have established successful green training programs that are currently being operated and sustained by the grant awardees or their subcontractors. The fourth grant has been extended through October 2011.

ETF also supports workforce development initiatives such as the Volunteer Internship Program (VIP). VIP is a Hawaii Department of Labor and Industrial Relations (DLIR)

initiative designed to stimulate job growth in Hawaii. VIP is a voluntary program that allows job seekers, especially those receiving unemployment insurance (UI) benefits, to gain practical, hands-on training at a jobsite. Claimants continue to receive UI benefits throughout the duration of their internship. An early cost-benefit analysis conducted for the first quarter of the program identified a total estimated savings of \$40,000 to the UI Trust Fund and \$27,000 for Federal Extended UI Benefits from the first 28 interns who returned back to work upon completion of their VIP-sponsored internship. This strongly suggests that this program helps preserve the solvency of the UI Trust Fund for a longer period. As of December 31, 2010, 221 VIP interns were matched with businesses, of which a total of 75 participants (or 34%) self-reported their gaining employment with either their VIP business sponsor (29) or another employer (46).

Start-up costs for VIP were initially funded through Reed Act funds through June 30, 2010. WDD was able to temporarily fund the program through Federal funds received by the ARRA for Re-employment Services (RES), however, this funding source lapsed on September 30, 2010 and no other funding source was available to support the program in its entirety. By September 30, 2010, sufficient funds were collected in the ETF fund to allocate monies toward the continued support of VIP beginning in January 2011.

Due to the availability of sufficient funds, ETF also reinstated its Employer Referral/Micro program and extended supplemental agreements with 14 existing training providers to provide training services beginning in January 2011. The Micro Program, also known as the Employer Referral Program, enables employers to register their workers to receive ETF funding for existing short-term, non-credit training courses in order to upgrade employees' capabilities to meet the competitive demand of the workplace.

In summary, ETF has proven to be a vital and important part of workforce strategies to facilitate the creation of jobs in partnership with the private sector and upgrading the skills of Hawaii's workforce. As of February 3, 2011, the ETF balance was \$1,484,000. However, this balance, minus a total of \$110,000 in encumbered funds remaining for macro projects; a total of \$1,000,000 in encumbered funds allocated to the WDD Local Offices to reinstate the ETF Employer Referral/Micro Program and VIP; UI cost of \$240,000; and ETF Administrative cost of \$100,000 (total of \$1,450,000), would leave a remaining projected balance of \$34,000 by June 30, 2011. Therefore, a projected excess balance of \$700,000 may not be available by the beginning of fiscal year 2011-2012.

In addition, if the excess fund balance is withdrawn from the ETF fund, the program will be unable to sustain funding of current services to employers and upgrading of Hawaii's workforce. We therefore request that Section 39 of the bill be removed to exclude the authorization of transfer of ETF special fund established under Section 383-128, Hawaii Revised Statutes.



**STATE OF HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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**LATE**

February 28, 2011

To: The Honorable David Y. Ige, Chair  
and Members of the Senate Committee on Ways & Means

Date: Tuesday, March 1, 2011  
Time: 9:20 a.m.  
Place: Conference Room 211, State Capitol

From: Dwight Takamine, Director  
Department of Labor and Industrial Relations

**Re: S.B. 120 S.D. 1 Relating to State Funds**

**I. OVERVIEW OF PROPOSED LEGISLATION**

S.B. 120 S.D. 1 proposes to transfer \$1,000,000 from the special unemployment insurance administration (SUIA) fund under §383-127, HRS effective July 1, 2011 in order to help address the critical budget shortfall in fiscal year 2011-2012.

**II. CURRENT LAW**

The SUIA fund was statutorily established in 1987 as a special fund to augment federal administrative grants due to reductions in federal funding in order to maintain the level of services to unemployed individuals that is necessary to preserve the quality and integrity of the UI program.

**III. SENATE BILL**

The Department is strongly opposed to this measure for the following reasons:

1. The SUIA fund was established by the Legislature in 1987 in response to the funding cutbacks faced by the UI Division as USDOL reduced administrative funding drastically nationwide and as funds contingent on workload levels



diminished due to improved economic conditions. Since the UI program is 100% federally financed and is wholly dependent upon USDOL's annual allocation to meet staffing needs, there are no alternative means of funding in years when shortfalls in federal resources occur because of budget reductions or when workload levels are insufficient to generate adequate funding for minimum UI staffing levels. The UI Division is provided a "base funding" level each year to process a percentage of the estimated workloads for the year. If actual workloads exceed the "base level", the UI Division receives additional contingency funds to process the workloads above the base level. If workloads are below the base level the UI Division does not receive any additional funding. To avoid a reduction-in-force, SUIA funds are used to augment federal base level funding. The SUIA funds are used during periods of low unemployment following recessionary periods when peak workloads require high staffing levels. The SUIA funds were critical in averting a reduction-in-force between 2003 and 2007 when Hawaii lost nearly \$500,000 in annual UI administrative funds when the federal Temporary Emergency Unemployment Compensation program, which paid 13 additional weeks of benefits, was phased out in 2003. Between 2003 and 2007, over \$2.2 million dollars were expended out of the SUIA fund to avoid a reduction-in-force of 11 permanent full time UI Specialists. The use of the SUIA was instrumental in enabling the UI Division to meet all of its federal timeliness performance standards.

