



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

Testimony of
Mike McCartney
Chief of Staff, Office of the Governor
Before the

House Committee on Finance
March 8, 2017
9:00 AM, Conference Room 308

In consideration of
House Bill No. 100
RELATING TO THE STATE BUDGET

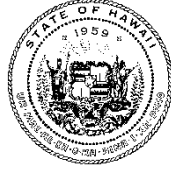
Chair Luke, Vice Chair Cullen, and members of the committee. Thank you for the opportunity to testify on the Office of the Governor's budget.

The Governor is the CEO of the State of Hawai'i's Executive Branch and our Head of State, representing Hawai'i in national and international affairs. In addition to our O'ahu office, we have four neighbor island offices to serve our constituents across the state.

Our FY18 budget request is small – an additional \$150,000 – but is important to assist us in paying annual dues to the National Governors Association (NGA), Western Governors' Association (WGA), and the Education Commission of the States. These organizations support our State by providing direct access to other state's executive office staff and agency contacts for consultation on a wide range of issues and programs. Governor Ige has been active in both NGA and WGA through his participation in annual meetings, sponsorship of regional forums, and support for association resolutions that articulate state positions on pending federal agency actions or Congressional acts. Given the most recent shift in our federal administration, it is critical that the Governor and our office remain engaged with these state advocacy and policy organizations.

We appreciate your attention and we hope to answer your questions, should you have any at this time. Again, mahalo for your continuing support of the Governor's Office budget.

DAVID Y. IGE
GOVERNOR



RODERICK K. BECKER
Comptroller

AUDREY HIDANO
Deputy Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

TESTIMONY OF
RODERICK K. BECKER, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE ON FINANCE
ON
WEDNESDAY, MARCH 8, 2017
9:00 A.M.
CONFERENCE ROOM 308

H.B. 100

RELATING TO THE STATE BUDGET.

Chair Luke, Vice Chair Cullen, and members of the Committee, thank you for the opportunity to provide testimony on H.B. 100. The Department of Accounting and General Services (DAGS) supports the executive budget submitted by the governor as amended by governor's messages.

The following are some of the significant DAGS budget requests:

1. General funds of \$2.4 million and \$2.5 million for fiscal years 2018 and 2019, respectively, for on-going services for the new payroll and time and attendance systems. Included in these costs are the cost of hosting services, maintenance and operations, and business process outsourcing (check printing).
2. Full year funding for new positions approved in the 2016 legislative session in the Accounting Division (8 positions, \$284,200 in general funds annually), Central Services Division (4 positions, \$79,200 in general funds annually), and the School Repair and Maintenance, Neighbor Island Districts program (7 positions, \$294,500 increase in U fund ceiling annually). The programs will be able to recruit and fill the new positions so that they can achieve their objectives.

3. General fund appropriation of \$505,585 each year for administrative expenses of the Campaign Spending Commission, previously expended from the Hawaii Election Campaign Fund (HECF), and five (5) general fund positions. Switching the means of financing from trust to general funds allows the program to continue to operate and meet the objectives of the HECF, to provide partial public financing of candidates.
4. Request for a \$7.8 million increase in the special fund expenditure ceiling for the Enhanced 911 Fund in fiscal year 2018 to allow the Oahu and Maui public safety answering points (PSAP) to upgrade their computer aided dispatch (CAD) software (approximately \$4 million for each location). The CAD software is critical in the PSAP's ability to process a 911 call by identifying the caller and their location and relaying that information to first responders on a real-time basis to protect the lives of those in danger and that of the first responders.
5. Capital Improvement Program (CIP) biennium budget request totals \$89.1 million (\$52.7 million and \$36.4 million for fiscal years 2018 and 2019, respectively). Of this amount, general fund CIP requests for salaries for 76 CIP staff positions are \$6.1 million and \$6.4 million for fiscal years 2018 and 2019, respectively.
6. General obligation bond funded CIP requests for fiscal years 2018 and 2019 total \$46.5 million and \$30 million, respectively. Major projects for 2018 include \$10 million for maintenance of existing facilities, \$5 million for upgrades to the State's microwave and land mobile radio communication systems, \$15.2 million for waterproofing of the State Capitol chambers and parking level, \$10 million to address health and safety projects at Aloha Stadium, and \$3 million for state office building remodeling. Major projects for fiscal year 2019 include \$10 million for maintenance of existing facilities, \$5 million for upgrades to the State's microwave and land mobile radio communication systems, \$9 million to address health and safety projects at Aloha Stadium, \$4.5 million for Washington Place health and safety renovations, and \$1.5 million for state office building remodeling.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
Governor

SHAN S. TSUTSUI
Lt. Governor



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SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson

**TESTIMONY OF SCOTT E. ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE HOUSE COMMITTEE ON FINANCE

**MARCH 8, 2017
9:00 A.M.
CONFERENCE ROOM 308**

**HOUSE BILL NO. 100
RELATING TO THE STATE BUDGET**

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 100. This bill appropriates funds for the operating and capital improvement budget for the Fiscal Biennium 17-19. The Department supports this bill.

The Executive budget request includes additional positions to enhance the Department's ability to regulate pesticides use and to assist in addressing the vacant position backlog in the Department. Other requests include additional funds for agricultural loans and funds to continue the food safety program. Included in the Capital Improvements Program request are funds to address facility needs for the Animal Industry and Plant Industry programs and to make repairs and improvements to various irrigation systems and agricultural parks.

We realize the budget will undergo further iterations before reaching its final form and look forward to working with the committees to craft a budget that is amenable to all of those involved.

Thank you again for the opportunity to testify on this measure.





**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-NINTH LEGISLATURE, 2017**

ON THE FOLLOWING MEASURE:

H.B. NO. 100, RELATING TO THE STATE BUDGET.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Wednesday, March 8, 2017 **TIME:** 9:00 a.m.

LOCATION: State Capitol, Room 308

TESTIFIER(S): Douglas S. Chin, Attorney General, or
David T. Moore, Administrative Services Manager

Chair Luke and Members of the Committee:

We support the Governor's supplemental budget package, including Governor's Messages as submitted.



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

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Statement of
LUIS P. SALAVERIA
Director

Department of Business, Economic Development, and Tourism
before the

HOUSE COMMITTEE ON FINANCE

Wednesday, March 8, 2017

9:00 AM

State Capitol, Conference Room 308

In consideration of

HB100

RELATING TO THE STATE BUDGET.

Chair Luke, Vice Chair Cullen, and members of the Committee. Thank you for the opportunity to testify on the Department of Business, Economic Development and Tourism's (DBEDT) budget.

DBEDT's primary objectives are to stimulate economic development in the State of Hawaii. The department encourages initiative and creative thinking in developing objectives and activities that implement our overall growth strategy.

Going forward we want to continue on an investment and growth strategy that will position Hawaii's economy to become more diversified and resilient. Our attention is focused on efforts that will build infrastructure, grow both internal and external capital, and develop talent that will be our workforce of the future. The department's efforts are targeted to stimulate economic activity in areas of competitive advantage and economic potential.

Innovation growth areas such as clean and renewable energy, global broadband, creative media, and the tech industry offer the promise of creating a knowledge-based economy that can grow and thrive in our state. In addition, advancements and recent trends in agriculture, aerospace, and foreign trade can further position the state's economy and create new jobs and opportunities for Hawaii's residents.

DBEDT's divisions and attached agencies are actively working on initiatives that support this mission of building infrastructure, attracting capital, and developing talent.

To capitalize on this, the department originally requested \$10 million for the Hawaii Strategic Development Corporation's (HSDC) revolving fund for the HI Growth Initiative. After the Council on Revenues reduced its revenue projections, DBEDT reduced its request to \$5 million.

The HI Growth Initiative focuses on three primary areas: entrepreneur development, business accelerators, and access to startup investment capital. The HI Growth Initiative, in just four years, has shown Hawaii is a viable place to build competitive startups. A 2016 study by the University of Hawaii's Economic Research Organization¹ found 65 companies have been funded as a result of the HI Growth Initiative. The average capital investment from the HI Growth Initiative is \$160,000 per company, representing a cumulative investment at the end of 2015 of \$10.5 million. Companies on average have gone on to attract an additional \$2 million in private funding for a total of \$136 million: over 12X leverage on the state's investment.

Another new strategic growth sector for Hawaii is the aerospace industry. The major subsectors include: astronomy, civil aviation, commercial space launch, defense systems, robotics, information technology, and unmanned aerial systems. The department is requesting \$50,000 for FY 2018 and \$100,000 for FY 2019 to add a Director position to oversee the Office of Aerospace Development. The added position will oversee the current staff (Research and Development Coordinator and a Research Associate), who are challenged to capitalize on the wealth of opportunities in this growth sector. The Director position will be responsible to create and implement a broad vision to utilize the aerospace industry to further Hawaii's economic development.

DBEDT not only focuses on expanding Hawaii's economy, but also on keeping our workforce in Hawaii. Of concern for all residents is the need for more affordable housing. The Hawaii Housing and Finance Development Corporation's (HHFDC) role is to increase the inventory of housing that is affordable through its development and financing programs.

HHFDC has approximately 5,100 units planned for 2017-2020. Of these, 65 percent are targeted for renter households at or under 60 percent of AMI, with the remaining targeted for sale to households at 80-140 percent of AMI and market. HHFDC is also seeking multi-use development opportunities on public lands with other State and County agencies, including DLNR, DAGS, and the DOE. Transit-oriented development along the City and County of Honolulu's rail line is also a tremendous opportunity for working with the City on possible affordable housing developments near planned transit stations.

In order to achieve these goals, the HHFDC is requesting: \$15 million in CIP funds to finance Phase 1 of the Alder Street mixed use development; \$50 million in GO bond funds for the Rental Housing Revolving Fund; \$50 million for the Dwelling Unit Revolving Fund; \$8.4 million for the Low Income Housing Tax Credit Loans; and \$3 million for the National Housing Trust Fund Federal Grant. Details of these projects are provided on the attached pages.

Thank you for the opportunity to provide testimony in support of our budget. Attached is an outline of some of the highlights of DBEDT's budget requests.

¹ http://www.uhero.hawaii.edu/assets/Evolution_HIGrowth_Initiative.pdf

BED 100 BUDGET ADJUSTMENT:

- **\$75,000** to conduct activities to attract and recruit international students to study in Hawaii.
- **\$700,000** increase in the STEP federal grant ceiling in anticipation of the award.

BED 103 BUDGET ADJUSTMENT:

- **\$25,386 for FY 2018 and \$50,772 for FY 2019** request for an additional Planner IV position. The Planner IV position is required to ensure compliance with LUC decisions and orders. Currently, we do not have the staff to review annual reports and investigate whether or not developers have complied with conditions of re-districting placed on them by the LUC. These include conditions that impact the public trust, Native Hawaiian assets and rights and impacts to the public or infrastructure that could incur significant expenditures by the state and county agencies to resolve issues.

BED 105 - BUDGET ADJUSTMENT:

- **\$200,000** for Federal Grant Ceiling. This request for an increase in ceiling is in anticipation of a federal Economic Assistance Grant from the Department of Commerce.

BED 107 BUDGET ADJUSTMENT:

- **\$100,000 to increase FTZ 9 annual Operating Ceiling.** With the recent opening of the International Trade Resource Center wing of the facility, the FTZ 9 has seen an increase in overall operating expenses such as electrical, janitorial, A/C maintenance and repair, refuse collection, etc.
- **\$350,000 for bond repayment.** The bond from the renovation project to build the new wing needs to be repaid. The ceiling increase will allow FTZ 9 to properly pay for its increased expenses relating to the opening of the new wing and continued growth, and support of Hawaii's import/export initiatives.

BED 120 BUDGET ADJUSTMENT:

- **\$48,000** to add 1.0 full-time equivalent (FTE) (T) Energy Analyst in FY 18 and **\$96,000** in FY 19 (MOF: B). As part of its responsibilities, HSEO's Clean Energy Solutions (CES) branch has a growing new role in the support of the development and promotion of advanced visualization tools to communicate Hawaii's complex energy system to allow for better communication among energy stakeholders. The development of these tools involves the incorporation of advanced data analytics and visualization techniques. Without this position, CES will not be able to adequately support future energy planning in Hawaii.
- **\$64,000** to add 1.0 full-time equivalent (FTE) (T) Energy Analyst in FY 18 and **\$128,000** in FY 19 (MOF: B). HSEO's Energy Systems & Planning (ESP) branch is focusing on the development of a new collaborative planning paradigm that is supported by a comprehensive analytical framework and model that incorporates the entire energy eco-system. This requires significant incremental commitment of time and resources

for meetings with stakeholders, Business Model analysis assigned by the legislature, analysis of the interdependencies between sectors (new), and increased emphasis on addressing transportation sector (VW settlement, roadmap, EV as renewable integration tool).

- **\$21,000,000** request appropriation ceiling increase for the Green Energy Market Securitization (GEMS) bond repayment fund to meet the bond indenture agreement requirement.
- **\$200,000 in FY 18 and \$200,000 in FY 19**; appropriation ceilings (MOF: T) for Volkswagen settlement administrative expenses. DBEDT (HSEO) is to be designated as Lead Agency for the purposes of the State of Hawaii's participation in the Environmental Mitigation Trust as a beneficiary. A portion of Hawaii's \$7.5 million allocation may be used for administrative expenditures associated with implementing eligible mitigation actions.
- Correct position count totals due to Legislative 2016 worksheet error by adding (3.00) permanent position counts for position #97991B, #97992B, #97993B and deleting (3.00) temporary position counts for position #119366, #119408 and #119415.
- Eliminate the \$750,000 Renewable Energy Facility Siting Fund, which was repealed effective July 1, 2016.
- Transfer \$50,000,000 in special funds for FY 18 to the Hawaii Green Infrastructure Authority (BED 138) for GEMS loan activity.

BED 128 BUDGET ADJUSTMENT:

- **\$50,000 for FY 2018 and \$100,000 for FY 2019** to add a Director position to oversee OAD. Act 149 - Relating to Aerospace Development, SLH 2007, created a Director to oversee, supervise, and direct the planning, evaluation, and coordination of space-related activities and identify and promote opportunities for expanding and diversifying aerospace-related industries in the State, initiate discussions for private and international involvement in space-related activities in the State, establish partnerships with various entities that can promote and enhance the State's aerospace industry, and do all other things necessary to carry out the purpose of Act 149. Funding is being requested in DBEDT's biennium budget to hire an OAD director to assume these responsibilities.

BED 130 BUDGET ADJUSTMENT:

- **\$28,584 for FY 2018 and 57,168 for FY 2019** to restore an Economist VI position that was abolished in FY 14 due to revenue shortfall. With the Economist position, some of the economic studies can be done within the division instead of contracting out to outside research firms. This will save the state \$40,000 annually and the Economist will produce an average of two economic studies or analysis a year on current economic issues.

BED 138 BUDGET ADJUSTMENT:

- **\$50,000,000 Lending Ceiling.** Transfer the lending ceiling in the Hawaii Green

Infrastructure Special Fund – S-395 of \$50 million from BED 120 to BED 138 to support its lending programs for the fiscal year ending June 30, 2018. Without this authorization, the Authority will not be able to continue its lending programs.

BED 143 BUDGET ADJUSTMENT:

- **\$23,750 in FY 18 and \$47,500 in FY 19 (MOF:B)** for COO/Industry Info Specialist Position #102460, converts the 50% special funded positions into 100% special funded positions. These positions are critical to the growing programs and partnerships with other state agencies for HTDC services. HTDC is working with 7 agencies to create needed infrastructure that will increase the number of high wage jobs in Hawaii. These positions would allow HTDC to hire experienced staff to move these projects to a successful outcome. Without additional staff HTDC will not have the capacity to support the partnerships.
- **\$16,250 in FY 18 and \$32,500 in FY 19 (MOF:B)** for Special Projects Coordinator Position #102275 fund the positions 100% through HTDC’s special fund. These positions are needed to attain HTDC’s 80|80 directive as well as continuing to support economic development and innovation in the tech sector.

BED 144 BUDGET ADJUSTMENT:

- **\$27,618 for FY 2018 and \$55,236 in FY 2019 General Funds for Planner V to BED 144/PL** Temporary Planner V Position & Funds for Special Action Team on Affordable Rental Housing (Act 127, SLH 2016). Request is for temporary position to continue through FY 19. FY 18-19 (each year of biennium) -\$55,236.
- **\$29,868 in FY 2018 and \$59,736 in FY 2019 General Funds for Planner VI to BED 144/PL** Support position for State Interagency Council on Transit Oriented Development (created pursuant to Act 130, SLH 2016). Position was eliminated in FY 17 Budget. Request is for permanent position – FY 18-19 (each year of biennium) -\$59,736.
- **\$44,764 General Funds to BED 144/PL** for FY 2018 and FY 2019 for operations and support of the Special Action Team on Affordable Rental Housing (Act 127, SLH 2016). The Special Action Team sunsets on December 2019; FY 18-19 (each year of biennium) - \$44,764.
- **\$25,000 General Funds to BED 144/PL** for FY 2018 and FY 2019 for operations and support of the State Interagency Council on Transit Oriented Development. FY 18-19 (each year of biennium) -\$25,000.
- **\$1,000,000 CIP Funds to BED 144/PL** in FY 2018 and FY 2019 to support planning and planning-related activities in State Transit Oriented Development. Similar request made in FY 17, where \$500,000 was appropriated. FY 18-19 (each year of biennium) - \$1,000,000.

BED 145 BUDGET ADJUSTMENT:

- **\$5,000,000 General Fund infusion into HSDC’s Revolving Fund for FY 2018.** These

funds will be used to continue a state economic development effort called the HI Growth Initiative. The HI Growth Initiative will invest, in partnership with the private sector in three key areas: 1) entrepreneur ecosystem development; 2) accelerators; and 3) access to startup capital to grow and scale businesses. A portion of the funds will be used for program management, e.g. legal work, industry networking events, and studies to measure program effectiveness.

- **\$188,056 General Fund appropriation** for two existing positions at HSDC. These positions have been historically funded out of the HSDC Revolving Fund.
- **\$286,895 Reduction of HSDC Revolving Fund appropriation** for two existing positions at HSDC as funding will be thru General Fund.

BED 146 BUDGET ADJUSTMENT:

- **\$5,200,000** in General Obligation Reimbursable Bonds, Improvements and Upgrades to Seawater System, Hawaii. NELHA is requesting an amendment to Section 48.2 of Act 119, SLH 2015, as amended by Act 124, SLH 2016, to correct the conflicting language between the proviso and the appropriation for the Capital Improvement Program project Item A11.01.

BED 150 BUDGET ADJUSTMENT:

- **\$1.45 million** in General Funds for FY 2018 and FY 2019 to transfer 19 FTE Position Funding from CIP to General Funds.
- **\$ 154,360 Increase in OCE for Kakaako for FY 2018 and FY 2019.** Request increase funding for Kakaako for higher legal and other operating expenditures.
- **\$81,000** to increase to cover fringe benefit costs at Kakaako.
- **\$73,000** to increase to cover fringe benefit costs at Kalaeloa.
- **\$3,000,000 (MOF: C)** Kalaeloa Enterprise Avenue Energy Corridor to Midway Road, Kalaeloa, Oahu in FY 2018 to complete the design and construction of a City standard underground electrical distribution corridor to replace the existing Navy owned deteriorating system in the Kalaeloan Development District.

