

**STATE OF HAWAII**  
**DEPARTMENT OF HEALTH**  
P.O. Box 3378  
HONOLULU, HAWAII 96801-3378

In reply, please refer to:  
File:

**SENATE COMMITTEE ON WAYS AND MEANS**

**S.B. 2856 S.D.1, MAKING AN APPROPRIATION TO THE ENVIRONMENTAL  
RESPONSE REVOLVING FUND**

**Testimony of Gary Gill**  
**Deputy Director, Environmental Health Administration**

**February 20, 2014**  
**9:05 a.m.**

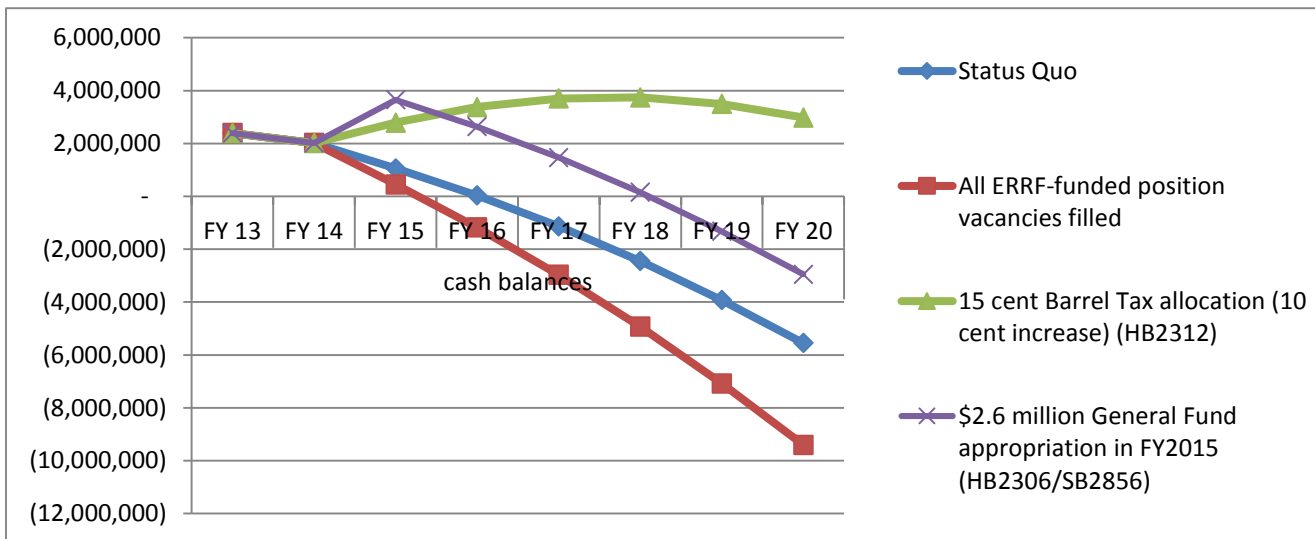
1 **Department's Position:** COMMENTS.

2 **Fiscal Implications:** Decreases in Environmental Response, Energy, and Food Security Tax (Barrel  
3 Tax) revenue have eroded the Environmental Response Revolving Fund (ERRF) balance to critical  
4 levels. The Department requests \$2.6 million in general funds to increase ERRF funds to secure its  
5 ability to quickly, comprehensively, and effectively respond to hazardous material releases and  
6 environmental threats to ensure public safety.

7 **Purpose and Justification:** The \$2.6 million appropriation of general funds into the ERRF requested in  
8 this measure will ensure greater fund stability that will allow the Department to quickly and effectively  
9 respond to hazardous material releases and environmental threats to protect public safety. The ERRF  
10 assures the State's ability to respond to and protect Hawaii from the devastating impact of oil, chemical,  
11 and other potentially dangerous spills, such as molasses, on public health and safety, the environment,  
12 and the economy. The ERRF also funds preemptive measures, including the testing of potential or  
13 likely contaminated sites, remediation of contaminated sites, testing of state waters, and the regulation

1 and management of solid and hazardous wastes. Barrel Tax revenues have been declining in recent  
 2 years due to rising energy costs and growth in alternative energy resources, as well as a sluggish  
 3 economy. Combined with the unpredictability of levying environmental enforcement fines and demands  
 4 on emergency response due to events such as the Tohoku earthquake and tsunami, Honolulu Harbor  
 5 molasses spill, and several ground contaminations, the ERRF is projected to reach a cash balance deficit  
 6 of over \$1 million by Fiscal Year 2017.

7 The ERRF cannot be sustained by its current allocation of 5 cents per barrel. In the past six  
 8 years, ERRF revenue has decreased by \$500,000.



9  
 10 The projected deficit would severely impact matching funds for the present Hazardous Waste  
 11 Management, Leaking Underground Storage Tank, Water Pollution Control-Surface Water, Public  
 12 Water System Supervision, and Hazardous Materials Emergency Preparedness grants. The lack of  
 13 \$823,168 in matching ERRF funds would jeopardize a total of \$4,116,906 in federal dollars. This is  
 14 because many of the Department's federal grants require non-federal support or commitment to grant  
 15 purposes in the form of dollars and/or personnel time, and without state matching funds, federal funds  
 16 will not be awarded.

1           This growing ERRF deficit would eliminate funding for 42 vital positions throughout  
2 Environmental Health Administration programs. The Department continues its efforts to increase  
3 legislative authorization of a higher percentage of Barrel Tax revenue in addition to this request for a  
4 much-needed general fund appropriation into the ERRF in order to assure public health and safety  
5 through its critical enforcement functions and emergency response capabilities.

6

7 Thank you for the opportunity to provide comments on this important measure.

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**SB2856**

Submitted on: 2/18/2014

Testimony for WAM on Feb 20, 2014 09:05AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Javier Mendez-Alvarez	Individual	Support	No

Comments:

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