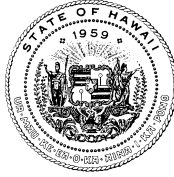
The UI Division is facing a similar situation in FY 2012 when the federal Emergency Unemployment Compensation (EUC) program, which pays 47 weeks of additional weeks of benefits phases out on June 9, 2012. The loss in administration funding, however, is **six times larger** than the \$500,000 lost in 2003 as over \$3.1 million in administrative funds will be lost. In addition, Hawaii also faces a 5% reduction, estimated at \$700,000, in its base funding level in 2012 due to the "under usage of federal funds" caused by the imposition of 10.5 months of furloughs starting in October 2009. Furthermore, it is projected that Hawaii's administrative funding from the USDOL may either be frozen at FY 2012 levels under President Obama's budget or reduced further due to Congressional action to reduce the national deficit. In order to avert a significant reduction-in-force which will leave many thousands of pending claims unprocessed indefinitely, the UI Division will, as it did during the period between FY 2003 and FY 2007, use the SUIA funds to augment the projected loss in federal funding.

Currently, there are over 9,000 claims whose benefit payments are being held up because of an issue. Additional claims taking or a nonmonetary determination must be completed in order to determine eligibility for the week(s) of

unemployment. In addition, there are over 31,800 weeks of unemployment pending an eligibility determination and over 5,800 potential overpayments that are pending resolution. A majority of the backlog of pending work were caused by the 10.5 months of furloughs starting in October 2009. Although the funding for the backlog of work have already been received in a prior fiscal year, staff are still required to complete the claims taking activity, complete the eligibility determination and resolve the potential overpayment issue. Assuming that the EUC program was to end today, over \$3.1 million in federal funds would also end. As a result, funding for over 27% of the approximately 215 existing employees or the equivalent of 58 full time staff would also end and require the UI Division to significantly reduce the hours of our current part time UI Assistant staff and/or initiate action to layoff permanent full time UI Assistant or UI Specialist employees. Without the services of these employees, most of the 9,000 pending issues, 31,800 pending weeks of unemployment and the 5,800 pending overpayments cases will either remain unprocessed or processed only after lengthy delays due to inadequate staffing. Due to the expected delays in processing, the UI Division will also not be able to meet its federal timeliness standards.

In order to avert a reduction-in-force of both part-time and permanent employees, to insure that backlogs of pending issues, pending weeks of unemployment and pending overpayment cases are resolved in a timely manner and to enable the UI Division to meet its federal timeliness standards, it is estimated that the entire current balance of over \$3.5 million in the SUIA fund will be needed to partially offset the loss of \$4.5 million in federal administrative funds in FY 2012 and FY 2013. In addition, it is estimated that all revenues for future fiscal years, estimated at \$500,000 per year, will be used to avert a reduction-in-force of 8-9 permanent full time UI specialists until such time that federal administrative funds are restored to adequate levels.

A raid of \$1 million from the fund would necessitate a reduction in force of the equivalent of 18 fulltime UI Assistant staff or 8% of the total current staff. Again, without the services of these employees, the UI Division will not be able to reduce the current backlogs of 9,000 pending issues, 31,800 pending weeks of unemployment and the 5,800 pending overpayment cases. As a result, these backlogs will either remain unprocessed or processed only after lengthy delays. In addition, due to the expected delays in processing, the UI Division will also not be able to meet its federal timeliness standards.



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**LATE**

March 1, 2011

To: The Honorable David Y. Ige, Chair  
and Members of the Senate Committee on Ways and Means

Date: Tuesday, March 1, 2011

Time: 9:20 a.m.

Place: Conference Room 211, State Capitol

From: Dwight Y. Takamine, Director  
Department of Labor and Industrial Relations

**Testimony in OPPOSITION to  
S.B. 120 S.D 1 (Proposed)**

**I. OVERVIEW OF PROPOSED LEGISLATION**

SB 120 SD 1 (Proposed) authorizes the director of finance to transfer from the special fund for disability benefits to the general fund the sum of \$1,000,000 or so much thereof as may be necessary effective July 1, 2011. The proposal also authorizes the director of finance to transfer from the special premium supplementation fund to the general fund the sum of \$1,000,000 or so much thereof as may be necessary effective July 1, 2011.

**II. CURRENT LAW**

- Special Fund for Disability Benefits
  - Purpose. This Temporary Disability Insurance (TDI) fund was established in 1969 under Section 392-61 to pay benefits to individuals who become temporarily disabled while unemployed and are ineligible for unemployment insurance benefits. The fund also pays temporary disability benefits to employees who are entitled to benefits but cannot receive them because of employer bankruptcy or employer noncompliance with the TDI law. In 2009, the fund became responsible for paying for the establishment and maintenance of a family leave data collection system under section 398-9.5.