BED 160 BUDGET ADJUSTMENT:

- **\$15,000,000 (MOF: C) 902 Alder Street, Honolulu, Oahu (BED 160/HD)**
The proposed Alder Street mixed-use residential development will provide approximately 180 affordable rental housing units for working families, space for juvenile shelter and services, and parking. The HHFDC and Judiciary have entered into a Memorandum of Agreement to develop the mixed-use residential project. In 2015, the Legislature appropriated \$1.7 million for plans and design. HHFDC is requesting \$15 million in CIP funds to finance phase 1 of the juvenile shelter/services component of the project. This includes the prorated cost for 3 floors within the high-rise building (2 built-out floors and 1 floor of shell space) and 50 of 250 parking stalls that would be set aside to the Judiciary.

- **\$50,000,000 (MOF: C) Rental Housing Revolving Fund Infusion, Statewide (BED 160/HF)** in taxable General Obligation Bond funds for infusion into the Rental Housing Revolving Fund (RHRF). The RHRF primarily is utilized in conjunction with the Low Income Housing Tax Credit (LIHTC) program to provide “equity gap” loans for affordable rental housing projects. During calendar year 2016, the RHRF received over \$100 million in applications. For every \$10 million dollars infused to the RHRF, it is estimated that approximately 60 new units would be produced. This Supplemental request would therefore help produce up to 510 new units.
- **\$50,000,000 (MOF: C) Dwelling Unit Revolving Fund Infusion, Statewide (BED 160/HD)** in taxable General Obligation Bond funds for infusion into the Dwelling Unit Revolving Fund. The Governor's housing strategy establishes a goal of 10,000 housing units statewide by 2020, prioritizes housing development on state lands around rail stations, and the coordination of infrastructure needs along the transit route to support transit-oriented development (TOD). Act 132, SLH 2016, broadened the uses of DURF to also fund regional state infrastructure construction in conjunction with housing and mixed-use transit-oriented development projects. This will enable the state to address a significant barrier to the development of housing -- the lack of infrastructure such as roads, water, sewer, drainage, and utilities. Act 130, SLH 2016, established a TOD interagency council to coordinate planning for TOD, including mixed-use and affordable and rental housing projects, on state lands in each county. With the requested infusion of funds, DURF can be deployed quickly to facilitate housing development.
- **\$8,400,000 (MOF: C) Low Income Housing Tax Credit Loans, Statewide (BED 160/HF)** The Low Income Housing Tax Credit (LIHTC) Loan Program encourages the development and preservation of rental housing for lower income households by providing a cost-effective financing mechanism for projects that are awarded State LIHTCs. Projects which have been awarded State LIHTCs that demonstrate the inability to find syndicators for their State credits may exchange the credits for a LIHTC loan.
- **\$3,000,000 (MOF: P) National Housing Trust Fund Federal Grant CFDA No. 14.275 (BED 160/HF)** Funds from this new federal housing program will increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low- and very low-income households statewide.



NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

An Authority of the State of Hawaii attached to the Department of Business, Economic Development & Tourism

Statement of
Gregory P. Barbour
Executive Director
Natural Energy Laboratory of Hawaii Authority
before the

HOUSE FINANCE COMMITTEE

Wednesday, March 8, 2017
9:00 am
State Capitol, Conference Room 308

in consideration of
HB 100
RELATING TO THE STATE BUDGET.

The Natural Energy Laboratory of Hawaii Authority (NELHA) strongly supports HB 100 as it relates to BED 146 and specifically Sequence # 100-001 (BED 145) which provides funding for the Hawaii Growth Initiative.

We believe that entrepreneurial training and accelerator programs such as those developed by the Hawaii Strategic Development Corporation over the past several years have been integral in stimulating an equity investment ecosystem in Hawaii. We believe the continuation and expansion of these services as part of the HI Growth Initiative can assist us in our efforts to attract and grow new businesses in our technology park. This is especially important as we recently completed a new ocean science and clean energy incubator for which entrepreneurial training and accelerator programs for start-up businesses are essential.

Thank you for the opportunity to offer these comments.



Written Statement of
Robbie Melton
Executive Director & CEO
High Technology Development Corporation
before the
House Committee on Finance
Wednesday, March 8, 2017
9:00 a.m.
State Capitol, Conference Room 308

In consideration of
HB100
RELATING TO THE STATE BUDGET.

Chair Luke, Vice Chair Cullen, and Members of the Committee on Finance.

The High Technology Development Corporation (HTDC) **supports** HB100 that appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2017-2018 and 2018-2019.

As part of HTDC's vision to create 80,000 new innovation jobs in Hawaii earning \$80,000 or more by 2030, HTDC programs and new initiatives have grown significantly. HTDC leverages federal contracts (HCATT and INNOVATE Hawaii) and private sector sponsors to deliver good value to the State for the programs and services we offer.

HTDC is working with 7 agencies to create needed infrastructure that will increase the number of high wage jobs in Hawaii. HTDC does not have enough staff to support all of the partnerships and the projects. Therefore HTDC is requesting restoring funding for two 0.5 positions, #102275 (Special Projects Coordinator) and #102460 (COO/Industry Info Specialist). The general funded 50% of these existing positions have been unfunded for 4 years. The executive budget changes the positions into 100% special funded positions.

To fund the positions 100% through HTDC's special fund at current revenues would put HTDC into a negative cash flow. In the future, HTDC will require additional recurring general funds to maintain current programming with the additional financial burden. HTDC requested to restore general funding for both 0.5 positions but general funds were not available in the executive budget at this time.

Restoring these positions would allow HTDC to hire experienced staff to move the projects to a successful outcome. The positions are urgently needed to attain HTDC's 80|80 directive as well as continuing to support economic development and innovation in the tech sector.

Thank you for the opportunity to offer these comments.



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Statement of
Karl K. Fooks
President

Hawaii Strategic Development Corporation

Before the
HOUSE COMMITTEE ON FINANCE

Wednesday, March 8, 2017
9:00 AM
State Capitol, Conference Room 308

In consideration of
HB 100 RELATING TO THE STATE BUDGET, IN RELATION TO BED 145

Chair Luke, Vice Chair Cullen, and Members of the Committee:

The Hawaii Strategic Development Corporation (HSDC) is in **strong support** of HB100, in relation to BED 145, a budget appropriation that provides \$5 million to fund the HI Growth Initiative.

HB 100 appropriates funds to the Hawaii Strategic Development Corporation Revolving Fund for the HI Growth Initiative. The HI Growth Initiative is designed to achieve the State economic development objectives to transform and maintain Hawaii as a place that welcomes and facilitates innovative economic activity as set out in HRS 226-6.

To achieve these objectives, the HI Growth Initiative executes on a clear and consistent strategy of fostering an ecosystem that enables the establishment and success of high growth startups. Numerous academic studies have concluded that business startups and high growth young firms are the strongest contributors to job creation in the U.S. In particular, since 2000, high growth startups in the High Tech and Energy related industries have been the most active in job creation.

For that reason, the HI Growth Initiative has focused on attracting private investment capital to Hawaii's high growth startups thorough strategic investments to help build an entrepreneurial ecosystem, provide mentoring and business accelerator resources and create access to startup investment capital.

Since 2012, The HI Growth Initiative has been instrumental in jumpstarting Hawaii's entrepreneurial ecosystem and supporting its development into the vibrant community it is today. From virtually nothing, Hawaii now boasts award-winning accelerators. Accelerator graduate companies are growing and hitting milestones that are triggering further investment from private investors. Hawaii hosts international

conferences and other events designed to help entrepreneurs incubate their ideas and connect with investors. Hawaii's private sector sees value in supporting innovation and has participated as investors in several local startups and Hawaii-based investment funds.

A recent industry group report found that the number of startups in Hawaii increased from 18 in 2013 to 145 in 2016. A 2016 UHERO report showed the HI Growth Initiative produced 12X leverage on state dollars.

HSDC has not received any new funding since 2013. Existing funds have been encumbered to existing investment initiatives. HSDC's investment activities typically require up to a year of planning and working with private investors to establish a Hawaii investment fund. Given the lack of funding, HSDC has not been able to develop any new investment initiatives. Furthermore, HSDC will no longer be able to support the continued activities of the accelerator programs that have been the foundation of Hawaii's growing entrepreneurial ecosystem.

BED 145 Executive Budget Request:

- **SEQ # 100-001: \$5,000,000 General Fund infusion into HSDC's Revolving Fund**. These funds will be used to continue a state economic development effort called the HI Growth Initiative. The HI Growth Initiative will invest, in partnership with the private sector in three key areas: 1) entrepreneur ecosystem development; 2) accelerators; and 3) access to startup capital to grow and scale businesses. A portion of the funds will be used for program management, e.g. legal work, industry networking events, and studies to measure program effectiveness.
- **SEQ # 70-001: \$188,056 General Fund appropriation** for two existing positions at HSDC. These positions have been historically funded out of the HSDC Revolving Fund.
- **SEQ # 70-001: \$286,895 Reduction of HSDC Revolving Fund appropriation** for two existing positions at HSDC.

Thank you for the opportunity to submit testimony.

TESTIMONY OF RANDY IWASE
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII
TO THE
HOUSE COMMITTEE ON
FINANCE

March 8, 2017
9:00 a.m.

MEASURE: H.B. No. 100
TITLE: Relating to the State Budget

Chair Luke and Members of the Committee:

DESCRIPTION:

This measure appropriates funds for the operating and capital improvement budget of the Executive Branch of the State for Fiscal Years 2017-2018 ("FY 18") and 2018-2019 ("FY 19"). The amounts to be expended from the Public Utilities Commission ("Commission") Special Fund ("PUC Special Fund") under section 269-33, Hawaii Revised Statutes ("HRS") are appropriated through this measure.

POSITION:

The Commission supports the passage of H.B. No. 100, which appropriates PUC Special Fund expenditures of \$16,530,997 in FY 18 and \$15,285,048 in FY 19.

COMMENTS:

The Commission anticipates the need for three significant adjustments to the Commission's current budget for FY 18 and FY 19. These requested adjustments are critical to the Commission's efforts to effectively complete its statutory duties and regulatory responsibilities. These budget adjustments are:

- 1) Adding \$942,000 in FY 18 to provide the Commission with resources to acquire consultant support services and to provide staff training in the regulated utilities area.**

In 2017, the Commission will be undertaking numerous dockets of significant impact concurrently due to the statutorily required timelines for rate case filings. This budget request will assist the Commission to procure specialized consultant support services to diligently review ongoing and anticipated complex energy dockets while simultaneously providing for accelerated relevant training to almost 50% of its professional staff so that less specialized consulting support services are necessary in the future.

As Hawaii continues to transform its energy sector, the Public Utilities Commission is responsible for administering key energy initiatives through several major legislative mandates, including the Renewable Portfolio Standards (See 269-92, HRS), the Energy Efficiency Portfolio Standards (See 269-96, HRS), the Public Benefits Fee and related programs (See 269-121, HRS), and the Community-Based Renewable Energy Program (See 269-27.4, HRS). The State remains committed to some of the nation's most aggressive clean energy goals, which makes Hawaii a worldwide model and testbed for innovation in both energy technology and regulatory structures. While the proceeding concerning the offer by NextEra Energy to acquire Hawaii's major electric utilities recently concluded (See Docket No. 2015-0022), the sense of urgency and the work necessary for Hawaii to hit its critical clean energy targets continues. To keep pace with desired change, the Commission continues to push forward to resolve a large list of key energy-related dockets and issues that were heavily impacted since late 2014 by the resource-consuming merger proposal of NextEra Energy and the Hawaiian Electric Companies.

Commission resources were reallocated during calendar year 2015 and the first half of 2016 from critical energy dockets toward resolving the NextEra proceeding. The dockets impacted include the review of the HECO Companies' Power Supply Improvement Plans (See Docket No. 2014-0183), creation of a cohesive Distributed Energy Resources policy for the state (See Docket No. 2014-0194), and the establishment of a workable Community-Based Renewable Energy tariff structure and program (See Docket No. 2015-0389). As a result, the Commission is currently positioned to focus the majority of its efforts on these postponed dockets while also reviewing the forthcoming five major rate cases. Hawaii Electric Light Company's (See Docket No. 2015-0170) and Hawaiian Electric Company's (See Docket No. 2016-0328) applications have already been filed, and Maui Electric Company's application is anticipated in mid-2017 along with general rate increase applications from Hawaii Gas and Kauai Island Utility Cooperative. Additionally, during the rate cases for the HECO utilities, the Commission intends to consider the implementation of certain performance incentive mechanisms to better align utility performance with State energy goals and protecting ratepayers from potentially unnecessary costs.

The Commission will not have the option, as it did during the NextEra proceeding, to postpone work on other dockets and will be required to perform its review and analysis with many new and relatively inexperienced employees. Regulatory work is unique and it is difficult to find employees with significant experience. The Commission must develop staff expertise internally through training and work experience. Retaining consultants to work alongside staff on complex and technical issues will supplement this effort while still allowing the Commission to carry out its responsibilities in a timely and effective matter. The Commission's request for added funds to both hire consultants with advanced technical and regulatory expertise and to quickly train an increased staff in the intricacies of energy and general utilities regulation will greatly assist the Commission to address its heavy backlog of important proceedings and to efficiently increase its internal capacity as the State moves toward its statutory target of 100% renewable energy by 2045.

2) Increase PUC Special Fund ceiling by \$303,949 in FY 18 for non-recurring expenses for equipment and one-time costs. Increase Special Fund ceiling by \$35,800 in FY 18 and FY 19 for recurring expenses due to increased staff and office space.

The Commission is requesting an increase to the PUC Special Fund ceiling of \$303,949 in non-recurring costs for FY 18 and \$35,800 in recurring costs for FY 18 and FY 19 to meet expenses necessitated by the Commission's reorganized and expanded staff and office expansion project. These expenses, due primarily to moving costs and communication and networking equipment, must be met to adequately complete the Commission's ongoing office space expansion project in the Kekuanaoa Building. In short, these requests will allow the PUC staff, in its entirety, to work in office space in one building with adequate resources that will allow for their continued performance of daily duties and responsibilities.

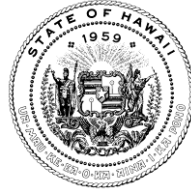
The one-time \$303,949 request will cover (1) moving expenses to relocate displaced staff from temporary 'renovation duration' swing spaces back to their permanent workspace, (2) DAGS in-house renovation support services, and (3) costs for the purchase and installation of networking and communication equipment to adequately accommodate the Commission's expanded staff and office renovation so they can effectively perform their daily duties and responsibilities.

The recurring \$35,800 request for FY 18 and FY 19 will cover (1) the increased monthly cost for 44 existing phones that will be upgraded and the current cost for 22 upgraded phones and (2) the cost for usage of the Government Private Cloud.

3) Increase Special Fund ceiling by \$193,220 in FY 18 and FY 19 for fringe benefits resulting from increased staff.

Pursuant to Finance Memorandum No. 16-12, the State's fringe benefit assessment rate for non-general fund programs increases to 60% for FY 18 and FY 19 due primarily to the projected costs for the prefunding of other post-employment benefits. This requested adjustment effectively funds fringe benefits for all authorized positions, as is required.

The Commission respectfully requests this Committee's consideration for the inclusion of these appropriations in the State Budget. Thank you for the opportunity to testify on this measure.



DAVID Y. IGE
GOVERNOR
SHAN S. TSUTSUI
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
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CATHERINE P. AWAKUNI COLÓN
DIRECTOR
JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

**PRESENTATION OF THE
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

TO THE HOUSE COMMITTEE ON FINANCE

TWENTY-NINTH LEGISLATURE
Regular Session of 2017
Wednesday, March 8, 2017
9:00 a.m.

TESTIMONY ON HOUSE BILL NO. 100, RELATING TO THE STATE BUDGET.

TO THE HONORABLE SYLVIA LUKE, CHAIR,
TO THE HONORABLE TY J.K. CULLEN, VICE CHAIR,
AND MEMBERS OF THE COMMITTEE:

I am Catherine Awakuni Colón, Director of the Department of Commerce and Consumer Affairs (“DCCA” or “Department”), testifying in support of House Bill No. 100, Relating to the State Budget (“H.B. 100”), which appropriates funds for the Department’s operations during the 2017-2019 fiscal biennium (“FB 2017-2019”).

DCCA is the state agency responsible for promoting a strong and healthy business environment by upholding fairness and public confidence in the marketplace, and by increasing knowledge and opportunity for our businesses and citizens. The Department is supported exclusively by special funds to cover the operations of the Department’s multiple divisions and programs. The Department is in

support of the various appropriation items requested in H.B. 100 as being necessary to support effective and efficient DCCA operations during FB 2017-2019 and to utilize dedicated funds to improve communications infrastructure that benefits all of Hawaii by improving government functioning.

In particular, the Department would like to highlight the following budget request items that will collectively support enhanced DCCA operations as set forth in the FB 2017-2019 Executive Budget:

1. Addition and Conversion of Positions and Associated Appropriations for Various Programs.

- CCA-110 – Office of Consumer Protection: \$68,145 for fiscal year (“FY”) 18 and \$130,180 for FY 19 for one permanent position for the Office of Consumer Protection to increase the division’s ability to prosecute consumer protection violations.
- CCA-112 – Regulated Industries Complaints Office: \$35,331 for FY 18 and FY 19 for a position conversion from the Regulated Industries Complaints Office’s Investigations Branch to the division’s Legal Branch to better allocate staff resources between investigations and prosecutions.
- CCA-105 – Professional & Vocational Licensing: \$97,728 for FY 18 and \$195,456 for FY 19 for four permanent positions for the Professional and Vocational Licensing Division to manage increased applications workload.
- CCA-111 – Business Registration & Securities Regulation: \$91,568 for FY 18

- and \$183,136 for FY 19 for one permanent position for Business Registration.
- CCA-106 – Insurance Regulatory Services: \$70,109 for FY 18 and \$140,218 for FY 19 for two permanent positions for the Insurance Division’s Financial Surveillance and Examination Branch.
 - CCA-105 – Professional & Vocational Licensing: \$102,000 for FY 18 and \$168,000 for FY 19 for two temporary positions for the Real Estate Branch (“REB”) within the Professional and Vocational Licensing Division to increase REB activity in real estate and condominium education throughout Hawaii.

2. Non-recurring Appropriations for State Communications Infrastructure (Funds Held Outside of the State Treasury).

- CCA-102 – Cable Television: \$3,144,640 for FY 18 and \$2,620,676 for FY 19 for INET/Broadband projects for the Cable Television Division.

The Department supports this non-recurring, non-operating fund request to increase the amount of authorized trust funds that may be used to improve the State’s Institutional Network (“INET”) and related broadband improvement projects. As previously noted for this Committee, the utilization of the requested INET funds will cover a variety of upgrades to the communications network infrastructure on which the State’s government conducts its business. The INET is the essential communications backbone of the State’s governmental operations. The people of Hawaii benefit from these upgrades and technology deployment projects in countless respects through a faster, more effective government, including the Legislature, our public school and

university systems, the State's executive agencies, and public safety functions facilitated through county operations.

The projects that would be covered by this request are the result of months-long collaboration between the State's various INET Partners that include the Department of Education, the University of Hawaii, the Office of Enterprise Technology of the Department of Accounting and General Services, and DCCA, and collaboration between DCCA and other broadband stakeholders. DCCA strongly supports this work done to ensure enhanced reliability, flexibility, and availability of the government's communications networks, and to extend access to broadband for unserved and underserved areas, for the health, safety and welfare of the people of the State. We respectfully ask this Committee to find this request and its associated projects as being a clear benefit to the State, and to approve this request.

3. Select Other Fund Adjustments.

- CCA-901 – Public Utilities Commission: \$35,800 for FY 18 and FY 19 for recurring expenses for the Public Utilities Commission for upgraded communications equipment and connectivity services.
- CCA-901 – Public Utilities Commission: \$303,949 for FY 18 for non-recurring expenses for the Public Utilities Commission to complete the final stages of its office space renovation and expansion project.

- CCA-106 – Insurance Regulatory Services: \$135,000 for FY 18 and FY19 for rent for the Insurance Division to cover expanded operations and staffing.
- CCA-104 – Financial Services Regulation: \$61,011 for FY 18 and FY19 for training for the Division of Financial Institutions to ensure the division’s examination staff are adequately trained to satisfy national accreditation requirements.
- CCA-901 – Public Utilities Commission: \$942,000 for FY 18 for training and consultant services costs for the Public Utilities Commission.
- CCA-111 – Business Registration & Securities Regulation: \$420,000 for FY 18 and \$70,000 for FY 19 for the division’s franchise and securities filings information technology system project.
- CCA-106 – Insurance Regulatory Services: \$500,000 for FY 18 and FY19 for funds transfers for the Insurance Division to be deposited in the State’s Drivers Education Fund for use by other agencies pursuant to statute.
- Ceiling increase for Personal Services costs for various DCCA programs (Fringe Benefits, Collective Bargaining, and Central Services Assessment; includes PUC’s costs as mandated by B&F): \$3,299,046 for both FY 18 and FY 19.

Finally, the Department notes for the Committee that upon further discussion with the Department of Accounting and General Services, the following budget request is no required and DCCA would respectfully request this item be removed from its FB 2018-2019 budget request:

- CCA-191 – General Support: \$20,000 for FY 18 and FY 19 for chiller maintenance for Department facilities through the Director's Office & Departmental Administration.

Thank you for the opportunity to provide testimony in support of H.B. 100. I am available to answer any questions the Committee may have.

STATE OF HAWAII
DEPARTMENT OF DEFENSE

TESTIMONY ON HOUSE BILL 100
A BILL RELATING TO THE STATE BUDGET

PRESENTATION TO
THE HOUSE COMMITTEE ON FINANCE

BY
MAJOR GENERAL ARTHUR J. LOGAN
ADJUTANT GENERAL
7 March 2017

Chair Luke, Vice-Chair Cullen and Members of the Committee.

I am Major General Arthur J. Logan, State Adjutant General and the Director of the Hawaii Emergency Management Agency. I am testifying in **SUPPORT** of House Bill 100 as amended by the Governors' message.

Thank you for allowing me to testify in **SUPPORT** of House Bill 100.



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 03/08/2017
Time: 09:00 AM
Location: 308
Committee: House Finance

Department: Education

Person Testifying: Kathryn S. Matayoshi, Superintendent of Education

Title of Bill: HB 0100 RELATING TO THE STATE BUDGET.

Purpose of Bill: Appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2017 2018 and 2018 2019.

Department's Position:

The Department of Education (Department) strongly supports this measure to appropriate funds for the operating and capital improvement needs of the public school system.

The Department's current year (FY 2017) general fund appropriation per Act 124, SLH 2016, is \$1,567,678,982.

Included in H.B. No. 100 is a request for general fund support to the Department totaling \$1,619,334,660 in FY2017-18 and \$1,620,627,149 in FY2018-19, which represents a modest 1.14% and 1.22% increase from FY2016-17 when excluding the year to year increase for collective bargaining, or a 3.3% and 3.38% increase when including the collective bargaining increase.

The FB2017-19 Biennium Operating Budget items included in this measure are:

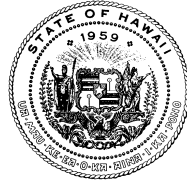
- \$10 million for the Weighted Student Formula
- \$3 million for the Early College High School Initiative
- Two Dormitory Attendants, \$36,780 in FY2018 and \$73,560 in FY2019 for Lahainaluna High School Boarding program
- Two District Education Specialists, \$91,909 in FY2018 and \$183,818 in FY2019 for School Based Behavioral Health Services on Maui and Hawaii Island
- One Civil Rights Compliance Specialist and a conversion of one temporary Civil Rights Compliance Specialist to permanent
- Six positions for the Worker's Compensation Program, \$135,216 in FY2018 and \$270,432 in FY2019

- \$1.1 million for the Student Information System
- A secretary position and \$70,992 for the Board of Education Office
- \$1 million in FY2019 for the Heat Abatement and air conditioning maintenance contracts
- Two positions and funding in the amounts \$62,485 in FY2018 and \$91,069 in FY2019 for the Executive Office on Early Learning
- In addition, the Governor added \$10 million for School Innovation Program

The Department appreciates the support included for CIP in the Executive Budget, in particular the funding to address the statewide capacity and heat abatement issues. However, while mindful of competing statewide priorities, additional funding is necessary to continue to address the R&M backlog, capacity, program support, and equity concerns.

In closing, the Department appreciates the Legislature's effort to make public schools a top priority. Any additional resources that may be afforded will be invested to advance our strategic plan initiatives targeted to developing the academic achievement, character, and social-emotional well-being of our students as they embark on their path towards success in college, career and citizenship. This education, integrated with our uniquely Hawaiian values and sense of place, will equip students for local and global leadership and the ambitious community, career, and college goals of their choice.

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



STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

**Testimony in SUPPORT of HB100
RELATING TO THE STATE BUDGET.**

REPRESENTATIVE SYLVIA LUKE, CHAIR
HOUSE COMMITTEE ON HEALTH

Hearing Date: March 8, 2017

Room Number: 308

1 **Fiscal Implications:** Sufficient appropriations are required to assure optimal public health,
2 environmental management, and community mental health.

3 **Department Testimony:** The Department of Health (DOH) supports HB100, in particular the
4 priorities identified in the Governor's Executive Budget Request and as amended by various
5 Governor's Messages.

6 The budget request for FB17-19 from the Department of Health is responsible, sensitive to
7 revenue projections, and supports the department strategic plan: "[Make Health Hawaii's Shared](#)
8 [Value](#)," highlights from which include:

9 General Administration

- 10 • HTH 907: Funds for a telehealth pilot project with a Neighbor Island public hospital that
11 will decrease patient wait times for their health care appointments, reduce interisland
12 travel costs, and improve provider coordination of care;
- 13 • HTH 907: Funds for a position in the Communications Office to assist with public
14 education, for example, the "Fight the Bite" campaign in response to mosquito-borne
15 illnesses; and
- 16 • HTH 907: Funds for an additional Building Manager to assist with the maintenance of
17 over 75 department sites statewide, funds for an accountant to improve fiscal oversight,
18 and 1.0 FTE (count only) Office Assistant to support human resources activities for
19 2,000+ employees.

1 Behavioral Health Administration

- 2 • HTH 501: Funds to rebase provider reimbursement rates for the Intellectual and
3 Developmental Disabilities Home and Community Based Services Waiver to ensure a
4 stable provider network for individuals with intellectual and developmental disabilities;
- 5 • HTH 460: Funds to increase the reimbursement rates to service providers for services to
6 children and adolescents with mental health needs to ensure recruitment and retention of
7 services; and
- 8 • HTH 420 and HTH 440: Funding to cover homeless outreach to persons with serious and
9 persistent mental illness, counseling and diversion services for unsheltered homeless
10 persons experiencing substance abuse and to expand the inventory and minimum
11 standards for clean and sober housing facilities.

12 Environmental Health Administration

- 13 • HTH 849: Funds to add twelve (12.00) permanent Vector Control Branch positions and
14 related operating funds to address threats from vector-borne diseases, such as dengue,
15 chikungunya, and Zika virus.

16 Health Resources Administration

- 17 • HTH 720: Funds to establish various positions in the Office of Healthcare Assurance to
18 ensure posting of inspection reports, compliance with Medicare regulations, and conduct
19 onsite licensing inspections of all health care facilities and home care facilities; and
- 20 • HTH 730: Funds for the Emergency Medical Services and Injury Prevention Systems
21 Branch to maintain the current level of emergency ambulance services statewide.

22 Capital Improvement Project

- 23 • HTH 840: \$3.7M in CIP bond funds in FY18 as state match for the Environmental
24 Protection Agency federal capitalization grants (\$18.6M) to be able to maximize loan

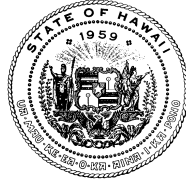
1 funds to the counties for drinking water, waste water, and storm water infrastructure
2 projects; and
3 • \$4.4M for DOH health and safety improvements statewide and \$4.5M for Hilo
4 Counseling Center and Keawe Health Center improvements, and \$2.1M for Diamond
5 Head, Lanakila and Leeward Health Center modernization of elevators.

6 Thank you for the opportunity to testify.

7 **Offered Amendments:** N/A.

8

DAVID Y. IGE
GOVERNOR OF HAWAII



TERRI BYERS
DIRECTOR

VIRGINIA PRESSLER, M.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
EXECUTIVE OFFICE ON AGING
NO. 1 CAPITOL DISTRICT
250 SOUTH HOTEL STREET, SUITE 406
HONOLULU, HAWAII 96813-2831
eoa@doh.hawaii.gov

Testimony in SUPPORT of HB0100
Relating to the State Budget

COMMITTEE ON FINANCE
REPRESENTATIVE SYLVIA LUKE, CHAIR
REPRESENTATIVE TY J.K. CULLEN, VICE CHAIR

Testimony of Terri Byers
Director, Executive Office on Aging
Attached Agency to the Department of Health

Hearing Date: March 8, 2017
9:00 a.m.

Room Number: 308

1 **EOA's Position:** The Executive Office on Aging (EOA), an attached agency to the Department
2 of Health is in strong support of our operating budget as outlined in the General Appropriations
3 Act of 2017, H.B. 0100, page 36, item 25.

4 **Purpose and Justification:** The appropriation amount of \$13,440,783 for SFY2017-2018 and
5 \$13,440,783 for SFY2018-2019 is to support the following:

- 6 1) An increase to the base budget for Kupuna Care (KC),
- 7 2) An increase to the base budget for Aging and Disability Resource Center (ADRC),
- 8 3) A funding request for the Long Term Care Ombudsman Program, and
- 9 4) A request to convert the Long Term Care Community Living Program (CLP) specialist
10 position from exempt to civil service.

11 Kupuna Care funds will support vulnerable older adults with support services to reduce their risk
12 of admission to a care facility. As Hawaii's aging population continues to grow, the need for

1 long term services and supports will increase. The growing number of older adults is likely to
2 put a severe strain on the State's resources for long term services and supports. The health care
3 cost for persons' age 65 and older was estimated to be five times larger than the cost for persons
4 younger than age 65. Kupuna Care assists frail adults, age 60 and older to lead independent,
5 meaningful, and dignified lives by providing a continuum of home and community based
6 services and supports. Its aim is to allow for aging in place, thus preventing or delaying the need
7 for more expensive and more restrictive levels of care.

8 Funding for Kupuna Care is critical as the population over age 60 is increasing rapidly. Kupuna
9 Care is comprised of nine core services namely personal care, homemaker, chore, home
10 delivered meals, adult day care, case management, assisted transportation, regular transportation,
11 and attendant care. These services support individuals in performing activities of Daily Living
12 (personal hygiene, dressing, eating, toileting, transferring). In FFY 2015, Kupuna Care services
13 was provided to 4,872 individuals at an average cost of \$8,619,000 or \$1,769.00 per person per
14 year. The Executive Office on Aging (EOA) is requesting an increase in Kupuna Care's base
15 budget by \$4,145,695 for a new base budget of \$9,000,000.

16 Funding for ADRC will enable EOA and the four county based Area Agencies on Aging to
17 continue to implement, operate, and maintain their ADRC sites in accordance with federal
18 requirements, and integrate participant directed supports that meet the needs of Hawaii's kupuna.
19 During SFY 2016, a total of 24,537 calls were made to the ADRC statewide, an 18% increase in
20 calls from SFY2015. The ADRC linked 7,254 older adults to publicly funded long term services
21 and supports. The request is for an additional \$1.7 million to the ADRC base budget of \$1.4
22 million for a total budget of \$3.3 million dollars.

1 Funding in the amount of \$100,000 is being requested for the Long Term Care Ombudsman
2 Program. It would provide for three \$25,000 neighbor island contracts (Maui, Kauai, and the
3 Big Island) to support long term care facility visits, counseling and/or investigating complaints,
4 volunteer coordination activities (i.e. health/senior fairs and conferences) and trainings and
5 \$25,000 would go toward program operating expenses (e.g. travel, mileage, postage, etc.).
6 Lastly, EOA requests the conversion of the exempt Long Term Care Community Living Program
7 Specialist position number 120259 to a permanent civil service position. The Program Specialist
8 position coordinates operational activities related to participant directed supports and Veterans
9 Directed Home and Community Based Services including screening of participants, reviewing
10 referrals, assessments, and support plans, determining eligibility of potential participants,
11 determining monthly allotment amounts, and routing referrals to the appropriate contracted
12 provider for assessment and coaching services. This provision does not have fiscal implications
13 as the position is federally funded by the Older Americans Act grant.

14 **Recommendation:** EOA respectfully requests your support of EOA operating budget as
15 outlined in Item 25, HTH 904 of HB0100.

16 Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR



JAMES K. NISHIMOTO
DIRECTOR

RYKER WADA
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES
DEVELOPMENT
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

March 6, 2017

TESTIMONY TO THE
HOUSE COMMITTEE ON FINANCE

For Hearing on Wednesday, March 8, 2017
9:00 a.m., Conference Room 308

BY

JAMES K. NISHIMOTO
DIRECTOR

House Bill No. 100
Relating to the State Budget

TO CHAIRPERSON LUKE AND MEMBERS OF THE COMMITTEE:

The purpose of House Bill No. 100 is to appropriate funds for the operating and capital improvement costs for agencies in the Executive Branch for the fiscal biennium 2017-2019.

The Department of Human Resources Development (DHRD) strongly supports this measure as it relates to DHRD's three budget requests:

1. HRD102 – Addition of \$3,274,000 in fiscal year 2018 and \$3,524,000 in fiscal year 2019 to address increasing workers' compensation costs. Workers' compensation is a statutorily mandated benefit with penalties and fees assessed to employers who do not timely pay their obligations.
2. HRD102 – Addition of \$101,080 in fiscal year 2018 and fiscal year 2019 to continue the learning management system (LMS) and self-directed learning library. The LMS and self-directed learning library makes it possible for

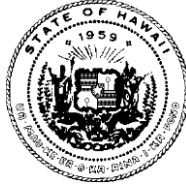
DHRD to offer Executive Branch employees access to hundreds of training topics (e.g., leadership, customer service, EEO, safety and workplace violence, Microsoft Office, etc.) from their desktops, making training for performance improvement and career development available at any time.

3. HRD191 – Transfer two IT positions (\$140,052) to the Office of Enterprise Technology Services (ETS) for support and maintenance of the Human Resource Management System (HRMS).

We are aware of the challenges ahead and remain committed to work with the Legislature to seek solutions that effectively balance short and long term priorities.

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

DAVID Y. IGE
GOVERNOR



PANKAJ BHANOT
DIRECTOR

BRIDGET HOLTHUS
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

March 8, 2017

TO: The Honorable Representative Sylvia Luke, Chair
The Honorable Representative Ty J.K. Cullen, Vice Chair
House Committee on Finance

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 100 - RELATING TO THE STATE BUDGET**

Hearing: Wednesday, March 8, 2017, 9:00 a.m.
Conference Room 308, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) requests the committee's support of the Governor's Executive Budget, as amended. The following are highlights of the significant and vital requests of the Fiscal Biennium (FB) 2017 – 2019 Budget for the Department of Human Services.

Our mission is to encourage self-sufficiency and support the well-being of individuals, families, and communities in Hawaii.

Our work is also guided by section 5-75, Hawaii Revised Statutes:

Aloha Spirit is the coordination of mind and heart within each person . . . was the working philosophy of native Hawaiians and was presented as a gift to the people of Hawaii. Aloha is more than a word of greeting or farewell or a salutation. Aloha means mutual regard and affection and extends warmth in caring with no obligation in return. Aloha is the essence of relationships in which each person is important to every other person for collective existence.

The Department of Human Services touches one in four of Hawaii's residents and nearly half of its children. The work we do supports our residents' ability to achieve well-being in a holistic sense. We understand that well-being encompasses many facets of life, including food, health, housing, safety, work, environment, education, family, and community. We provide critical benefits, programs, and services in these vital areas. We address key well-being issues such as financial assistance, access to insurance coverage and healthcare, access to food and nutrition, child care and early childhood learning opportunities, public housing, homelessness, juvenile

justice, support services for families experiencing domestic violence, protective services for children and vulnerable adults, and employment opportunities and vocational rehabilitation for people with disabilities.

We continue to work diligently to incorporate 'Ohana Nui, a multigenerational framework that invests early and concurrently in children and families within our department, with other state agencies, and with community stakeholders, to improve health, education, employment, and other outcomes for Hawaii residents. This approach will allow us to more efficiently align programs and funding to make a greater impact on the whole person and the whole family.

In support of this new integrated framework, we look forward to emphasizing two other department priorities during the FB 2017 - 2019: reengineering DHS business processes and developing the DHS Enterprise System. Throughout DHS, we are redesigning business processes with a customer-centered approach. The DHS Enterprise System, a major technology initiative that began with the KOLEA Medicaid eligibility application, will expand to provide eligibility determination and case management for other DHS divisions and programs. These priorities support the development of 'Ohana Nui by enabling us to serve residents across programs and divisions with an integrated eligibility and case management application and a vision for the future that connects residents quickly to all the resources we offer.

This is the argument for investing in DHS and the reason why our budget focuses on four areas:

1. Investing in children and families;
2. Improving health and safety;
3. Increasing departmental capacity and efficiencies; and
4. Improving systems.

We developed the budget with these areas in mind and with the larger goals of improving community health. We do so with an added focus on collaboration, inclusion, transparency, fiscal accountability, and doing the right things the right ways for the people of Hawai'i. Please see below for key budget requests.

We are aware of the Council on Revenues' downward revenue projection and understand that all our requests may not be funded. We are standing by to work with the Governor, Budget and Finance, and the Legislature to craft a budget that is affordable and addresses the critical needs of DHS.