- Funding. In 1969, a one-time assessment on employers was used to establish the fund. Since then, revenues are primarily from interest income and receipts from fines and penalties enforced through the TDI law. No general fund monies were ever used to fund the special fund for disability benefits.
- Premium Supplementation Fund
  - Purpose. The Prepaid Health Care (PHC) Premium Supplementation Fund was established in 1974 under Section 393-41, HRS, to supplement health care insurance premium payments for certain employers with fewer than eight employees. In 1978, prepaid health care benefits coverage was added for employees who are entitled to receive benefits but whose employers are bankrupt or noncompliant with the State's PHC Act.
  - Funding. The fund was established by an initial appropriation from the State's general fund. Since then, revenues have been primarily from interest income and receipts from fines and penalties collected under the Act.

### III. SENATE BILL

The Department s strongly opposed to the intent of this bill for the following reasons:

- Trust Fund Status
  - The special fund for disability benefits and the premium supplementation fund have been defined as a trust fund by the Attorney General and as reported by the Legislative Auditor.
  - DCD contends that the funds' status as a trust fund prevents the transfer of monies from the funds to the general fund.
  - DCD recommends further study by the Attorney General to determine the Legislature's ability to transfer non-general fund monies to the general fund.
- Special Fund for Disability Benefits
  - Effects. Transferring \$1,000,000 from this fund will have the following effects:
    - The fund balance will be reduced to \$1.5 million.
    - Anticipated interest from \$1.5 million at the current rate of return of 1.5% is \$22,500 annually.

- DCD will require at least \$65,000 annually to carry out the TDI Special Fund requirements of the TDI law. This amount does not include funding an undetermined amount of monies for the establishment and maintenance of a family leave data collection system.
  - If the fund balance falls below \$500,000, carriers and self-insured employers will be assessed an amount to bring the fund balance to \$500,000. Since the amount of annual expenditures will exceed revenues every year, the balance will eventually fall below \$500,000 creating a permanent need to assess carriers and self-insured employers on an annual basis. DCD will require one (1) professional and one (1) clerical positions to assess, collect and keep track of the fund balance.
- Premium Supplementation Fund (PSF)
- Effects. Transferring \$1,000,000 from this fund will have the following effects:
    - The fund balance will be reduced to \$1.4 million.
    - Anticipated interest from \$1.4 million at the current rate of return of 1.5% is \$21,000 annually.
    - DCD will require at least \$300,000 annually to carry out the PSF requirements under the PHC law.
    - DCD estimates the fund to be exhausted in five (5) years, after which the general fund will need to replenish the PSF by at least \$300,000 annually.

LATE



HAWAII COMMUNITY  
DEVELOPMENT AUTHORITY



KAKAOKO  
KALAELOA

Neil Abercrombie  
Governor

C. Scott Bradley  
Chairperson

Anthony J. H. Ching  
Executive Director

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Web site  
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STATEMENT OF

ANTHONY J. H. CHING, EXECUTIVE DIRECTOR  
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

BEFORE THE

SENATE COMMITTEE ON WAYS AND MEANS

TUESDAY, MARCH 1, 2011

9:20 A.M.

State Capitol, Conference Room 211

**S.B. 120, S.D. 1 PROPOSED – RELATING TO STATE FUNDS.**

**Purpose:** Repeals certain special funds and transfers balances from some funds to the General Fund. Section 29 transfers \$2,000,000 from the HCDA Revolving Fund for Fiscal Year 2011-2012.

**Position:** With respect only to Section 29, the HCDA requests that this section is deleted in its entirety from the proposal. The HCDA defers to the other state agencies and programs with respect to the other provisions of this proposal.

The HCDA was established as a public corporate instrumentality of the State of Hawaii to plan and administer community development in districts identified by the State Legislature. The State Legislature has designated two such districts thus far. Community development districts have been established in Kakaako and Kalaeloa.

To carry out its mandate, the HCDA is currently implementing a set of priority and planned revolving fund construction projects. Projects completed or substantially completed to date include: Makai Area drainage project; construction of Kolowalu Park; installing traffic lights at the Queen/Kamakee intersection; remediation of Makai Area lots/interim parking facility;

acquisition of a 30,000 sf development lot in Central Kakaako; Waterfront, Gateway, Kewalo Basin Parks Repair; and development of a Makai Area Master Plan.

Projects underway include: construction of the Halekauwila Place [(a 204 affordable rental unit project and regional parking)(\$17 M)]; Mother Waldron Park Repair (\$1.4 M); development of power, telecommunication and cable utilities at the Enterprise Road Project in Kalaeloa (\$5.6 M); and repair of the Kewalo Basin Harbor (\$4.9 M). In addition, personnel (salary and fringe benefits) costs for 4 FTE and agency operational expenses are supported by the HCDA revolving fund. The HCDA Revolving Fund’s current summary follows.

Revolving Fund Balance	\$36,674,375
Contract Balances and Balance of Authority Approvals	\$36,653,000
Total (Fund Balance/Contracts & Approvals)	\$21,375
Other Factors	
Act SLH 2010 transfer from revolving to general fund	(\$1,000,000)
Reduction in scope of Remediation/Interim Parking Facility Project	\$1,000,000
Adjusted Balance	\$21,375
SB 120 Proposed transfer of \$2 M from revolving to general fund	(\$2,000,000)
Adjusted Balance	(\$1,978,625)

*Summary.* The transfer of \$1M specified by Act 192 Section 7 SLH 2010 has not yet taken place. To cover this transfer, the \$4.9 M Makai Area remediation/interim parking facility project budget has been reduced by approximately \$1 M. With this change all existing projects and the Act 192 transfer, the HCDA revolving fund balance will be approximately \$21,375.

Should section 29 of SB 120 be enacted, the HCDA fund balance would be unable to cover the approved and encumbered projects that the HCDA is currently administering. As all projects support community development and economic

activity critical to the State's recovery, there are no clear cut choices to trim the existing project list.

Accordingly, the deletion of section 29 of the proposal is strongly recommended by the HCDA. Thank you for the opportunity to provide testimony on this important subject.



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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 28, 2011 4:22 PM  
**To:** WAM Testimony  
**Cc:** dmathers@hawaii.edu  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: David Mathers  
Organization: Individual  
Address:  
Phone:  
E-mail: [dmathers@hawaii.edu](mailto:dmathers@hawaii.edu)  
Submitted on: 2/28/2011

**Comments:**

I am a student at the University of Hawaii at Hilo. I understand that SB 120 would affect money charged to students as Student Activity Fees and appropriate them for other uses. This would be an outrage. As fees and tuition rise, to take fees collected under one pretext and sweep them away into the State General Fund is completely unfair to students. Those fees should be used for the purpose for which they are charged to students, that is, to fund student service and activities. Balance your budget shortfall in a more forthright and upstanding manner than breaking into someone else's piggybank. Raising taxes on those who can well afford it is a more equitable choice. It is no secret that there are those who are doing very well in these times and can easily afford to pay more in taxes rather than shifting an additional tax burden onto those who can ill afford it, while simultaneously cutting services at the same time. As a student, I am outraged at the underhandedness at work here. As a taxpayer, I am chagrined to see again the craven manner in which the state expects to force more from those with less. As a voter, I will remember those who vote to move this measure forward and do what I can to oppose them in the future. SB 120 is bad law, poorly informed, and should be relegated to the scrapheap of tired ideas.

---

**From:** Ariana Lemisio [arianal@hawaii.edu]  
**Sent:** Monday, February 28, 2011 4:33 PM  
**To:** WAM Testimony  
**Subject:** SB120, SD 1 - Tuesday, March 1st at 9:20 am

**Categories:** Yellow Category

Good Afternoon,

My name is Ariana Lemisio and I rushed home to write this testimonial! I have just joined the Student Activities Board this semester and I cannot believe that there is a bill seeking to take money from not only our college but all community colleges on island! I finally found a group on campus that I not only get along with but I feel genuinely want to see each and every member be the best they can be, and today I learn it is being jeopardized by bill SB120. A lot of what our meetings consist of goes to the careful thought and consideration of where and what our money should be used for. We look to help any and all students and faculty in their endeavors in any way we can and if our money is taken from us not only will we not be able to help them, we will be helpless to fundraise for ourselves! This bill should not pass, it just takes more money out of students hands for purposes not intended to directly assist students in their educational journey. I understand that my testimony is late, but my thoughts and feelings are valid nonetheless.

Sincerely,  
Ariana Lemisio

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 28, 2011 4:35 PM  
**To:** WAM Testimony  
**Cc:** sclassen@hawaii.edu  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Stephan Classen  
Organization:  
Address:  
Phone:  
E-mail: [sclassen@hawaii.edu](mailto:sclassen@hawaii.edu)  
Submitted on: 2/28/2011

**Comments:**

I would simply like to oppose SB 120, as it would damage the ability of fund student activities in college settings. Activities in college are vital for students looking for future employment, as extracurricular activities and events are not simply for socializing, but rather vitally necessary in order to be competitive in the job market, both in state and beyond.

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 28, 2011 4:36 PM  
**To:** WAM Testimony  
**Cc:** nikitin@hawaii.edu  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM  
**Attachments:** OPPOSITION.docx; OPPOSITION.docx

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Stan Nikitin  
Organization: Individual  
Address:  
Phone:  
E-mail: [nikitin@hawaii.edu](mailto:nikitin@hawaii.edu)  
Submitted on: 2/28/2011

**Comments:**

Please think of the students. You take so much away from us and the school. We have families and still want the pursuit of education. I am in extreme opposition of this bill. Mahalo.