BENEFIT, EMPLOYMENT AND SUPPORT SERVICES DIVISION (BESSD)

Mission: Provide timely, efficient and effective programs, services and benefits to empower those who are vulnerable in our State to expand their capacity for self-sufficiency, self-determination, independence, healthy choices, quality of life, and personal dignity.

• **HMS 224 – Homeless Services**

224HS-01	Additional Funding for Homeless Outreach
	FY18 A = \$1,500,000
	FY19 A = \$1,500,000

- | | |
|----------|--|
| 224HS-02 | Additional Funding for Housing First Program
FY18 A = \$3,000,000
FY19 A = \$3,000,000 |
| 224HS-03 | Additional Funding for Rapid Re-Housing Program
FY18 A = \$2,500,000
FY19 A = \$2,500,000 |
| 224HS-04 | Additional Funding for Repair and Maintenance of 9 State-Owned Homeless Shelters
FY18 A = \$300,000
FY19 A = \$300,000 |
| 224HS-05 | Funding for Homeless Property Storage
FY18 A = \$2,000,000
FY19 A = \$2,000,000 |
| 224HS-06 | Funding for Legal Services to Homeless Persons
FY18 A = \$500,000
FY19 A = \$500,000 |
- **HMS 236 – Case Management for Self-Sufficiency**

236LC-01	Federal Fringe Benefit Increase FY18 N = \$1,121,296 FY19 N = \$1,121,296
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 - **HMS 302 – General Support for Child Care**

302DA-01	Ensure Full-Year Funding of 1 New Position to Continue Administrative Operation of the Pre-School Open Doors Program FY18 A = \$15,722 / N = \$20,581 FY19 A = \$15,722 / N = \$20,581
302DA-03	Federal Fringe Benefit Increase FY18 N = \$136,958 FY19 N = \$136,958
 - **HMS 903 – General Support for Self-Sufficiency Services**

903FA-01	Additional Funding for 3 Temporary Positions for New Eligibility System (Eligibility System Project Manager and 2 Eligibility System Business Analysts) FY18 A = \$29,164 / N = \$42,150 FY19 A = \$29,164 / N = \$42,150
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903FA-05 Federal Fringe Benefit Increase
FY18 N = \$286,161
FY19 N = \$286,161

MED-QUEST DIVISION (MQD)

Mission: Help low-income adults and children obtain needed healthcare through the federal Medicaid health insurance program and other state-funded medical programs.

• **HMS 401 – Health Care Payments**

401PE-01 Restore Adult Dental Benefit
FY18 A = \$4,704,480 / N = \$7,056,720
FY19 A = \$9,408,960 / N = \$14,113,440

401PE-02 Increase Health Care Payments
FY18 A = \$9,124,551 / N = \$115,643,620
FY19 A = \$39,340,423 / N = \$221,163,042

401PE-03 Resume Nursing Facility Inflation Factor
FY18 A = \$1,886,205 / N = \$2,309,090
FY19 A = \$4,052,472 / N = \$4,961,033

401PE-04 Increase Medicare Part B Premium
FY18 A = \$2,947,556 / N = \$2,691,040
FY19 A = \$2,947,556 / N = \$2,691,040

• **HMS 902 – General Support for Health Care Payments**

902IA-02 Enterprise System Maintenance & Operations -Eligibility
FY18 A = \$5,250,000 / N = \$15,750,000
FY19 A = \$5,250,000 / N = \$15,750,000

902IA-04 Health Information Technology Design Development Implementation
FY18 A = \$0 / N = \$0
FY19 A = \$300,000 / N = \$2,700,000

902IA-06 Federal Fringe Benefit Increase
FY18 N = \$1,522,054
FY19 N = \$1,522,054

SOCIAL SERVICES DIVISION (SSD)

Mission: Protect vulnerable adults and children from abuse, neglect, and exploitation so they may live safely in their homes and communities. This is accomplished through two branches: 1) Child Welfare Services and 2) Adult Protective and Community Services.

- **HMS 301 – Child Protective Services**

301SA-01 Transfer Out (10) Positions to 901
 FY18 A = -4.80P, -\$206,672 / N = -5.20P, -\$299,115
 FY19 A = -4.80P, -\$206,672 / N = -5.20P, -\$299,115

301SA-03 Federal Fringe Benefit Increase
 FY18 N = \$908,506
 FY19 N = \$908,506

301SA-04 Child Victims of Sex Trafficking
 FY18 A = \$300,000 / N = \$100,000
 FY19 A = \$300,000 / N = \$100,000

- **HMS 303 – Child Protective Services Payments**

303WP-01 Foster Care Board Rates-Settlement
 FY18 A = \$4,558,858 / N = \$2,454,770
 FY19 A = \$4,634,292 / N = \$2,495,388

- **HMS 601 – Adult Protective and Community Services**

601TA-05 Federal Fringe Benefit Increase
 FY18 N = \$108,737
 FY19 N = \$108,737

- **HMS 901 – General Support for Social Services**

901MA-01 Transfer In (10) Positions from 301
 FY18 A = 4.80P, \$206,672 / N = 5.20P, \$299,115
 FY19 A = 4.80P, \$206,672 / N = 5.20P, \$299,115

DIVISION OF VOCATIONAL REHABILITATION (DVR)

Mission: DVR exists to serve its participants and works together as a team so participants can achieve their goals and aspirations for meaningful employment through timely and individualized vocational rehabilitation services.

- **HMS 238 – Disability Determination**

238GB-01 Federal Fringe Benefit Increase
 FY18 N = \$5,772
 FY19 N = \$5,772

- **HMS 802 – Vocational Rehabilitation**

802GA-01 Additional Funding for Older Individuals who are Blind (OIB) and change Funding of the Rehabilitation Teacher for the Blind (RTB) Position to be

100% General Funded
FY18 A = 0.67P, \$33,442 / N = -0.67P, -\$53,507
FY19 A = 0.67P, \$33,442 / N = -0.67P, -\$53,507

802GA-FY18.01 Ho'opono Flood Zone Remediation
FY18 C = \$521,000
FY19 C = \$0

DEPARTMENT OF HUMAN SERVICES GENERAL ADMINISTRATION

• **HMS 904 - General Administration**

904AA-01: Restore Full-Year Funding for GP V Position in AAO
FY18 A = \$22,094 / N = \$12,152
FY19 A = \$22,094 / N = \$12,152

904AA-04: Homelessness: Update Salaries and OCE to Current
FY18 A = \$95,478
FY19 A = \$52,478

904AA-08 Homelessness: Funds to Reimburse HICH Members Travel and Other Expenses
FY18 A = \$3,000
FY19 A = \$3,000

904AA-09 Three (3) Temporary Exempt Positions for Information Security and Privacy Compliance Office in PMO (Information Security Compliance Officer, Security and Privacy Compliance Engineer, Security and Privacy Compliance Analyst)
FY18 A = \$15,102 / N = \$217,468
FY19 A = \$151,020 / N = \$314,121

904AA-10 Federal Fringe Benefit Increase
FY18 N = \$863,594
FY19 N = \$863,594

HAWAI'I PUBLIC HOUSING AUTHORITY

Mission: The Hawaii Public Housing Authority is committed to promoting adequate and affordable housing, economic opportunity and a suitable living environment, for low income families and individuals, free from discrimination.

HPHA will submit its testimony separately.

OFFICE OF YOUTH SERVICES (OYS)

Mission: Provide programs and services for Hawaii's youth including the provision of balanced and comprehensive services for at-risk youth, to prevent delinquency, reduce recidivism, and maximize opportunities for youth to become productive, responsible citizens through community based and family-focused treatment interventions.

- **HMS 501 – In-Community Youth Programs**

501YA-01	Additional Funding for Resources for Enrichment, Athletics, Culture and Health (REACH) Program FY18 A = \$250,000 FY19 A = \$250,000
501YA-02	Funding Change for Juvenile Justice Administrative Position from 100% Federal Funds to 50% Federal and 50% State Funded FY18 A = 0.50T, \$16,020 / N = -0.50T, -\$25,632 FY19 A = 0.50T, \$16,020 / N = -0.50T, -\$25,632
501YA-07	Federal Fringe Benefit Increase FY18 N = \$24,095 FY19 N = \$24,095

HAWAI'I STATE COMMISSION ON THE STATUS OF WOMEN

Mission: Work toward equality for women and girls in the State by acting as a catalyst for positive change through advocacy, education, collaboration and program development.

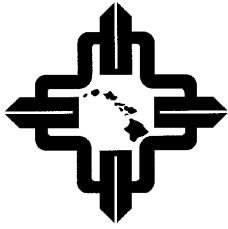
There are no budget requests.

HAWAI'I STATE COMMISSION ON FATHERHOOD

Mission: Promote healthy family relationships by emphasizing the important role fathers play in the lives of their children.

There are no budget requests.

Thank you for the opportunity to testify on this bill.



HAWAII HEALTH SYSTEMS

C O R P O R A T I O N

Quality Healthcare For All

House Committee on Finance Representative Sylvia Luke, Chair Representative Ty J.K. Cullen, Vice Chair

March 8, 2017
Conference Room 308
9:00 a.m.
Hawaii State Capitol

Testimony Supporting House Bill 100, Relating to the State Budget. Appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2017-2018 and 2018-2019.

Linda Rosen, M.D., M.P.H.
Chief Executive Officer
Hawaii Health Systems Corporation

On behalf of the Hawaii Health Systems Corporation (HHSC) Corporate Board of Directors, thank you for the opportunity to present testimony **in support** of H.B. 100, that relates to the State Budget.

Healthcare today is a very complex, highly regulated, and rapidly changing business with constant pressure from payors to deliver higher quality care at a lower cost. Development of health information technology, physician networks, quality improvement and expertise in revenue cycle is essential for successful hospital operations. Private hospitals have invested substantially in these areas while HHSC, with limited resources, is challenged to keep pace.

Challenges

HHSC hospitals face challenges such as:

- Inadequate government and third-party reimbursements for healthcare services.
- The impact of federal health care reform and other federal mandates and budget reductions.
- Labor costs well above industry norms
- Inability to outsource non-clinical functions.
- Escalating costs related to physician and clinical staff recruitment and retention.
- Long-term care waitlist (patients in acute hospital beds who cannot be placed but don't bring revenue).

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- The need for capital investment in new medical technology and deferred maintenance.
- Aging facilities, with life and safety code issues, well beyond the average for similar facilities across the country.
- Small scale operations which are costly to maintain.
- Unknown impact of anticipated changes to the Affordable Care Act.
- Large percentage of Medicaid/QUEST and uninsured patients.

Despite our progress in financial performance as indicated under “Accomplishments” below, HHSC is unable to keep up with collective bargaining pay increases and mandated increases in the fringe rate for retiree health insurance costs (OPEB). The inability to generate sufficient revenue to cover these costs has led to reductions in personnel and services as documented in last session’s budget briefing.

Accomplishments

In spite of its many challenges, HHSC continues to provide high quality healthcare to the island communities it serves and is making progress in key areas. The following are some of the major accomplishments over the past year:

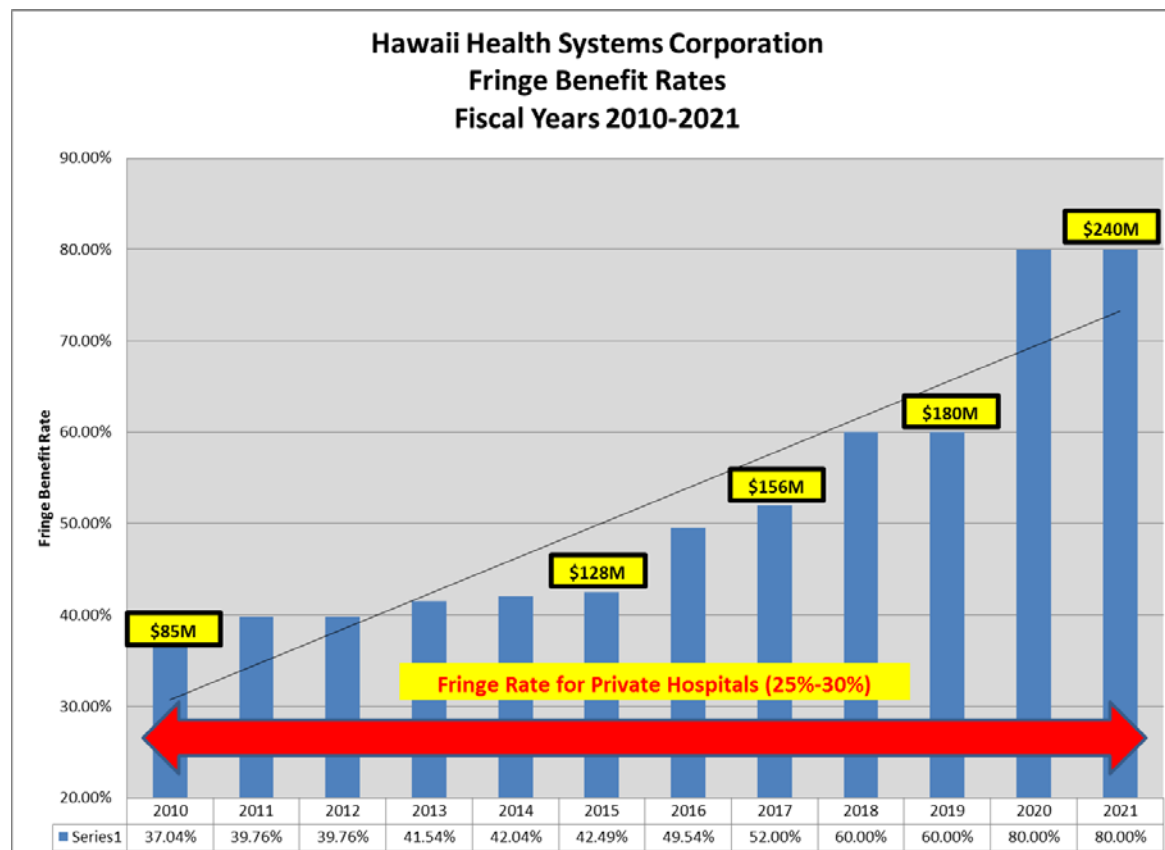
- As of November 30, 2016, HHSC’s facilities in total have reduced their net days in accounts receivable (which measures how quickly a hospital collects on its revenues) down to 50.7 days. The national average for net days in accounts receivable is between 50 and 55 days. This improvement is due to improved revenue cycle tools as a result of electronic medical records implementation, improved coding and other collection processes as a result of the ICD-10 transition in fiscal year 2016, and process improvement initiatives at the regional and corporate level.
- HHSC managed to increase its operating revenues 3.6% from fiscal year 2015 to fiscal year 2016 despite the cuts in services as a result of the implementation of HHSC’s contingency plans during fiscal year 2016. In fact, HHSC has increased revenues by approximately \$400,000,000 from fiscal year 1998 to fiscal year 2016. These increases have come from intense focus on better negotiations with third party payors, better documentation, improved billing, coding and collection procedures, strategic pricing initiatives and other measures.
- In calendar year-to-date October 2016, HHSC has achieved \$930,000 in savings from supply chain initiatives.
- Kauai Veterans Memorial Hospital and the Yukio Okutsu Veterans Care Home achieved the highest possible five-star rating from Medicare’s Nursing Home Compare website. Several other HHSC facilities received a four-star rating.
- Hilo Medical Center was awarded a four-star rating by the Center for Medicare and Medicaid Services, which puts it among the top 20% of hospitals in the nation. Only one other hospital in the State of Hawaii received a higher ranking.

Fiscal Years 2018-2019 Biennium Budget Request (HTH 210 & 212)

For fiscal years 2018-2019, the State Department of Budget & Finance determined that the base general fund appropriation for the HHSC regions (HTH212) for each year of the upcoming biennium would be \$108,983,003 (including Maui Region), which is computed as the HHSC base for fiscal year 2017 of \$105,940,000 plus \$3,043,003 in rollover collective bargaining funding for bargaining units 3 and 4. Note that the \$10,000,000 appropriated for working capital for the Maui Health System in fiscal year 2017 was **not** included in the base appropriation amount calculated by Budget & Finance. The three items that had the largest impact on HHSC's need for funds were: 1) projected increase in the fringe benefit rate assessed to special funded agencies to 60%, 2) carryforward impact of unfunded collective bargaining raises from the prior biennium, and 3) funding for Maui Region's share of system-wide costs.

Fringe Benefit Rate Increase: Guidance provided by the State Department of Budget & Finance was to assume a **60%** fringe benefit rate in both years of the biennium. In FY 17, the planned rate was 52%, and the fringe benefit rate HHSC is currently paying is 49.54%. The Budget & Finance Director had instructed all special-funded agencies like HHSC that the cost of this fringe benefit rate increase must be paid for through special funds. The impact on HHSC without Maui Region is **an additional \$15,328,000 in FY 18, which will be carried forward into future fiscal years 19 and beyond.**

Accordingly, HHSC included in its operating expenses the impact of the 60% effective July 1, 2017. However, historically, the fringe benefit rate given to HHSC by Budget & Finance has never been implemented on the first day of the fiscal year. HHSC acknowledges that the amount requested for this item may vary greatly depending on when the fringe rate increase is actually implemented. The impact of fringe benefit rate increases on HHSC (including Maui Region for comparability purposes) is shown in the chart below.



Note that the 80% fringe rate assumptions for fiscal years 2020 and 2021 were told to HHSC management by the Director of Budget and Finance as a likely scenario for those years.

Unfunded Collective Bargaining Raises from Prior Biennium: In the fiscal years 2016-2017 biennium, pay raises were negotiated by the State of Hawaii for all bargaining units; however, the State provided HHSC with general fund appropriations to pay for the raises of only bargaining units 3 and 4 (two of HHSC’s smallest bargaining units). The carryforward impact of the unfunded collective bargaining raises for the other units that are now built into HHSC’s expense base without Maui Region is approximately **\$17,000,000**.

Funding for Maui Region’s Share of System-wide Costs: With the assumption that the Maui Region operations will be transferred to Kaiser effective July 1, 2017, HHSC will be relieved of the burden of funding Maui Region’s projected operating deficit for the fiscal years 2018 and 2019. However, there are certain system-wide costs that Maui Region had been funding that will need to be covered in order to avoid placing an additional burden on the remaining HHSC regions. The first is Maui Region’s share of projected Corporate Costs for fiscal years 2018 and 2019. As described in HHSC’s report to the Legislature on Corporate Office costs (DC25), there are no Maui Region-specific positions or functions in the Corporate Office, and the Corporate Office staff (which makes up the bulk of the costs of the Corporate Office) do not have any backup

for the functions that they provide. Therefore, Maui Region's departure from the system does not have a significant impact on reducing Corporate Office costs. It is estimated that Maui Region's share of the Corporate Office costs would have been \$7,985,000 in fiscal year 2018 and \$8,008,000 in fiscal year 2019. Also, Maui Region had been a contributor to funding the operations of Alii Community Care's Roselani Place operations. The need to subsidize this operation is expected to continue, and Maui Region's share of this funding is \$702,000 in fiscal year 2018 and \$708,000 in fiscal year 2019. Finally, Maui Region was a user of the system-wide Siemens Soarian Electronic Medical Records (EMR) system; however, Kaiser will be implementing its own EMR system effective July 1, 2017. The contract between HHSC and Siemens does not allow for the maintenance contract to be reduced if a hospital were to stop using the system; as a result, Maui Region's share of the ongoing maintenance costs of the Siemens Soarian system will need to be paid until the contract ends at the end of fiscal year 2019. The cost of Maui Region's share of the Siemens EMR maintenance costs is \$1,800,000 in fiscal year 2018 and \$1,800,000 in fiscal year 2019.