To whom it may concern,

This statement is testimony in opposition of the bill SB120. As a member of the inaugural class of the University of Hawaii Hilo College of Pharmacy, I am living proof of the product of life at the University. The activities monies we pay is not languishing, it's contrariwise watering and growing an amazing student body. In the town of Hilo, more often than not, the activities happening on the UHH campus are the center of the entire community. Festivals, cultural demonstrations, seminars, and other activities funded by some of this money are essential to life on the Big Island of Hawaii.

I could not fathom a life near the UHH campus without these events and activities funded by these monies. And such new additions to the UHH campus like the Student Life Center were absolutely essential in keeping me healthy, fit, and motivated to forge ahead in the brand new doctoral program. Only through these special programs funded in part by the activities moneys we students pay to the University of Hawaii at Hilo have I, and the rest of my class, made it to the very eve of our glorious graduation day on May 14, 2011.

As an out of state resident, I feel very threatened that any money that I have directly paid to my university would be swept into some nebulous "State Fund" for which I will see no benefit from.

Please consider my plea and testimony in opposition of the bill SB120. And when the newspapers and all media of the Big Island of Hawaii are broadcasting and celebrating our inaugural class of Doctoral students, Doctors of Pharmacy grown right here in Hawaii for the first time ever, realize that half of us are out of state residents. I understand the College of Pharmacy to be a rather lucrative and important program for our campus and the state of Hawaii, so why would you threaten us by denying us the small fees and moneys paid to the university for special programs? The only way we benefit is directly through the university and not through some government operated state fund in a state that's not our own.

Thank you for reading.

Sincerely,

Jennifer Zbylski

Candidate for PharmD, Inaugural Class of 2011

University of Hawaii at Hilo College of Pharmacy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 28, 2011 5:14 PM  
**To:** WAM Testimony  
**Cc:** kanoesc@hawaii.edu  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Kanoe Case  
Organization: ASUH-HawCC  
Address:  
Phone:  
E-mail: [kanoesc@hawaii.edu](mailto:kanoesc@hawaii.edu)  
Submitted on: 2/28/2011

**Comments:**

On behalf of Hawaii Community College student body, we oppose SB120, draft 1. It is a student right that we obtain and manage these student fees for student life to thrive on campus. Mahalo!!

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 28, 2011 5:54 PM  
**To:** WAM Testimony  
**Cc:** gayleb@hawaii.edu  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Gayle Bovee  
Organization: Individual  
Address:  
Phone:  
E-mail: [gayleb@hawaii.edu](mailto:gayleb@hawaii.edu)  
Submitted on: 2/28/2011

Comments:

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 28, 2011 6:07 PM  
**To:** WAM Testimony  
**Cc:** lozanoj@hawaii.edu  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Justin Lozano  
Organization: Individual  
Address:  
Phone:  
E-mail: [lozanoj@hawaii.edu](mailto:lozanoj@hawaii.edu)  
Submitted on: 2/28/2011

**Comments:**

Please don't allow this to pass! What will be done by students if our funds are swept to the State General Fund!? This is not the way things should progress with our University.



---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 28, 2011 6:07 PM  
**To:** WAM Testimony  
**Cc:** brian.yannutz@gmail.com  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Brian Yannutz  
Organization: Individual  
Address:  
Phone:  
E-mail: [brian.yannutz@gmail.com](mailto:brian.yannutz@gmail.com)  
Submitted on: 2/28/2011

Comments:

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 28, 2011 6:11 PM  
**To:** WAM Testimony  
**Cc:** stanleyl@hawaii.edu  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Stanley Lee  
Organization: Individual  
Address:  
Phone:  
E-mail: [stanleyl@hawaii.edu](mailto:stanleyl@hawaii.edu)  
Submitted on: 2/28/2011

**Comments:**

Transferring UH special funds to the State General Fund will seriously hamper educational efforts being made in the UH system. As the student media adviser, these funds are critical to the operation of the student publication at Leeward Community College. Our publication serves as a learning opportunity for students and to exercise our rights to seek, gather and disseminate information.

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 28, 2011 6:44 PM  
**To:** WAM Testimony  
**Cc:** drutter@hawaii.edu  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Daniel Rutter  
Organization: Individual  
Address:  
Phone:  
E-mail: [drutter@hawaii.edu](mailto:drutter@hawaii.edu)  
Submitted on: 2/28/2011

Comments:

As a full time, hard working student and a tax paying voter; I find your attempts to "STEAL" our money possitivaly appaling and will fight you tooth and nail.

Education should be a top priority in this country. It is sadd that it has taken a back seat to other things that you find more important - and it isno wonder that America is quickly falling behind the rest of the world in the education of our youth.

YOU SHOULD BE ASSHAMED OF YOURSELF FOR EVEN CONSIDERING SUCH AN APPALING PURPOSAL!!!

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 28, 2011 7:01 PM  
**To:** WAM Testimony  
**Cc:** floatinggrin@gmail.com  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Liv Johnson  
Organization: Individual  
Address:  
Phone:  
E-mail: [floatinggrin@gmail.com](mailto:floatinggrin@gmail.com)  
Submitted on: 2/28/2011

Comments:

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 28, 2011 7:02 PM  
**To:** WAM Testimony  
**Cc:** promised@hawaii.edu  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Promise DePeralta  
Organization: Individual  
Address:  
Phone:  
E-mail: [promised@hawaii.edu](mailto:promised@hawaii.edu)  
Submitted on: 2/28/2011

Comments:  
Please leave the money to the students!

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 28, 2011 7:14 PM  
**To:** WAM Testimony  
**Cc:** warai@hawaii.edu  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: whiteeagle arai  
Organization: Individual  
Address:  
Phone:  
E-mail: [warai@hawaii.edu](mailto:warai@hawaii.edu)  
Submitted on: 2/28/2011

Comments:

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**From:** Diane Sater [dsater@hawaii.edu]  
**Sent:** Monday, February 28, 2011 7:15 PM  
**To:** WAM Testimony  
**Subject:** SB120, SD 1  
  
**Categories:** Yellow Category

My name is Diane Sater. Phone number is 808 826 0020. I oppose SB 120. I'm a student at Kauai Community College.

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 28, 2011 7:41 PM  
**To:** WAM Testimony  
**Cc:** porknpeas@gmail.com  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Travis Agbayani  
Organization: Individual  
Address:  
Phone:  
E-mail: [porknpeas@gmail.com](mailto:porknpeas@gmail.com)  
Submitted on: 2/28/2011

Comments:



Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211

Testifier position: oppose

Testifier will be present: No

Submitted by: Johanna Murch

Organization: Individual

Address:

Phone:

E-mail: [jmurch@hawaii.edu](mailto:jmurch@hawaii.edu)

Submitted on: 2/28/2011

Comments:

I am a student at UH-Hilo.

I have a disability.

I use the funds provided to UH for many things. Without the programs that these funds support I would never have come to UH-Hilo. They are a fundamental important part of my education. My votes in future elections and financial support of future campaigns WILL change if this bill is allowed to pass. All people involved I will directly relate to my lack of options in University. My quality of life will DRAMATICLY drop. Programs like the ones that SB120 supports deleting keep students positively involved in the community and school. Instead of doing drugs and partying like many 20 something year olds, I participate in campus clubs, volunteer to help the poor and educate others. All these POSITIVE outputs would be much harder for me to achieve without the various programs SB120 proposes cutting funding to. I appeal to all involved. Do not pass SB120.

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 28, 2011 8:28 PM  
**To:** WAM Testimony  
**Cc:** bad@hawaii.edu  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM  
**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Brittany Dolan  
Organization: University of Hawaii at Hilo  
Address:  
Phone:  
E-mail: [bad@hawaii.edu](mailto:bad@hawaii.edu)  
Submitted on: 2/28/2011

Comments:

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 28, 2011 8:45 PM  
**To:** WAM Testimony  
**Cc:** sholley@hawaii.edu  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Simon Holley  
Organization: Individual  
Address:  
Phone:  
E-mail: [sholley@hawaii.edu](mailto:sholley@hawaii.edu)  
Submitted on: 2/28/2011

**Comments:**

Granted we are in a financial crisis, but using Student Activity Fees for the State General Fund is not a solution. Students have it hard enough already. Please don't take away the little means students have towards activities.

From: mailinglist@capitol.hawaii.gov  
Sent: Monday, February 28, 2011 8:48 PM  
To: WAM Testimony  
Cc: holleyj@hawaii.edu  
Subject: Testimony for SB120 on 3/1/2011 9:20:00 AM

Categories: Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Jeraldine Holley  
Organization: Individual  
Address:  
Phone:  
E-mail: [holleyj@hawaii.edu](mailto:holleyj@hawaii.edu)  
Submitted on: 2/28/2011

Comments:

Granted we are in a financial crisis, but using Student Activity Fees for the State General Fund is not a solution. Students have it hard enough already. Please don't take away the little means students have towards activities.

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 28, 2011 8:53 PM  
**To:** WAM Testimony  
**Cc:** jkas@hawaii.edu  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Jasmine Ah Sing  
Organization: Individual  
Address:  
Phone:  
E-mail: [jkas@hawaii.edu](mailto:jkas@hawaii.edu)  
Submitted on: 2/28/2011

**Comments:**

Granted we are in a financial crisis, but using Student Activity Fees for the State General Fund is not a solution. Students have it hard enough already. Please don't take away the little means students have towards activities.

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 28, 2011 9:50 PM  
**To:** WAM Testimony  
**Cc:** martinhodapp@gmail.com  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Martin Hodapp  
Organization: Individual  
Address:  
Phone:  
E-mail: [martinhodapp@gmail.com](mailto:martinhodapp@gmail.com)  
Submitted on: 2/28/2011

**Comments:**

I strongly oppose SB120. University students have already suffered enough hardship from the necessary cost cutting measures the university has implemented. For example, the registration period was shortened by a full week in order to save electricity costs by shutting the computer system off early. Depriving the university of the funds specified in SB120 will further increase the hardship experienced by university students.