After accounting for these three large items and factoring in other projected revenue and inflationary expense increases, HHSC needs additional general fund appropriations of \$36,486,000 in fiscal year 2018 and \$34,686,000 in fiscal year 2019 in order to achieve a break-even cash flow for those fiscal years. The justifications for those requests are shown below.

JUSTIFICATION FOR ADDITIONAL FUNDING REQUEST:

	FY 18	FY 19
Additional General Fund Request	\$36,486,000	\$34,686,000
<i>Justification:</i>		
Unfunded Costs imposed by the State of Hawaii:		
Fringe Benefit Rate Increase	15,000,000	15,000,000
Unfunded Collective Bargaining Raises from FY 16-17	17,000,000	17,000,000
Total Unfunded Costs imposed by the State of Hawaii	\$32,000,000	\$32,000,000
Maui Region Share of System-wide Costs:		
Maui Region Share of Corporate Costs	7,985,000	8,008,000
Maui Region Share of Siemens EMR Maintenance Costs	1,800,000	1,800,000
Maui Region Share of Alii Community Care Funding	702,000	708,000
Total Maui Region Share of System-Wide Costs	\$10,487,000	\$10,493,000
TOTAL JUSTIFICATION OF GENERAL FUND REQUEST	\$42,487,000	\$42,493,000

It should be noted that in under HTH 212 Sequence #60-001, there is an Executive Request to reduce funds for the Maui Region subsidy of \$(33,420,000) in both fiscal year 2018 and fiscal year 2019. That negative adjustment should be increased to \$(37,968,000) in both fiscal year 2018 and 2019, as that is the correct amount of Maui Region's share of general fund appropriations in the base budget for HHSC.

Kahuku Medical Center Biennium Budget Request (HTH 211)

Since fiscal year 2009, Kahuku Medical Center (Kahuku) has received a general fund appropriation from the Legislature of \$1,500,000 each year. Through operational efficiencies and the benefit of collaborating with HHSC in efficiency opportunities where warranted, Kahuku has been able to generate sufficient cash flow in order to continue providing quality care on the North Shore of Oahu. However, while Kahuku does not operate with the same labor unions and types of labor agreements that HHSC does, the cumulative cost of labor increases throughout the past eight years is forcing Kahuku to ask for an increase in general fund appropriations for fiscal years 2018 and 2019 of \$300,000 each year, bringing their annual general fund appropriation amount to \$1,800,000.

Maui Health System Biennium Budget Request (HTH 214)

The following represents the general fund appropriations requested by Kaiser for the Maui Health System for fiscal years 2018 and 2019.

	FY 18	FY 19
Operations Subsidy	\$38,000,000	\$33,420,000
Transition Costs incurred due to delays in transition date	9,500,000	
Working Capital	10,000,000	
Total Appropriations Requested	\$57,500,000	\$33,420,000

Note that the \$38,000,000 amount requested for the operating subsidy in fiscal year 2018 is the maximum allowed under Act 103, S.L.H. 2015. These appropriation amounts assume that HHSC will be able to transition operations of the Maui Region to Maui Health System on July 1, 2017. HHSC has neither reviewed nor approved this request in compliance with the Center for Medicare and Medicaid Services rules for a Change of Ownership from HHSC to Maui Health System, which prohibits HHSC from taking part in the operations of the Maui Health System.

Thank you for the opportunity to testify in support of H.B. 100. Thank you for all of your support in the past and your continued support of HHSC.

OFFICE OF INFORMATION PRACTICES

STATE OF HAWAII
NO. 1 CAPITOL DISTRICT BUILDING
250 SOUTH HOTEL STREET, SUITE 107
HONOLULU, HAWAII 96813
TELEPHONE: 808-586-1400 FAX: 808-586-1412
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To: House Committee on Finance

From: Cheryl Kakazu Park, Director

Date: March 8, 2017, 9:00 a.m.
State Capitol, Conference Room 308

Re: Testimony on H.B. No. 100
Relating to the State Budget

Thank you for the opportunity to submit testimony on this bill. The Office of Information Practices (“OIP”) **supports the Governor’s request regarding AGS 105 to increase OIP’s budget by \$75,000 and to convert 2.5 FTE temporary to permanent positions.**

The state Office of Information Practices (OIP) protects the public’s right to transparency and accountability by the state and county governments. Specifically, OIP provides legal guidance and assistance to the public as well as to all state and county agencies and boards in the application of Hawaii’s open government laws: (1) the **Uniform Information Practices Act** (modified), chapter 92F, Hawaii Revised Statutes (UIPA), requiring public access to government records, and (2) the **Sunshine Law**, Part I of chapter 92, HRS, requiring access to public meetings. Both laws are intended to open up governmental processes to public scrutiny and participation by requiring government business to be conducted as transparently as possible, while balancing personal privacy rights guaranteed under the Hawaii State Constitution. In addition to these laws, OIP also assists the state Office of Enterprise Technology Services (ETS) (formerly called Office of Information Management and Technology) in implementing Hawaii’s **Open Data policy**, codified as Part VII of chapter 27A, HRS, which seeks to make public information readily accessible online.

Because the UIPA applies to all government agencies, **OIP advises all state, county, and independent agencies in all branches of government, including** the Governor’s Office, Lt. Governor’s Office, all state departments, the

Judiciary, the Legislature, all counties and their legislative and executive branches, and independent entities such as the University of Hawaii and Office of Hawaiian Affairs. OIP also advises most boards and commissions regarding the Sunshine Law. Given its extensive jurisdiction, **OIP plays a unique role in providing uniform advice and training on the open government laws to all state and county entities and the general public**, and OIP's advice is frequently sought by attorneys wishing **to keep government agencies in compliance with the laws**. Rather than dealing with different rules and inconsistent rulings from many different agencies, anyone can go to OIP for uniform, free, and neutral advice, training, assistance, and dispute resolution. If disputes arise, **OIP is a neutral third party that provides assistance or resolves disputes through an informal process that is a free alternative to litigation, which also helps to keep the courts' backlog from growing**. While OIP has no enforcement powers, OIP's decisions are subject to a high standard of judicial review and are not usually appealed to or overturned by the courts.

In FY 2016, OIP received 1,162 requests for assistance from the general public as well as government agencies and boards. **OIP typically responds within the same day to nearly 85% of all requests for assistance** through its Attorney of the Day (AOD) service. While the remaining requests for assistance are formal cases requiring more time to investigate, research, review, and resolve through correspondence or opinions, **OIP was able to complete nearly 77% of the formal cases opened in FY 2017 in the same year**. Thanks to a decrease in the number of new formal cases opened in FY 2016 and an increase in its productivity, OIP was able to reduce the number of pending cases by over 41% in FY 2016. **OIP also reduced the age of the backlogged cases to two years at the end of FY 2016, compared to 12 years in FY 2011. For FY 2017, however, OIP is experiencing a 56% increase in the number of new formal cases filed to date** and expects the number of backlogged cases to increase this year, but intends to keep the age of pending cases down at two years.

Besides managing its heavy caseload, OIP continues to fulfill its administrative functions and **many other duties** that are found in Chapter 92F-42, Hawaii Revised Statutes. These duties include training, monitoring legislation and lawsuits, public communications, reports, and rulemaking. In preparation for the new administrative rules that it is currently drafting, OIP created the **UIPA Record Request Log** to obtain objective, empirical data as to how the UIPA is working in Hawaii. The Log was incrementally rolled out to all state and county agencies since FY 2012, so that 193 state agencies and 79 county agencies provided

Log reports to OIP in FY 2016. OIP is in the process of finalizing its FY 2016 Reports of the state and county agencies' Log results, which will soon be posted on the Reports page of oip.hawaii.gov and summarizes important information that **will help OIP in drafting new rules.**

OIP does all of this, and more, with its lean staff of 8.5 FTE total authorized positions, which consist of 1.0 FTE Director, 5.0 FTE attorneys and 2.5 FTE administrative staff.

It is of utmost importance to OIP's continued efficiency and productivity that it retain all of its attorneys. OIP is fortunate to have retained, so far, the services of five staff attorneys, four of whom have been licensed as attorneys for at least 21 years (not including the Director, who has been a licensed attorney for over 35 years). Moreover, OIP's three senior attorneys each have between 12 to 22 years of service at OIP. These highly experienced attorneys have been training and mentoring the two junior attorneys who joined OIP in 2014. OIP could not have done the training without its three senior attorneys, who share their extensive experience and institutional knowledge with the junior attorneys while continuing to resolve their own caseloads. Moreover, one of the senior attorneys also must double as OIP's IT person, as she is the only employee at OIP with the ability to provide support for day-to-day computer and networking operations and troubleshooting.

Equally important to OIP's success is the administrative staff, which consists of a 1.0 FTE Secretary to the Director, 1.0 FTE Administrative Assistant (AA), and a .50 FTE Records Report Management Specialist (RRMS). As a small, independent agency, OIP's administrative staff must perform varied and often confidential tasks that would normally be handled by multiple personnel in a larger department, and OIP's staff must be able to cover for each other during vacations, illnesses, or vacancies. OIP's Secretary and RRMS have been with OIP for over 13 and 20 years, respectively. The AA has been with OIP since 2015, and is the third in that position within the past three years.

Employee retention is a real concern for OIP, which has trained and lost two AAs as well as two attorneys to better job opportunities with other state or county government agencies. The loss of just one employee would be 11% of OIP's 9-member work force, the loss of one attorney is 20% of OIP's legal staff, and the loss of a senior attorney will have an even greater, disproportionate negative impact on OIP's productivity, institutional memory, and ability to train new

employees. Because it takes several years to fully train new employees, OIP cannot afford to lose its multi-year investment in any employee. OIP currently has an outstanding team, and **OIP's top priority is to retain its current legal and administrative staff.**

After years of hiring and pay freezes, furloughs, mandatory leaves of absences without pay, no step movements, and minimal cost of living pay increases, OIP's current salary structure is inadequate to compensate OIP's highly experienced and competent employees, or to attract new employees of comparable experience who would not require extensive training. OIP's employees have knowledge and skills that are valued by nearly all state and county agencies, which typically pay more than OIP has been able to offer and thus threaten OIP's ability to retain employees.

For example, the County of Maui pays its newly licensed deputies corporation counsel \$57,620, and up to \$113,154 to those who have been licensed nine or more years. According to the City and County of Honolulu's Resolution of the 2016 Salary Commission adopted on April 19, 2016, the range of pay for deputies corporation counsel is \$66,480 to \$147,360. Notably, during the 2016 session, the Legislature appropriated a total of \$1,940,000 to the Department of the Attorney General for pay increases; **OIP got nothing. Yet, OIP's attorneys are frequently called upon by the state's deputy Attorneys General, as well as the deputy Corporation Counsels from all counties, for advice and training on UIPA and Sunshine Law issues.**

To move toward compensation levels that will help it to retain employees, OIP respectfully requests a supplemental appropriation of \$75,000 for each year of FB 2018-19. When added to OIP's FY 2017 base budget of \$576,855, OIP's total proposed appropriation for each year of FB 2018-19 would be \$651,855, or \$175,682 less in non-inflation adjusted dollars than the \$827,537 budget (\$1,343,753 if adjusted for inflation) that OIP had 23 years ago for FY 1994 when it administered only the UIPA with 15 employees. Given the more than doubled increase in OIP's responsibilities and workload and the approximately 50% decrease in staff and funding (adjusted for inflation) experienced since FY 1994, OIP hopes that FY 2017 will be the year of long-delayed salary increases for its employees. **OIP has been doing more than twice the amount of work with about half the number of people that it had in FY**

1994, and now requests salary increases to bring its salary levels closer to those of other state and county employees.

Finally, OIP’s non-fiscal request for conversion of three temporary positions to permanent positions is warranted because these positions, which originated in FY 99 and earlier, are critical to OIP’s efficient operations and OIP is now recognized as a permanent agency administratively attached to the Department of Accounting and General Services (DAGS), effective July 1, 2016. Of its total 8.5 FTE positions, OIP currently has two Staff Attorneys (position numbers 102088 and 117247 each at 1.0 FTE) and one Records Report Management Specialist (position number 102257; .50 FTE) who are classified as temporary employees. Like the other six permanent positions, OIP’s three “temporary” positions are necessary to fulfill OIP’s duties to provide legal advice, training, and dispute resolution to the state and county agencies and the general public.¹

In conclusion, OIP thanks this Committee for considering its testimony and hopes for a favorable decision on its request for an additional \$75,000 per FY and the nonfiscal conversion of 2.5 FTE positions from temporary to permanent.

¹ Note that the BJ tables have not been updated to reflect changes that were approved by DHRD in FY16, which is why OIP’s current request is showing the abolishment of one position, 121267 and the reallocation of .65 FTE and the BJ funding to another position, 102088. Position 102088 was initially set up as a temporary position, and authorized at 1.0 FTE. In FY14, a new temporary position 121267 was created and approved by DHRD for the purpose of job sharing with position 102088. Position 121267 was authorized at .65 FTE and 102088 was authorized at .35 FTE. In FY16, the job sharing positions ended once position 102088 became vacant, and position 121267 was abolished by DHRD. The .65 FTE from position 121267 was added back to position 102088, which returned 10288 to a 1.0 FTE position.

DAVID Y. IGE
GOVERNOR

SHAN S. TSUTSUI
LIEUTENANT GOVERNOR



LINDA CHU TAKAYAMA
DIRECTOR

LEONARD HOSHIJO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
830 PUNCHBOWL STREET, ROOM 321
HONOLULU, HAWAII 96813
www.labor.hawaii.gov
Phone: (808) 586-8844 / Fax: (808) 586-9099
Email: dllr.director@hawaii.gov

March 8, 2017

To: The Honorable Sylvia Luke, Chair,
The Honorable Ty J.K. Cullen, Vice Chair, and
Members of the House Committee on Finance

Date: Wednesday, March 8, 2017
Time: 9:00 p.m.
Place: Conference Room 308, State Capitol

From: Linda Chu Takayama, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. No. 100 Relating to the State Budget

Chair Luke, Vice Chair Cullen, and Members of the Committee, thank you for the opportunity to provide you with information on DLIR's modest budget requests. DLIR is in strong support of the contents of this measure pertaining to the department.

DLIR's budget requests are to improve services and enhance outcomes of functions relating to rights and benefits of workers along with a request to strengthen the Office of Community Services' Grant-in-Aid program. The following is a concise summary of the department's additions.

➤ **LBR183 Disability Compensation Division:**

- ✓ One (1) program specialist to administer the Professional Employer Organization (PEO) program according to its statutory responsibilities.
- ✓ Two (2) additional special-funded Facilitators. The Facilitator Unit was established in 2000 to assist injured workers in filing their Workers' Compensation claims, assist insurers, employers, and providers, and facilitate the Workers' Compensation process.
- ✓ One (1) position and funding for DCD modernization. The Legislature provided a general fund appropriation for FY2015-16 for a Business Process Optimization Analysis and Case Management System Modernization. The analysis performed by the consultants recommended

three major initiatives to further streamline and automate DCD processes to improve efficiency, quality, timeliness, and customer service:

- 1) Electronic Data Interchange (EDI) Intake (i.e. electronic claims intake)
- 2) Business Process Automation and Case Management (i.e. business process workflow)
- 3) Self-Service Portal (online services for claimants and providers)

➤ LBR903 Office of Community Services:

- ✓ Act 189 (SLH, 2016) appropriated \$110,000 for two positions for grant administrative support personnel for OCS. Subsequently, the Governor authorized a special project for this function (Act 160, SLH 2015) and the temporary/exempt positions will be filled with a NTE date of 6/30/2017. This request will enable DLIR/OCS to continue one position beyond the 6/30/2017 date to accommodate the increased GIA related workload.

➤ LBR153 Hawaii Civil Rights Commission:

- ✓ One (1) legal secretary—HCRC currently has four (4) enforcement attorneys, three in permanent positions and one in a temporary position. The enforcement attorneys have no legal support staff. It is estimated that the requested support staff will increase productivity by 25%.

➤ LBR812 Labor and Industrial Relations Appeals Board:

- ✓ One (1) Office Assistant to help set up and processing of appeals. LIRAB received 404 new appeals in FY2015-16, or an average of 33 new appeals per month. The delay in processing appeals makes it difficult for LIRAB to meet its performance measurement to resolve 25% of its cases within 15 months of the receipt of the appeal. The additional staff will reduce the current wait time of almost 2.25 years.

➤ LBR153 Wage Standards Division:

- ✓ One (1) Labor Law Enforcement Specialist (LLES) to reduce the backlog in the Compliance Branch, which investigates cases based on five laws: (Wages and Hours of Employees on Public Works Law, chapter 104, HRS; Wage and Hour, chapter 387, HRS; Payment of Wages and Other Compensation, chapter 388, HRS; Child Labor Law, chapter 390, HRS; Hawaii Family Leave Law, chapter 398, HRS; and Employment Practices Law, chapter 378, HRS, Part II-Lie Detector Tests). The resolution time has increased for each type of claim. For the most complicated cases, the waiting time has increased 842% from an average of 66 days when WSD had 24 FTE, to an average of 622 days with only 17 FTE.

Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the House Committee on
FINANCE**

**Wednesday, March 8, 2017
9:00 AM
State Capitol, Conference Room 308**

**In consideration of
HOUSE BILL 100
RELATING TO THE STATE BUDGET**

House Bill 100 (HB 100) proposes to appropriate funds for the operating and capital improvement budgets of the Executive Branch for Fiscal Years (FY) 2017-2018 and 2018-2019. **The Department of Land and Natural Resources (Department) supports this measure but respectfully asks this Committee's favorable consideration on the insertion of additional cost adjustments, as requested and submitted by the Administration via Governor's Messages No. 2 and No. 5.**

Operating Budget:

HB 100 proposes to appropriate the following to the Department's operating budget:

- \$58.0 million (FY 2018) and \$57.7 million (FY 2019) in general funds
- \$77.0 million (FY 2018) and \$74.9 million (FY 2019) in special funds
- \$32.4 million (FY 2018) and \$20.4 million (FY 2019) in federal funds
- \$387,626 in trust funds in FYs 2018 and 2019

The Department's requests in HB 100 are as follows:

- Increase LNR 101 Special Land and Development Fund expenditure ceiling for property management and land maintenance expenses (\$500,000/\$500,000 B).
- Increase LNR 101 Land Conservation Fund expenditure ceiling for authorized conveyance tax transfer (\$1,700,000/\$1,700,000 B).
- Add expenditure ceiling for Turtle Bay Conservation Easement Special Fund in LNR 101 for the repayment of debt service (\$2,459,570/\$2,535,069 B).
- Increase LNR 101 Land Conservation Fund expenditure ceiling to replace the FY 2015 blanket encumbrance that lapsed in FY 16 (\$2,228,250 B).