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 28, 2011 9:55 PM  
**To:** WAM Testimony  
**Cc:** hodappm@hawaii.edu  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Marianne Hodapp  
Organization: Individual  
Address:  
Phone:  
E-mail: [hodappm@hawaii.edu](mailto:hodappm@hawaii.edu)  
Submitted on: 2/28/2011

**Comments:**

A state university needs some degree of independence. Therefore I strongly oppose SB120.

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 28, 2011 10:20 PM  
**To:** WAM Testimony  
**Cc:** kmaquino@hawaii.edu  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Kamakana Aquino  
Organization: Individual  
Address:  
Phone:  
E-mail: [kmaquino@hawaii.edu](mailto:kmaquino@hawaii.edu)  
Submitted on: 2/28/2011

**Comments:**

Aloha mai Senate Committee on Ways and Means, Please consider this my OPPOSITION to SB120. I am a Senior that will be completing my BA Hawaiian Studies this Spring 2011 semester. As a college student at UHM, we are required to pay student fees as approved by the BOR. These fees are set aside for student activities at UHM. I also receive Financial Aid and scholarships to pay for those fees and any other educational related expenses. As a an active student at UHM, I expect these fees used exclusively as approved by the BOR and used appropriately by UHM. Please allow student fees to benefit students.

mahalo nui,  
Kamakana Aquino



LATE

Aloha kākou,

My name is Noah J. Gomes and I wish to express my opposition to SB 120, whose hearing is on March 1, 2011 at 9:20 am. The bill is far too vast and sweeping in the changes it proposes and has the potential to severely affect far too many aspects of education and university life within the University of Hawai'i system. I therefore oppose this bill. Mahalo for your time.

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 28, 2011 10:33 PM  
**To:** WAM Testimony  
**Cc:** tmanz@hawaii.edu  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM  
**Attachments:** Untitleddocument (1).pdf

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Zachary Tman  
Organization: Individual  
Address:  
Phone:  
E-mail: [tmanz@hawaii.edu](mailto:tmanz@hawaii.edu)  
Submitted on: 2/28/2011

Comments:  
Aloha and Mahalo.

Ask any student at the UH Hilo campus what they think of the bill, and they would tell you straight that they think it's ridiculous and a potential threat to their education. Quite frankly, it's offensive to the majority of the students of UH Hilo. As a student myself, I place a high value on the student services that the university offers and I also take part in them. To realize that it all might be taken away because the government is having what everybody is referring to as "monetary issues" is really a student nightmare. It's worse than my professor telling me that he's not going to accept my late homework even though I worked my butt off for it (it was A+ material). Sure, the government is having money issues, but does it have to be the university that pays for this. Truth is, it's not the university that is going to pay, it's us the students who are going to pay. If the money is taken, we students are looking at the possibility of increased tuition fares, more fees, and even more expenses because the services provided by the university for its students are no longer free. I'm not saying students are taking an advantage of the free stuff, all I am saying is that the free student services that we are offered by the university are a major help to us. Some of us can't even afford these services. If the money is taken, free student services that are crucial to every student's education like tutoring, counseling, advising, and such will be affected. It will only provide a negative outcome for the students and staff of UH Hilo. But of course, this is an already known fact.

I've read the entire bill, and I have one question I want to ask...."What is the consequence if this bill is passed?" The question is not for me to answer, but for those who are working on the bill. I am also vaguely aware and concerned about the part of the bill that affects us students. Several areas crucial to the university and its students are mentioned. Some have been crossed out. The theatre, if I am correct, is also affected by this bill. I'm hoping that someone would at least consider that the theatre is not only for show, it's also a building that serves as the university's recreational center, a place to display art, and even a big part of many majors offered at the university such as Performing Arts and Music. The theatre's ticket sales, performance shows, and anything else that the university may gain money from is also crucial to the students in that this is the money used to repair the building itself, acquire materials, and even pay for some student's musical instruments and performance costumes. All of this is important to the student and staff.

I would seriously go over the entire bill but I have a ton of other homework that I would "love" to get too because if I don't, my professor will give me the dreaded and heartbreaking evil eye.

All I want to say is that I hope the bill is reconsidered or at least changed in a way that doesn't deal a huge blow to us students. This might sound cheesy but if we are the potential future leaders of Hawaii or another country or state, this bill is going to affect us. Maybe the consequences are not big to anybody, but they're big to us because it impacts us on a great deal. So please reconsider.

My apologies for the informalities in this testimony, and I hope for a good outcome.

Zach

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 28, 2011 10:45 PM  
**To:** WAM Testimony  
**Cc:** kschwindDDD@gmail.com  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Katherine Schwind  
Organization: Individual  
Address:  
Phone:  
E-mail: [kschwindDDD@gmail.com](mailto:kschwindDDD@gmail.com)  
Submitted on: 2/28/2011

**Comments:**

The university budgets have already been cut. Many of my fellow students are having to take on more debt for higher tuition and student fees due to these cuts.

Additionally, the funds lost with the passage of SB120 will eliminate important extra curricular activities and community outreach events. If you cut student activities funds, you cut out a students ability to go beyond their academic responsibilities to pursue their passions, and passion is really what drives an individual to make a difference with their lives.

Please find a better way to balance the budget and leave these funds alone

mahalo  
Katie Schwind  
Voter from Hilo

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 28, 2011 11:17 PM  
**To:** WAM Testimony  
**Cc:** gprice@hawaii.edu  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Gwendolyn Price  
Organization: Individual  
Address:  
Phone:  
E-mail: [gprice@hawaii.edu](mailto:gprice@hawaii.edu)  
Submitted on: 2/28/2011

Comments:

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 01, 2011 7:17 AM  
**To:** WAM Testimony  
**Cc:** springerkaye@yahoo.com  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Springer Kaye  
Organization: Individual  
Address:  
Phone:  
E-mail: [springerkaye@yahoo.com](mailto:springerkaye@yahoo.com)  
Submitted on: 3/1/2011

**Comments:**

Student activities fees are collected for a specific purpose, and support student activities. At UH Hilo the fees represent a large portion of each student's cost to complete a program, particularly for part time students, who pay the full set of fees every term. These fees support programs that keep students engaged and build morale, to boost graduation rates--an important indicator for out of state student enrollment. It is unfair to collect these fees and use them for a separate purpose.  
Please do not turn student activity fees over to the general fund.

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 01, 2011 7:26 AM  
**To:** WAM Testimony  
**Cc:** abra.logar@gmail.com  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Abra K Logar  
Organization: Individual  
Address:  
Phone:  
E-mail: [abra.logar@gmail.com](mailto:abra.logar@gmail.com)  
Submitted on: 3/1/2011

**Comments:**

That this bill is even being proposed is a slap in the face to all University students in Hawaii. It indicates a lack of perspective, and illustrates a disturbing trend of anti-intellectualism present in the broader culture.

This is very discouraging to those of us who intended to stay, and make a life here in Hawaii. To cut University funding says to me, "Go away, go somewhere else, don't bother making your life and family here in Hawaii - you aren't wanted."

I hope you all will realise how deeply this impacts the futures of the young people of Hawaii. Cut funding, and you will have more young Hawaiians deciding to either go elsewhere for their higher education needs, or forgoing University altogether, and there is nothing that would make me sadder.

My family left Hawaii when I was very little, and it took me until university to finally come home. Please, don't make me, and others like me, decide that it's not worth the effort to come home.

Thank you.

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 01, 2011 7:42 AM  
**To:** WAM Testimony  
**Cc:** dahan@hawaii.edu  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Kathleen Dahan  
Organization: SLD  
Address:  
Phone:  
E-mail: [dahan@hawaii.edu](mailto:dahan@hawaii.edu)  
Submitted on: 3/1/2011

Comments:



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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 01, 2011 8:18 AM  
**To:** WAM Testimony  
**Cc:** klarin@hawaii.edu  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Brittany Klarin  
Organization: Individual  
Address:  
Phone:  
E-mail: [klarin@hawaii.edu](mailto:klarin@hawaii.edu)  
Submitted on: 3/1/2011

**Comments:**

I am in complete opposition to this bill in hopes that the money that students pay into the University of Hawaii student activity funds will remain within the University system so that students have better access and quicker responses to funding needs on campus. Further, I strongly feel that the University administration knows best how to distribute money to campuses and to student organizations and has more time, energy, and focus towards the needs of the University than legislature does. Legislature can't possibly know the intricacies and particular needs of the University student bodies.

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 01, 2011 8:43 AM  
**To:** WAM Testimony  
**Cc:** vlo@hawaii.edu  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: valerie lo  
Organization: Individual  
Address:  
Phone:  
E-mail: [vlo@hawaii.edu](mailto:vlo@hawaii.edu)  
Submitted on: 3/1/2011

**Comments:**

Please do not repeal the fund that gives money to the University for student activities.

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 01, 2011 8:54 AM  
**To:** WAM Testimony  
**Cc:** caljw@hawaii.edu  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Cal Westergard  
Organization: Individual  
Address:  
Phone:  
E-mail: [caljw@hawaii.edu](mailto:caljw@hawaii.edu)  
Submitted on: 3/1/2011

**Comments:**  
I do not support SB 120

LATE

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 01, 2011 10:30 AM  
**To:** WAM Testimony  
**Cc:** Naopiogr1@aol.com  
**Subject:** Testimony for SB120 on 3/1/2011 9:20:00 AM

**Categories:** Yellow Category

Testimony for WAM 3/1/2011 9:20:00 AM SB120

Conference room: 211  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: Lara DeManuel  
Organization: Individual  
Address:  
Phone:  
E-mail: [Naopiogr1@aol.com](mailto:Naopiogr1@aol.com)  
Submitted on: 3/1/2011

**Comments:**

As a student who pays major amounts of money for my education, it is unjust what you legislators are doing. We are the last people you should be taking money from. We are the poorest citizens of the state right now especially with the uncertainty of the job market ahead and the promise of a better future if we invested our time and money into a good quality college education. What you people are doing, or will be doing is WRONG!