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

KEKOA KALUHIWA
FIRST DEPUTY

JEFFREY T. PEARSON, P.E.
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

- Increase LNR 111 Bureau of Conveyances Special Fund expenditure ceiling to cover expenses related to the preservation of records and automated enhancements cost (\$500,000/\$500,000 B).
- Add general funds in LNR 172 for positions and other operating expenditures per provisions from Act 84, Session Laws of Hawaii (SLH) 2015 (\$2,832,996/\$2,832,996 A).
- Add general funds in LNR 402 for other operating expenditures per provisions from Act 84, SLH 2015 (\$3,405,749/\$3,405,749 A).
- Add general funds in LNR 402 for Hawaii Invasive Species Council (HISC) per provisions from Act 84, SLH 2015 (\$4,000,000/\$4,000,000 A).
- Add general funds in LNR 402 for Rapid Ohia Death Response (\$1,000,000/\$1,000,000 A).
- Add general funds in LNR 402 to increase operating funds for HISC (\$500,000/\$500,000 A).
- Add general funds in LNR 402 for Mosquito Eradication (\$250,000/\$250,000 A).
- Add general funds in LNR 407 for Watershed Forests (\$500,000/\$500,000 A).
- Add general funds in LNR 407 for positions and other operating expenditures per provisions from Act 84, SLH 2015 (\$7,556,128/\$7,556,128 A).
- Add general funds in LNR 802 for the completion of the State Historic Preservation Division's Integrated Information Management System and digitization of reports, records and files (FY 2018 \$500,000 A).
- Add general funds in LNR 906 for positions and other operating expenditures per provisions from Act 84, SLH 2015 (\$101,715/\$101,715 A).
- Increase LNR 802 Hawaii Historic Preservation Special Fund expenditure ceiling for personal services (\$19,739/\$19,739 B).
- Increase LNR 802 Hawaii Historic Preservation Federal Fund expenditure ceiling for personal services (\$19,571/\$19,571 B).
- Increase LNR 906 Natural and Physical Environment Special Fund expenditure ceiling for Special Projects & Cultural Resources Manager position (\$159,917/\$159,917 B).
- Add 1 permanent Land Agent position and special fund ceiling in LNR 101 for Maui District Land Office (\$47,558/\$95,116 B).
- Add 3 temporary Ocean Resource Management Plan positions and general funds in LNR 401 per provisions from Act 84, SLH 2015 (\$152,520/\$152,520 A).
- Add 15 temporary positions and general funds in LNR 906 for management and restoration of Kaho'olawe Island Reserve Commission (\$1,065,147/\$1,097,047 A).
- Trade-of position count and special fund ceiling from LNR 101 to LNR 906 (\$158,086/\$158,086 B).
- Transfer 6 permanent Accountant positions and funds from various programs to LNR 906.
- Change the means of financing for Accountant position (0.25 FTE) in LNR 906 from Federal Funds to General Funds.
- Change the means of financing in LNR 906 for position and operating funds for Aha Moku Executive Director from Trust Fund to General Fund (-\$152,871 T/\$53,117 A)
- Convert 6 temporary positions to permanent status for various programs by all means of financing: 3 in general funds (A), 2 in federal funds (N) and 1 in other federal funds (P).
- Increase ceiling for new fringe benefit assessment rate for various programs (\$2,299,975/\$2,299,975): Special Fund (\$1,971,424/\$1,971,424 B); Federal Fund (\$267,683/\$267,683 N); Other Federal Fund (\$60,868/\$60,868 P).
- Adjust federal fund ceilings based on anticipated federal awards in FY 2018 and FY 2019.

Capital Improvement Projects (CIP) Budget:

The Department requests \$46.0 million in FY 2018 and \$29.9 million in FY 2019 for its CIP budget for various projects and initiatives that provide multiple benefits to Hawaii's people and economy. Major projects include (among others) the statewide watershed initiatives, improvements at various state parks and deep monitor wells, flood damage reconstruction at Iao Valley State Monument, Maui and restoration improvements.

Governor's Message:

The Department respectfully requests your favorable consideration for the following budget adjustments submitted as Governor's Message items:

- **LNR 101:** Add \$300,000 in special funds in FY 2018 and FY 2019 for other current expenses to cover increased costs associated with contested case proceedings that include hiring of hearing officers and court reporters and neighbor island travel.
- **LNR 906:** Add proviso to correct the project title from "Kahoolawe Island Reserve Commission, Hawaii" to "Kahoolawe Island Reserve Commission, Maui" to reflect the correct location of the project.
- **LNR 804:** Amend project title from "Hanahanapuni Shooting Range Development, Kauai" to "Shooting Range Development, Kauai", and project description from "Plans, design and construction for the development of a shooting range." to "Plans, design and construction for the development of shooting ranges." to allow the Department to consider various shooting range sites on Kauai.
- **LNR 405:** Add proviso to correct the project title from "Hanahanapuni Firing Range Project, Kauai" to "Firing Range Projects, Kauai" and to correct the project description from "Plans and design for a firing range. This project is deemed necessary to qualify for federal aid financing and/or reimbursement." to "Plans and design for the development of firing ranges. This project is deemed necessary to qualify for federal aid financing and/or reimbursement." to allow for consideration of various firing range sites on Kauai.
- **LNR 101:** Reduce special funds of \$150,000 for FY 2018 and \$850,000 for FY 2019 for the Hilo Ditch Repair, Hawaii project.
- **LNR 101:** Add \$1,000,000 in special funds in FY 2018 for Waimea River Mouth Sand Relocation, Kauai project.

Thank you for the opportunity to comment on this measure.

DAVID Y. IGE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF PUBLIC SAFETY
919 Ala Moana Boulevard, 4th Floor
Honolulu, Hawaii 96814

NOLAN P. ESPINDA
DIRECTOR

Cathy Ross
Deputy Director
Administration

Jodie F. Maesaka-Hirata
Deputy Director
Corrections

Renee R. Sonobe Hong
Deputy Director
Law Enforcement

No. _____

TESTIMONY ON HOUSE BILL 100
RELATING TO
THE STATE BUDGET

by
Nolan P. Espinda, Director
Department of Public Safety

House Committee on Finance
Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair

Wednesday, March 8, 2017; 9:00 a.m.
State Capitol, Conference Room 308

Chair Luke, Vice Cullen, and Members of the Committee:

The Department of Public Safety (PSD) **supports** House Bill 100, which details PSD's FB2017-19 Budget Request for operating and capital improvement appropriations. The Department's FB2017-19 operating budget requests reflect the transfer of positions; \$3,344,801 for the continued housing of 248 Halawa Correctional Facility inmates in Arizona until December 2017; and recurring operational costs authorized in the 2017 Supplemental Year.

Funds are also requested for additional positions for the Kulani Correctional Facility, Sheriffs, and General Administration; reestablishment of positions at the Women's Community Correctional Center and the Hawaii Community Correctional Center; funds for the Common Area Maintenance for the AAFES Building; pre- and post-psychological testing for the annual Deputy Sheriff recruitment; and a \$100,000 increase in the expenditure ceiling for the Statewide Automated Victim Information and Notification System Special Fund (SAVIN).

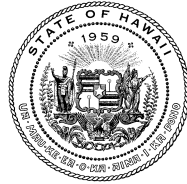
Testimony on HB 100
House Committee on Finance
March 8, 2017
Page 2

The Department's CIP budget request will provide much needed funds to complete ongoing capital improvement projects and for projects that will increase and improve inmate housing.

Thank you for the opportunity to present this testimony.

DAVID Y. IGE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

MARIA E. ZIELINSKI
DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

To: The Honorable Sylvia Luke, Chair
and Members of the House Committee on Finance

Date: March 8, 2017

Time: 9:00 A.M.

Place: Conference Room 308, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

Re: H.B. 100 Relating to the State Budget

The Department of Taxation (Department) strongly supports H.B. 100, the Governor's budget, which funds the operations of the Department to administer the tax laws of the State of Hawaii in a consistent, uniform, and fair manner.

Aside from funding ongoing tax operations, the most significant adjustment contained in the Department's budget request is the request for \$18,845,000 in CIP funds for the completion of the implementation of the Tax System Modernization project. Two of the first five rollouts have been successfully implemented on time. The third rollout is expected to be completed by August 2017; the fourth by November 2018; and the fifth by July 2019. Expected taxpayer benefits will be realized as taxpayers become familiar with using the new system and the new system's features.

Delay in replacement of the core computer system will result in continued inefficient and ineffective collection of tax revenue for the State. The precariousness of the current legacy system could affect the State's ability to process and collect taxes if inoperable. Specifically, in February 2017, the legacy system was down for more than a day due to a part failure. Taxpayer services and revenue collection continued uninterrupted and without incident only because TSM handled all of the front-end processing.

Also requested is \$59,000 in operating funds and \$500,000 in CIP funds to upgrade the Department's safety and security policies, and infrastructure to address an anticipated increase in cash transactions related to the implementation of the medical marijuana dispensary program.

Finally, the Department is requesting an additional six months of funding for five Tax Examiner positions created via Act 124, Session Laws of Hawaii 2016. These positions will increase audit timeliness and accuracy of reviews.

Thank you for the opportunity to provide comments.



UNIVERSITY OF HAWAI'I SYSTEM

Legislative Testimony

Testimony Presented Before the
 House Committee on Finance
 March 8, 2017 at 9:00 a.m., Room 308
 by
 David Lassner
 President, University of Hawai'i

HB 100 – RELATING TO THE STATE BUDGET

Chair Luke, Vice Chair Cullen, and members of the Committee on Finance:

Thank you for this opportunity to testify. The University of Hawai'i (University) supports HB 100, Relating to the State Budget, and urges your strong support for public higher education in Hawai'i through the Operating and Capital Improvement Program budgets as well as specific appropriation bills.

The University respectfully requests consideration of our previous in-depth presentation of our budget before the House Committee on Finance on January 12, 2017. This testimony again highlights the summary for the University's budget proposal and request for inclusion in the Governor's Executive Budget proposal. This budget request has the support of the University Administration and the approval of the Board of Regents.

The University's mission advances our statewide economy, workforce development, industry development and, most importantly, education opportunities for all of our residents. The University is a critically important driver of stimulating and diversifying our economy while creating great jobs and addressing the significant challenges and opportunities facing Hawai'i and the world. Public support in the budget helps to advance these goals.

Operating

The Committee's support is requested in revising HB 100 to fund the University's budget proposal. Provided below is a table showing the Board of Regents (BOR) approved request for Fiscal Biennium 2017-19 (FB17-19). The Means of Financing (MOF) for these requests are general funds.

UH BOR Request - Themes	FY2017-18		FY2018-19	
	FTE	\$\$\$	FTE	\$\$\$
Hawai'i Graduation Initiative	12.00	12,700,000	12.00	14,300,000
Driving Student Success		4,000,000		3,900,000
Academic Innovation		2,500,000		3,500,000
Hawai'i Papa O Ke Ao		3,350,000		3,500,000
Graduate Assistant Salary Support		2,850,000		3,400,000

UH BOR Request - Themes	FY2017-18		FY2018-19	
	FTE	\$\$\$	FTE	\$\$\$
Hawai'i Innovation Initiative	9.00	8,500,000	9.00	8,500,000
Hawai'i Innovation Initiative		3,500,000		3,500,000
UH Cancer Center Support		5,000,000		5,000,000

21st Century Facilities				
Facilities Management	9.00	4,700,000	9.00	4,000,000

High Performance Mission Driven System	17.00	2,800,000	17.00	2,800,000
Title IX, VAWA, Compliance		1,850,000		1,850,000
High Performance Mission Initiative		950,000		950,000
UH Hilo SBDC Positions	-		-	
Total	47.00	28,700,000	47.00	29,600,000

The Governor's initial budget request, included in the introduction of HB 100, reduced the requested increases in various categories, but also added \$10 million as a lump sum to be spent at the University's discretion on its highest priority requirements, as follows. The University is supportive of this funding approach - without meeting all of the funding needs for the University, this approach does provide flexibility to prioritize and allocate distributive funding to those programs that could not be explicitly funded.

Governor's Original Request	FY 2017-18		FY 2018-19	
	FTE	\$\$\$	FTE	\$\$\$
Hawai'i Graduation Initiative		\$ 1,550,372		\$ 1,484,372
Hawai'i Innovation Initiative	9.00	\$ 8,500,000	9.00	\$ 8,500,000
21st Century Facilities				
High Performance Mission Driven System	7.00	\$ 1,850,000	17.00	\$ 1,850,000
Lump Sum		\$ 10,000,000		\$ 10,000,000
Total	16.00	\$ 21,900,372	26.00	\$ 21,834,372

On February 7, 2017, the Governor transmitted Governor's Message No. 2, which significantly reduced requests for additional funds across State government. For the University, the only remaining request supported by the Governor was four position counts and \$5,000,000 each year for the University of Hawai'i Cancer Center, one of our highest priority requests, which is part of the Hawai'i Innovation Initiative. However, the University continues to maintain that our original modest funding request is equally important towards advancing improvements within the University System.

Capital Improvements Program (CIP)

Provided below is a table showing the BOR approved request for FB17-19. The MOF for these requests are General Obligation (GO) bonds:

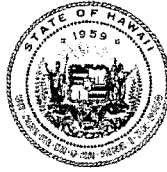
<u>Prog ID</u>	<u>Project Title</u>	<u>FY 2017-18</u>	<u>FY2018-19</u>
UOH800	KCC, Culinary Institute of the Pacific, Phase II	30,000,000	-
UOH210	Renew, Improve, and Modernize (interior and exterior structural, roofs, mechanical, electrical, pedestrian pathways and roadways)	27,750,000	21,550,000
UOH100	Snyder Hall Replacement	2,000,000	48,000,000
UOH700	Professional Studies Building	3,000,000	-
UOH800	Renew, Improve, and Modernize (interior and exterior structural, roofs, mechanical, electrical, pedestrian pathways and roadways)	25,000,000	25,000,000
UOH100	Renew, Improve, and Modernize (interior and exterior structural, roofs, mechanical, electrical, pedestrian pathways and roadways)	79,762,000	41,310,000
UOH700	Renew, Improve, and Modernize (interior and exterior structural, roofs, mechanical, electrical, pedestrian pathways and roadways)	3,110,000	3,300,000
UOH800	HCC, Science Building		45,100,000
UOH100	Kuykendall Hall Renovation	750,000	1,500,000
UOH800	Minor CIP	10,000,000	10,000,000
UOH100	Renovate Keller Hall	14,000,000	12,000,000
UOH700	Center of Hawaiian Knowledge	-	3,000,000
UOH800	HawCC, Campus Development, Phase I	2,000	2,000
UOH100	Renovate Sinclair Library	500,000	4,000,000
UOH800	LCC, Campuswide Fascia and Sidewalk Improvements	5,500,000	-
UOH100	UHM, Hyperbaric Treatment Center at Kuakini Hospital	1,650,000	-
UOH800	WCC, Hale Alaka'i Renovation		8,800,000
UOH100	Renovate Physical Science		1,500,000
UOH100	Advanced Planning	3,500,000	1,000,000
UOH100	UHM, Athletics Complex, Various Facilities Renew, Improve, and Modernize	10,000,000	10,000,000
UOH900	Project Adjustment Fund	4,000	4,000
TOTAL		216,528,000	236,066,000

The Governor's budget request eliminated each specific UH funding request and instead included \$150 million in GO Bonds in FY2017-18 (only) as a lump sum to be spent at the University's discretion on its highest priority requirements.

House Committee on Finance
House Bill No. 100
March 8, 2017
Page 4 of 4

We recognize there are unknown factors that must be considered this Legislative Session, including post-employment benefits, collective bargaining, and the overall revenue environment. We also recognize that Hawai'i has many competing needs for resources. Your University will be most appreciative of the strong support of the Legislature for public higher education in Hawai'i.

Thank you for your time and consideration.



**STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION**

235 SOUTH BERETANIA STREET, ROOM 300
HONOLULU, HAWAII 96813

March 6, 2017

TO: The Honorable Sylvia Luke, Chair
House Committee on Finance

The Honorable Ty J.K. Cullen, Vice Chair
House Committee on Finance

Members of the House Committee on Finance

FROM: Kristin Izumi-Nitao, Executive Director *kin*
Campaign Spending Commission

SUBJECT: **Testimony on H.B. No. 100, Relating to the State Budget**

Wednesday, March 8, 2017
9:00 a.m., Conference Room 308

Thank you for the opportunity to provide comments on this bill. The Campaign Spending Commission ("Commission") strongly supports this bill and urges its passage.

This bill, in part, appropriates from the state's general fund the sum of \$505,585 for fiscal years 2017-2018 and 2018-2019 to pay for the Commission's operating expenses, including staff salaries and fringe benefits. Presently, the Commission's operating expenses, including staff salaries and fringe benefits, are paid out of the Hawaii Election Campaign Fund ("HECF"). HRS §11-421(c).

For the past ten fiscal years, the Commission has been operating at an average net deficit of about \$413,370.16. The Commission's attempts to increase revenue have not been successful; especially since the Commission's revenue is dependent on the \$3 state income tax check-off, the interest generated from the principal, and any funds that escheat to the HECF pursuant to campaign finance laws. These sources of funding have been steadily decreasing. Given this trend, the Commission is concerned that its revenue is insufficient to sustain Commission operations and programs. The Commission projects that by November 2017, the funds will be "near depletion" such that the Commission will be unable to run the public funding program for the 2018 election. See, HRS §11-422(a).

We therefore request inclusion of our budget in the Executive State Budget request to restore the original purpose of the HECF to fund public funding (see, Hawaii Constitution,

Article II, Section 5) and to have general funds pay for the government and statutory functions provided by the Commission (see, HRS §11-314).¹

The Commission urges this Committee to pass this measure.

¹ We note that S.B. 412, S.D. 2, also provides for the funding of Commission operations from the general fund. However, that draft does not provide for an appropriation of a specific amount.



Water has no substitute.....Conserve it

Testimony of
Kirk Saiki, P.E.
Manager and Chief Engineer
Before the Committee on Finance
Wednesday, March 8, 2017
9:00 A.M.
State Capitol, Conference Room 308

March 6, 2017

The Honorable Sylvia Luke, Chair
And Members
Committee on Finance
House of Representatives
State Capitol, Conference Room 308
415 South Beretania Street
Honolulu, Hawaii 96813

RE: HB100, RELATING TO THE STATE BUDGET

The County of Kauai Department of Water (DOW) supports HB 100 and SB 192, particularly the proposed funding to the Department of Land and Natural Resources for watershed management, CIP fencing work, and invasive species prevention, control, research, and education programs and activities.

DOW is a member of the Kauai Watershed Alliance and we recognize the necessity of natural resource stewardship. We understand that the source of our water is a system of healthy forested watersheds which capture rain and cloud moisture and deliver it efficiently to aquifers and surface sources for subsequent consumption in our daily lives and for the benefit of our island economy.

The DLNR Division of Forestry and Wildlife's budget request seeks base operating and CIP funding for the protection of our native forests, which are the source of nearly all the islands' supply of fresh water. The watershed protection and invasive species programs supported with State funds and leveraged several times over with matching funds from county, federal and private sources help to ensure healthy, managed natural resources that are critical for isolated island chains such as Hawai'i.

Thank you for the opportunity to testify. Should you have any further questions feel free to call me at (808) 245-5408.

Respectfully,

A handwritten signature in black ink, appearing to read "K. Saiki".

Kirk Saiki P.E.
Manager and Chief Engineer

Enclosure

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 4:37 PM
To: FINTestimony
Cc: labbott@kirc.hawaii.gov
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Lyman L. Abbott	Kahoolawe Island Reserve Commission	Support	No

Comments: Please support HBO 100 to allow the KIRC Restoration Department to continue to put native plants in the ground and reduce soil erosion. Thank you, Lyman L. Abbott

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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POLICY ADVISORY BOARD FOR ELDER AFFAIRS

No. 1 Capitol District, 250 S. Hotel Street, Honolulu, Hawaii 96813

TO: Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair
Committee on Finance

FROM: Sarah Yuan, Vice Chair
Policy Advisory Board for Elder Affairs

SUBJECT: HB100 Relating to the State Budget

HEARING: Wednesday, March 8, 2017, 9:00 am
Conference Room 308

POSITION: PABEA **strongly supports** HB 100, Item No. 25, making appropriations for the Executive Office on Aging (HTH904).

The PABEA (Policy Advisory Board for Elder Affairs) has a statutory obligation to advocate on behalf of the senior citizens of Hawaii. While we advise the Executive Office on Aging, we do not speak on its behalf.

The budget bill HB 100 includes EOA's annual operating budget of \$13,440,783 (general fund) for FY18 and FY19 (item no. 25). This testimony focuses on \$6 million out of the total that is not already in the base budget:

- Kūpuna Care: adding \$4.15 million to the base amount of \$4.85 million for a total of \$9 million.
- ADRC (Aging and Disability Resource Center): adding \$1.7 million to the base amount of \$1.4 million for a total of \$3.1 million.
- Long-term care ombudsman program: \$100,000.

Kūpuna Care helps older adults continue living at home at a small fraction of the costs of nursing home care. Kūpuna Care is funded by the State of Hawaii to provide services such as transportation, attendant care, case management, home-delivered meals, homemaker, and personal care services. In the two most recent legislative sessions (FY16 and FY17), Kūpuna Care was funded for \$7.8 million/year, which included \$3 million non-recurring funding. It was \$1.2 million less than the total allocation prior to FY16 (at \$9 million). This loss in program funding occurred at the time when we saw a rapid increase in the older population. Furthermore, the base budget for Kūpuna Care (\$4.8M) has not increased since 2002 while the demand for home- and community-based supportive services has continued to rise in the past decades. With the additional funding of \$4.15 million, Kūpuna Care can serve up to an additional 3,600 frail and vulnerable seniors for a year (compared to 34 people in the nursing home setting).

The ADRC (Aging and Disability Resource Center) is a statewide single-access point for information on long-term support options and benefits. The EOA has delegated the Area Agencies on Aging to develop and operate the ADRC in their respective counties, using specific standardized tools and processes. Recent EOA data show that the ADRCs received an average of 159 contacts per day through walk-ins, and inquiries by telephone and website. Of these contacts, about 5% (or 9 older adults per day) were

POLICY ADVISORY BOARD FOR ELDER AFFAIRS

No. 1 Capitol District, 250 S. Hotel Street, Honolulu, Hawaii 96813

assessed to need a Kūpuna Care service(s) for the first time. Over ninety percent of ADRC consumers were satisfied with their ADRC experience. EOA also reported a recently completed independent assessment that two ADRCs—Maui and Kaua‘i—were fully functioning, meeting all 10 criteria set forth by federal guidelines. Honolulu met 9 of 10 criteria, since it began phasing in the ADRC system in July 2015, and Hawai‘i County met 6 criteria and was on track to incorporate new operations. When an ADRC becomes fully functional, it will qualify for additional financial support from various federal programs such as Medicare, the Affordable Care Act, and Medicaid. The ADRC’s base budget is \$1.4 million per year. The appropriation of \$1.7 million is much needed for the further development of the resource centers.

The Older Americans Act’s Long-Term Care Ombudsman (LTCO) program is a consumer advocacy model intended to improve the quality of care of residents in nursing homes and residential care facilities by helping them resolve complaints about their care and protect their rights. Currently Hawai‘i’s LTCO office, with one ombudsman and one volunteer coordinator, is tasked with serving 12,000 long-term care residents statewide, resulting in an ombudsman to resident ratio that is six times the recommended ratio (1 to 2,000) by the Institute of Medicine. Back in 2014 when the LTCO office had a staff of three, its staff to resident ratio ranked the 10th worst state in the nation, and the office handled a case load of 79 (or 130 complaints). In Hawai‘i, about 46% of the long-term care beds are in small community residential care homes (1,630) and 54% of the beds are in larger nursing facilities (49) and assisted living facilities (13). The high percentage of small care homes adds a challenge to an already difficult situation with geographic barriers, where 17% of the total 1,692 facilities are located on the neighbor islands. The requested \$100,000 appropriation will provide for three neighbor island contracts, at \$25,000 each, to conduct visits, provide counseling, investigate complaints, and coordinate volunteer activities and training; and the remaining \$25,000 will be for program operating expenses.

We urge you to support the appropriations for these three essential programs that support and protect the quality of life of our vulnerable older adults.

Thank you for the opportunity to testify.



House of Representatives
Committee on Finance
Wednesday, March 8, 2017
9:00 a.m.
Conference Room 308

To: Representative Sylvia Luke, Chair

RE: **HB 100 RELATING TO STATE BUDGET**

AARP is a membership organization of people age fifty and over with nearly 150,000 members in Hawaii. AARP advocates and provides information on issues that matter to our kupuna and their families, including affordable, accessible, quality healthcare, financial resiliency, and livable communities.

HB 100 appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2017-2018 and 2018-2019.

AARP Hawaii strongly supports HB 100 relating to the Executive Office on Aging’s operating budget, page 36, item 25 in the appropriation amount of \$13,440,783 for FY 2017-2018, and \$13,440,783 for FY 2018-2019. The budget supports:

- An increase to the base budget for Kupuna Care (request for \$4.1 million, total \$9 million)
- An increase to the base budget for Aging and Disability Resource Center (request for \$1.7 million, total \$3.3 million)
- A funding request for the Office of the Long Term Care Ombudsman (\$100,000)

The Kupuna Care program helps older adults continue living at home by providing services such as transportation, personal care, home-delivered meals, case-management and attendant and home-maker which support their daily needs to remain healthy and independent as possible. The additional funds support the growing number of elders who need the care to remain in their homes.

The Aging and Disability Resource Center (ADRC) is the one-stop shop to access long term care information and resources which help families find services that are appropriate to care for

AARP Hawaii – HB 100 (continue)

their loved ones. All four counties operate an ADRC through the county Area Agency on Aging. The requested funds support and sustain the ADRC operations in these respective counties.

Funding for the Office of the Long Term Care Ombudsman would provide additional support especially on the neighbor islands. The \$100,000 appropriation would provide for three \$25,000 neighbor island contracts to support long term care facility visits, counseling and/or investigating complaints, volunteer coordination activities and trainings and \$25,000 for program operating expenses (e.g. travel, mileage, postage, etc.).

Having the entire amount for these vital safety net programs and services included in the base budget help ensure future stability and quicker release of funds to reduce delays in services.

Thank you for the opportunity to testify.



CATHOLIC CHARITIES HAWAII

TO: Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair
Committee on Finance

FROM: Terrence L. Walsh, President and Chief Executive Officer

DATE: Wednesday, March 8 2016 (9:00 a.m., Room 308)

RE: **HB 100, Relating to the State Budget
Regarding HTH904**

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing supportive home and community based services to elders since 1973 and currently serves over 4,000 older persons each year.

1. CCH supports the funding in HB 100 for the Executive Office on Aging (HTH904). In particular:

- **\$4.2M additional funding added to the base funding of \$4.8M for KUPUNA CARE services (Total: 9.0M annually)**

Catholic Charities Hawai'i is a current provider of Kupuna Care Transportation and Homemaker services for frail elders. Through Kupuna Care, CCH Transportation and Homemaker Services provide support for frail kupuna and relief for their caregivers.

Kupuna Care services provide a safety net for all kupuna and their caregivers who cannot afford to pay for in-home and community based services and are unable to receive these services through other means.

- **\$1.7M additional funding added to the base funding of \$1.4M for the AGING & DISABILITY RESOURCE CENTERS (\$3.3M annually)**

Aging & Disability Resource Centers (ADRC's) are being developed to serve as single entry points for individuals who need information about long term support services. The role of the ADRC's is critical, especially as they serve as the sole entry point to become eligible to receive Kupuna Care services. As a provider of Kupuna Care services in the C&C of Honolulu, Catholic Charities Hawaii supports funding to enable the ADRC's, to effectively and promptly meet the needs of kupuna and their caregivers.

2. CCH also respectfully requests that the following be added to HB100 for the Executive Office on Aging (HTH904):

- Convert the Participant Directed Program Specialist to a civil service position.



The Participant Directed program offers frail elders an alternative to the traditional Kupuna Care service delivery system. This is a particularly useful option for elders in rural areas where access to services is limited.

Catholic Charities Hawai`i asks for your support on behalf of the thousands of elders we serve who wish to remain in the community and avoid institutionalized care for as long as possible.

For more information or questions, please contact Diane Terada, Division Administrator, at 527-4702. Thank you for this opportunity to provide testimony.

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 8:26 AM
To: FINTestimony
Cc: mkhan@hawaiiantel.net
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Leimomi Khan	Democratic Party of Hawaii, Hawaiian Affairs Caucu	Support	No

Comments: The Hawaiian Affairs Caucus of the DPH urges your support of appropriations for the Kahoolawe Island Reserve Commission to enable their continued work to restore and protect the Kahoolawe Island Reserve. They have done some really good work that gives us hope that the Kahoolawe Island Reserve will someday be fully healed with promise for enhanced cultural activities and economic growth.

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 1:36 AM
To: FINTestimony
Cc: michelematsuo@yahoo.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
michele matsuo	Democratic Party of Hawaii Environmental Caucus	Support	Yes

Comments: Good Morning Chair Luke, Vice Chair Cullen and the members of the Finance Committee ! My name is Michele Matsuo, testifying for the Democratic Party of Hawaii's Environmental Caucus. Thank you very much for this opportunity to testify! Although like many of DOFAW's strongest supporters I am heartbroken and decry the killing of the rescued Pueo, Sunshine, for a fractured wing, the Caucus and I nonetheless strongly support the Department of Land and Natural Resources Division of Forestry and Wildlife base budget priorities to protect our watersheds and endangered species, and fight Rapid 'Ohi'a Death, and invasive species – all of which are priorities of our natural resources subcommittee this session. We support DOFAW base budget priorities at the following levels: \$4.75m Hawai'i Invasive Species Council programs \$2.4m Watershed Partnerships Program \$1m Rapid 'Ohi'a Death research \$500k watershed protection and watershed partnerships \$500k Hawai 'i Invasive Species Council, which funds the Invasive Species Committees on the islands \$7.5m CIP money for watershed fences We also support Funding for the Kaho'olawe Island Reserve Commission to continue restoring the island, and The Legacy Land Conservation Fund by supporting a one-time increase of the spending ceiling from \$5.1m to \$7,328.250 AND a permanent increase of the spending ceiling to \$6.8m Mahalo for this opportunity to testify and for your consideration! Aloha Michele Matsuo Environmental Caucus, DPH

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 8:56 AM
To: FINTestimony
Cc: ecabatu@hhsc.org
Subject: *Submitted testimony for HB100 on Mar 8, 2017 09:00AM*

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Elena Cabatu	East Hawaii Region of Hawaii Health Systems Corporation	Support	No

Comments:

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East Maui Watershed Partnership

Watershed
Partners

Testimony of East Maui Watershed Partnership
Supporting H.B. 100 Relating to the State Budget
House Committee on Finance
Wednesday, March 8, 2017, 9:00AM, Room 308

County of Maui/
Department of
Water Supply

East Maui Watershed Partnership (EMWP) supports H.B. 100, particularly the proposed funding to the Department of Land and Natural Resources for watershed management, CIP fencing work, education programs, and invasive species prevention, control, and research. Please also see testimony submitted in support of provisions within this bill by Department of Land and Natural Resources Chairperson, Suzanne Case.

East Maui
Irrigation
Company

EMWP is a project of the University of Hawaii Pacific Cooperative Studies Unit. It embodies a collaborative and meaningful conservation effort between county, federal, state, and private landowners to protect East Maui's upland native watersheds. Water is fundamental for life, especially for an isolated island chain like Hawaii. The source of pure water is dependent on a system of healthy forested watersheds. Healthy watersheds capture rain and cloud moisture and deliver it efficiently to aquifers and surface sources for the benefit of our island economy.

Haleakala
National Park

Haleakala Ranch

The EMWP crew conducts fieldwork across multiple land ownership boundaries, and helps tie together management efforts across the entire 100,000 acre watershed. With funding from the State of Hawaii, which is leveraged with other funding sources, EMWP has constructed over 15 miles of fence and removed feral animals from approximately 12,000 acres of the highest priority watershed areas. The EMWP has also dramatically improved access for Maui's local hunters to the lower, more accessible portions of the watershed to reduce feral animal damage in those areas. The organization is currently maintaining these efforts while also removing priority non-native plant populations in key watershed areas.

State of Hawaii
Department of
Land and Natural
Resources

The Nature
Conservancy

Continued support from a diversity of sources is necessary to protect this vital resource. H.B. 100 seeks Operating and CIP funding for the continued protection of our native forested watersheds, which are the source of nearly all the islands' supply of fresh water. These programs, which are supported with State funds and then leveraged several times over with matching funds from county, federal and private sources, help to ensure this key resource is properly managed and environmentally and ecologically sound and balanced.

Thank you for your support.

Sincerely,

Dan Eisenberg
EMWP Program Manager

East Maui Watershed Partnership (EMWP)

P.O. Box 431 Makawao, HI 96768 808-573-6999 / 808-573-6991 (fax)
www.eastmauiwatershed.org info@eastmauiwatershed.org



CATHOLIC CHARITIES HAWAII

TESTIMONY ON HB 100: RELATING TO THE STATE BUDGET

Support for funding in:

- **HMS 222, 100-001:** Funds for ongoing rental subsidies for the homeless in the State Rent Supplement Program at the Hawaii Public Housing Authority; adds 7 permanent positions for State Rent Supplement Program: \$7,000,000
- **HMS 224, 100-001:** Funds for Housing First Program: \$3,000,000
- **HMS 224, 101-001:** Funds for homeless outreach: \$1,500,000
 - Including \$300,000 for youth outreach
- **HMS 224, 102-001:** Funds for Rapid Rehousing: \$2,500,000
- **HMS 224, 151-001:** Funds for legal services to homeless: \$ 500,000
- **HTH 420, 100-001:** Funds for homeless individuals with serious and persistent mental health challenges: \$1,000,000
- **HTH 440, 105-001:** Funds for outreach and counseling services for chronically homeless individuals and families with severe substance use disorders: \$ 800,000
 - Includes \$200,000 for a LEAD pilot project
- **BED 160:** Rental Housing Revolving Fund infusion: \$50,000,000 (CIP)
- **BED 160:** 902 Alder Street, Honolulu, Oahu Project: \$15,000,000 (CIP)
- **HMS 220:** Hawaii Public Housing Authority for housing development, improvements, renovations, statewide: \$50,000,000 (CIP)
- **HMS 220:** Public housing vacant unit repairs/renovations, statewide: \$4 million (CIP)
- **HMS 220:** Public housing security improvements, statewide: \$5 million (CIP)

TO: Rep. Sylvia Luke, Chair, Rep. Ty J.K. Cullen, Vice Chair, and Members,
Committee on Finance

FROM: Terrence L. Walsh, Jr., President and Chief Executive Officer

Hearing: **Wednesday, March 8, 2017; 9:00 AM; CR 308**

Thank you for the opportunity to provide testimony **in strong support of the items listed above, in HB 100, which will make a significant impact on ending homelessness in Hawaii.** I am Terry Walsh, with Catholic Charities Hawai'i. We are also a member of Partners in Care.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 60 years. CCH has programs serving elders, children, developmentally disabled, homeless and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i. Ending homelessness is a top priority for 2017.

Hawaii is #1 in the nation for the number of homeless per capita. More people are falling through the cracks in Hawaii. Our families are in crisis—more than 25% of homeless households have fallen into homelessness simply because they were short of money to pay their rent. 54% of all renter households are cost burdened, paying more than 30% of their income for rent. About 3,200 homeless school aged children (aged 5-17) lived with their families per the 2016 Point in Time Count. When you add younger children, families are attempting to care for thousands of kids on our streets. Unaccompanied youth are in crisis and at high risk when they



become homeless. 30% of all juvenile arrests in Hawaii are for running away—averaging **4,493 per year!** More than 700 youth live on our streets; many are sexually exploited, assaulted, arrested, lonely and depressed, and unable to attend school. 30% of homeless individuals are mentally ill and about 20% of the homeless have substance abuse disorders. They are at high risk and experience crises living on the streets. High healthcare and emergency room costs often result from being homeless.

We must implement targeted strategies, such as proposed in the Budget bill, that provide a coordinated approach to ending homelessness. The pieces are finally coming together in this bill.

The first step is Outreach: Intensive and more strategic outreach is needed to address homeless encampments as well as those visible in neighborhoods, in caves, etc. Neighbor Island as well as Oahu providers are struggling to reach out to the increasing number of unsheltered homeless.

Catholic Charities Hawai'i supports funding to the Department of Human Services (HMS224) and the Department of Health (HTH 420 and 440) to reach out to the homeless, provide counseling and housing navigation, and other programs. We support targeted outreach to meet the special needs of the mentally ill, substance abusers, and street kids. We also support funding for civil legal services to help homeless people resolve roadblocks to obtaining housing.

Catholic Charities Hawai'i supports diverting the homeless from the criminal justice system to services. The proposed new DOH pilot project for Law Enforcement Assisted Diversion (LEAD) can build on other successful programs which found that 82% of participants were homeless and 40% became housed. Instead of arresting a homeless person for a low level offense, a police officer could offer the person a chance to meet with a counselor/social worker. Last year, of the 16,000 arrests on Oahu, 61% involved people who were severely mentally ill or abusing drugs. Moreover, 43% of detainees in HPD's central cell block were homeless. This bill could divert many from the criminal justice system and help to unclog the courts. Over 20 agencies are in the LEAD Hawaii Hui, seeking to start this successful program here.

Second: **The missing piece to solving homelessness has been initiatives for the chronic homeless and rental subsidies to quickly move people into permanent rentals. This bill proposes three KEY solutions.**

We support funding for Housing First (HMS224), statewide. We had no successful model for the chronically homeless before Housing First. Now, \$3 million for housing subsidies with intensive wrap around services will house more than 230 people (in 175 households) in FY 17, statewide. We must continue this program with its exceptionally high retention rate of 98.1%, within the base budget of DHS. Data shows that Housing First can result in great public cost savings. UH Center on the Family found that there was a 43% reduction in healthcare costs after just 6 months in State Housing First. Extrapolated across the 500 people estimated to be served by City/State programs this year, this is **nearly \$2.3 million per month in public cost savings.**

Catholic Charities Hawai'i further supports preventing homelessness through short term help with rent for rapid rehousing (HMS224). The recent “emergency funding” to Aloha United Way and its network of providers proved that this strategy works! Court cases for

evictions on Oahu are down 25% since its inception in April 2016. The program has helped 1,400 household containing over 4,300 individuals to avoid homelessness with an average cost of \$2,148 per household to rapidly rehouse homeless families, and an average cost of \$2,364 per household to prevent an eviction. HB 100 funds will help stop the flow into homelessness.

Catholic Charities Hawai'i also supports funding to the Hawaii Public Housing Authority (HMS222) for the State Rent Supplement Program to provide ongoing rental subsidies for people who are homeless or at imminent risk of homelessness. Sustained subsidies are a key to ending homelessness for working homeless, seniors on social security, etc. who experience a gap between their incomes and Hawaii's rents. Almost 20% of homeless families are working. We can rapidly move them off the streets into permanent housing with this shallow, but ongoing subsidy, allowing kids to have stable schooling and homeless to achieve self-sufficiency.

Thirdly, we must create more affordable rental units! Oahu rents soared 23% in 3 years (2012 to 2015). Hawaii needs about 13,500 units for households earning 80% and below the Area Median Income (AMI). Typically these are rental units. To end homelessness, to keep our kids in Hawaii after graduation, to keep our seniors in decent housing, and to give hope to young families, we must dedicate significant resources each year to solve our affordable housing crisis.

Catholic Charities Hawai'i supports \$50 million to the Rental Housing Revolving Fund (RHRF), (BED160). This fund has produced 5,880 units as of 6/30/16. The RHRF recently received 14 applications for RHRF loans totaling \$121 million for long term, permanent RHRF financing. If all could be funded, the RHRF loans would support the development of 971 family units (83%) and 195 elderly units (17%), for a total of 1,166 affordable units. The need is high and developers are responding with affordable projects!

We also support **\$15 million for the Alder Street project** (BED160). Funding this juvenile service center and shelter is critical to address the tragedy of our runaway and homeless youth who face perilous and life-threatening situations. This funding would also enable the first TOD project in urban Honolulu to move forward, providing 180 units of affordable family rental housing in the urban core. It could provide a model for Transit Oriented Development (TOD) and collaboration of government entities to achieve multiple important State objectives!

Lastly, we also support **funding to the Hawaii Public Housing Authority (HPHA) (HMS220) for housing development and improvements, and repair/renovation of public housing units as well as to provide security.** HPHA units are especially critical since they can address extremely low-income families who are homeless. There are few other resources for this population. These units offer rental subsidies so families pay just 30% of their income for rent. HPHA operates over 85 properties housing over 6,100 families (more than 20,000 individuals). Their aging housing stock requires this funding to ensure the security, health and safety of the residents in public housing.

Thank you for considering these key steps to solving homelessness. Please contact our Legislative Liaison, Betty Lou Larson, at 373-0356, or at bettylou.larson@catholiccharitieshawaii.org, if you have any questions.



Community Health Outreach Work

677 Ala Moana Blvd., Suite 226
Honolulu, HI 96813
Phone (808) 853-3292 • Fax (808) 853-3274

TESTIMONY ON HB 100: RELATING TO THE STATE BUDGET

TO: Rep. Sylvia Luke, Chair; Rep. Ty J.K. Cullen, Vice Chair; and Members,
Committee on Finance
FROM: Greg Payton, Chair of the Advocacy Committee, Partners in Care
Hearing: **Wednesday, 3/8/17; 9:00 am; Room 308**

Chair Luke, Vice Chair Cullen, and Members, Committee on Finance:

Thank you for the opportunity to provide testimony **in strong support** of multiple items in HB 100.

Partners in Care is a coalition of homeless service providers and many others in the community on Oahu dedicated to ending homelessness. In the past two years on Oahu, we have developed a coordinated entry system to more effectively and strategically help homeless to navigate resources and be linked to housing. HB 100 would create the most needed next steps: enhanced Outreach, including diversion of homeless from the criminal justice system, and then Housing First as well as rental subsidies for Rapid Rehousing to prevent homelessness, and ongoing rental subsidies for working homeless and others to achieve self-sufficiency. Lastly, significant funding for the creation/maintenance of affordable rental units that are safe and decent are critical to successfully end homelessness. The CHOW Project is a proud member of Partners in Care (PIC).

PIC strongly supports the following funding which will create a range of options to significantly reduced homelessness in our state:

- **HMS 222, 100-001:** Funds for ongoing rental subsidies for the homeless in the State Rent Supplement Program at the Hawaii Public Housing Authority; adds 7 permanent positions for State Rent Supplement Program: \$7,000,000
- **HMS 224, 100-001:** Funds for Housing First Program: \$3,000,000
- **HMS 224, 101-001:** Funds for homeless outreach: \$1,500,000
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- **BED 160:** Rental Housing Revolving Fund infusion: \$50,000,000 (CIP)
- **BED 160:** 902 Alder Street, Honolulu, Oahu Project: \$15,000,000 (CIP)
- **HMS 220:** Hawaii Public Housing Authority for housing development, improvements, renovations, statewide: \$50,000,000 (CIP)
- **HMS 220:** Public housing vacant unit repairs/renovations, statewide: \$4 million (CIP)

- **HMS 220:** Public housing security improvements, statewide: \$5 million (CIP)

Partners in Care urges you to support the above funding, including putting the \$3 million for Housing First in the base budget of the Department of Human Services. After more than a decade, chronically homeless people are finally successfully entering permanent housing with Housing First. This program not only addresses the most visible homeless on our streets, it can save millions in public costs. The 2016 UH Center on the Family study found a 43% drop in healthcare costs after just 6 months for homeless in a state Housing First program, resulting in savings of about \$4,590 per person per month. If extrapolated out to the 500 people estimated to be serviced by City/State HF programs this year, this **saves nearly \$2.3 million per month in public costs**.

Partners in Care also wants to highlight the importance of Youth Outreach and the Alder Street Project: Children living alone on the streets is a tragedy. Outreach to unaccompanied homeless youth is essential to help these often “hidden homeless” kids who are living in perilous and life threatening situations. A shelter is desperately needed to house runaways and homeless kids who are minors. The \$15 million for the Alder Street project would provide the juvenile service center and shelter that is essential to help turn around the lives of these children. Additionally, with this funding in place, the State could proceed with a 180 unit affordable family rental project. Family rentals in the urban core would help the State reach its goal to produce 22,500 affordable rental units in the next 10 years.

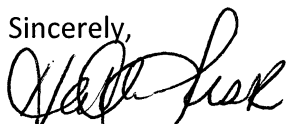
Partners in Care further highlights the strategic importance of funding for Rapid Rehousing and ongoing shallow rent subsidies to the homeless through the State Rent Supplement Program (HPHA). Short term help with rent can prevent families from falling into homelessness. Since Aloha United Way and its partner service providers began offering this help in April 2016, **court cases for evictions on Oahu have decreased by 25%!** We must stop the flow INTO homelessness.

Ongoing rent subsidies are also essential to rapidly house homeless who linger on the streets simply due to their low incomes. Almost 20% of homeless families are working. Seniors and disabled have stable incomes but homeless like these are priced out of the housing market. They are ready to rent, without need for intensive services, but need an ongoing shallow rent subsidy to fill the gap between their incomes and Hawaii’s rents. The State Rent Supplement Program can provide this rental assistance to quickly move these homeless into permanent housing. Besides funding for subsidies, HPHA needs the additional seven positions requested in the budget to serve the influx of homeless and quickly enable the subsidies to flow to landlords to house the homeless.

The Community Health Outreach Work (CHOW) Project is dedicated to serving individuals, families and communities adversely affected by drug use, especially people who inject drugs, through a participant-centered harm reduction approach. CHOW works to reduce drug-related harms such as but not limited to HIV, hepatitis B/C and overdose. CHOW supports the optimal health and well-being of people affected by drug use throughout the State of Hawaii. CHOW has operated the statewide syringe exchange program for the past twenty years.

Thank you for taking the time to read my testimony and please support saving lives by supporting HB 100.

Sincerely,



Heather Lusk
Executive Director
CHOW Project



House Finance Committee
Chair Syliva Luke, Vice Chair Ty Cullen

3/08/2017 at 9:00 AM in Room 308
HB100 – Relating to the State Budget

TESTIMONY — COMMENTS
Corie Tanida, Executive Director, Common Cause Hawaii

Dear Chair Luke, Vice Chair Cullen, and members of the committee:

Common Cause Hawaii has comments on HB100 which would appropriate funds for the operating and capital improvement budgets for fiscal years 2017-2018 and 2018-2019.

One of Common Cause Hawaii's biggest concerns is ensuring that the Hawaii Election Campaign Fund (HECF), which supports Hawaii's partial public funding program, is sustainable. The concept for the HECF emerged during the 1978 Constitutional Convention as Article II, Section 5 of the Hawaii State Constitution. The legislature was directed to "establish a campaign fund to be used for partial public financing of campaigns of the State and its political subdivisions," and so the fund was established by the 1979 Hawaii State Legislature.

Although the HECF was created to fund Hawaii's partial public funding program, in 1997, the Campaign Spending Commission's general operating expenses was moved from general funds to the HECF.

The balance in the HECF fund has been declining steadily over the past several years, due to the Campaign Spending Commission relying on the fund to support nearly all of its operating expenses. Based on financial data presented by the Campaign Spending Commission's website, revenue is not enough to offset its operating cost:

Fiscal Year	Beginning Balance	Receipts	Expenditures	Ending Balance	Difference
2010	\$5,078,353.47	\$288,977.14	\$718,208.74	\$4,649,121.87	(\$429,231.60)
2011	\$4,649,121.87	\$374,051.45	\$881,957.12	\$4,141,216.20	(\$507,905.67)
2012	\$4,141,216.20	\$73,527.79	\$790,035.44	\$3,424,708.55	(\$716,507.65)
2013	\$3,424,708.55	\$257,182.61	\$745,747.36	\$2,936,143.80	(\$488,564.75)
2014	\$2,936,143.80	\$224,620.81	\$620,208.43	\$2,540,556.18	(\$395,587.62)
2015	\$2,540,556.18	\$212,342.48	\$884,717.80	\$1,868,180.86	(\$672,375.32)
2016	\$1,868,180.86	\$336,709.37	\$691,588.83	\$1,513,301.40	(\$354,879.46)

With a fund balance of just over \$1 million left, this indicates the present approach to financing operating costs is not sustainable. We believe that it is inappropriate to have an agency funded by a special fund— particularly one that does not have a steady stream of revenue that significantly recoups its general operating expenses.

Thus we commend the committee for including the Campaign Spending Commission's operating expenses, including staff salaries and fringe benefits in the state budget. We must ensure the Hawaii Campaign Spending Commission is

a sustainable agency, and we must preserve the Hawaii Election Campaign Fund, as specified in the Hawaii State Constitution.

Thank you for the opportunity to offer **comments on HB100**.

COMMUNITY COALITION FOR
HAWAII UNIVERSAL HEALTHCARE
THROUGH COMPREHENSIVE PLANNING

March 7, 2017

To: The Honorable Sylvia Luke, Chair
The Honorable Ty Cullen, Vice Chair, and Members
House Committee on Finance

Re: HB 100 – State Budget

Position: Request to add \$250,000 line item to Department of Budget & Finance
for
Hawaii Health Authority

Hearing: Wednesday, March 8, 2017, 9:00 a.m. Conference Room 308

We are an unpaid group of Hawaii residents representing literally thousands of very politically active Hawaii residents, mostly active Democrats. We believe Hawaii is facing a healthcare crisis that urgently needs your immediate attention.

We strongly urge you to add to the Governor's budget a line item for \$250,000 for the Hawaii Health Authority (HHA), to help it fulfill its critical mandate to develop a comprehensive State-based plan for a healthcare system for Hawaii. The HHA was established by HRS Chapter 322H and this Legislature wisely administratively attached the HHA to the Department of Budget & Finance precisely to protect it from bureaucratic pressures from the Department of Health.

The HHA uniquely serves as a small, independent policy-planning board composed of 9 volunteer members with diverse expertise in medicine and related fields. It is beholden to no specific director or political ally.

We urge the House Finance Committee to insert this authorization of \$250,000 to allow the HHA to hire a full-time Executive Director at up to \$80,000, two staff persons at up to \$60,000 each, and to provide an additional \$50,000 for other administrative and contractual expenditures. Under HRS 322H-2(b), the HHA is tasked with the responsibility to develop a comprehensive health plan that includes:

- (1) Establishment of eligibility for inclusion in a health plan for all individuals;
- (2) Determination of all reimbursable services to be paid by the authority;
- (3) Determination of all approved providers of services in a health plan for all individuals;

- (4) Evaluation of health care and cost effectiveness of all aspects of a health plan for all individuals; and
- (5) Establishment of a budget for a health plan for all individuals in the State.

This is a huge task, and \$250,000 would be a bargain amount to get this done.

The HHA's oversight task is ESSENTIAL to the unbiased and incentive-neutral repair of our unsustainable status quo: a "healthcare bubble" of needless expense, waste, and compromised care. The purpose of the HHA is to research and plan comprehensive universal healthcare as an alternative strategy to the current system. **As the Trump Administration threatens to make the most volatile and unpredictable changes Hawaii could be facing, we can't afford to abolish the only State agency that we have that is specifically designed to propose innovative solutions to already imminent and likely intractable problems.** Currently, Hawaii's healthcare system is beset with major problems from multiple directions. These include, but are hardly limited to, the following:

- Under federal ACA and MACRA laws, doctors are being pressured to restrict and deny necessary care, and from assuming responsibility to care for sicker, more complex, and socially disadvantaged patients;
- The system is creating equally perverse counter-incentives of "pay-for-performance" and risk-adjustment that burden doctors with excessive documentation and data-management demands;
- The system is increasing costs for both providers and payers (Medicare, Medicaid, private insurance) where physicians and office staff must:
 - Spend more than 15 hours per week on "quality" measures and reporting;
 - Spend more than \$40,000 per MD per year on "quality" measures and reporting;
 - Spend twice as much time paying attention to computers as to patients;
 - Respond to measures, most of which have little to do with actual quality of care;
- There are pressures to replace fee-for-service systems with "value-based" payment, shifting insurance risk onto doctors and hospitals, so they have a financial incentive to restrict care;
- The insurers are markedly increasing pharmaceutical formulary restrictions and prior authorizations for drugs and imaging, adding more administrative barriers to care.

These problems have resulted in the following, in Hawaii, in rapidly increasing effects in just the past couple of years. Your constituents will confirm this to you:

- Rapid loss of physicians from private practice all over the country, but especially in Hawaii where 2/3 were in individual and small-group practices prior to the ACA, leading to:
 - Premature retirement
 - Leaving the state
 - Taking administrative jobs to get out from under micromanagement of patient care
 - Taking jobs with hospitals and big health systems, with higher overhead and higher cost for payers
- Patients losing access to doctors in out-patient settings, an accelerating problem:
 - October 2016: 31% of Oahu primary care practices closed to all new patients, double the rate of the previous year;
 - 47% closed to new Medicare patients, with even more refusing new Medicaid;
- More care pushed to ERs and hospitals for those who can't get care elsewhere;
- Epidemic of physician burnout – at 55% in December 2015 and rising annually;
- Rising cost (premiums, deductibles, co-pays), less access, and thus **health system collapse!**

For all these reasons, it is essential that Hawaii follow through with the well-planned procedures set out several years ago in HRS Chapter 322H to develop a system that will stop the cost-explosion, and begin us on a road to cost-containment. The HHA is the ONLY AGENCY that can streamline health planning and policy management by ridding the system, through careful planning and analysis, of the barriers and burdens to everyone in it.

Please add \$250,000 to the budget of the Department of Budget and Finance for the Hawaii Health Authority, so that it may proceed to plan for a comprehensive universal healthcare system. Thank you for your kind attention to this serious and pressing issue, and for your foresight in considering our plea.

Stephen Kemble, MD

Marion F. Poirier

Dennis Boyd Miller

Contact: burdick808@gmail.com

Alan B. Burdick

Daria Fand

Erynn Fernandez



**Conservation Council
for Hawai'i**

Hawai'i's voice for wildlife

Kō Hawai'i leo no nā holoholona lōhiu



Testimony Submitted to the House Committee on Finance
By the Conservation Council for Hawai'i
Hearing: Wednesday, March 8, 2017 9 am Room 308

Support for HB 100 Relating to the State Budget

Chair Luke, Vice Chair Cullen, and Members of the Committee,

Aloha. The Conservation Council for Hawai'i supports HB 100, which appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2017-2018 and 2018-2019.

We support adequate funding for the Department of Land and Natural Resources, especially the following base budget priorities of the Division of Forestry and Wildlife.

- \$4.75m Hawai'i Invasive Species Council programs
- \$2.4m Watershed Partnerships Program
- \$1m Rapid 'Ohi'a Death research
- \$500k watershed protection and watershed partnerships
- \$500k Hawai'i Invasive Species Council, which funds the Invasive Species Committees on the islands
- \$7.5m CIP money for watershed fences

Please protect our essential watersheds, habitat for rare and endangered species, 'ohia lehua forests, quality of life, culture, and economy.

Mahalo nui loa for the opportunity to testify.

Marjorie Ziegler

Marjorie
Ziegler



Telephone/Fax: 808.593.0255 | email: info@conservehi.org | web: www@conservehi.org
P.O. Box 2923 | Honolulu, HI 96802 | Office: 250 Ward Ave., Suite 215 | Honolulu, HI 96814
President: Wayne Tanaka | Vice President: Koalani Kaulukukui | Secretary: Rachel Sprague
Treasurer: Les Welsh | Director: Anne Walton
Executive Director: Marjorie Ziegler | Administrator: Jonnetta Peters





BED 145 – HI Growth Initiative (Sequence # 100-001)


Dear Esteemed Civic Leaders,

DPH Ventures was provided the opportunity to accelerate our stealth video start-up via Blue Startups Hawaii, Cohort 7. We managed to leverage the precious resources secured to grow our company without seeking traditional funding. Am pleased to report that the valuation of our Company was recently valued by a prominent venture capital firm at 9X the valuation of our transaction entered into with Blue.

Through working within the program we had the pleasure of being mentored by Henk Rogers who shared his vision for making it possible to empower thriving businesses and opportunities for local residents in Hawaii. We are pleased to inform all of you that the University of Hawaii will be offering an independent study program in tandem with our video start-up that will be led by a student that we connected with at the East West Conference. This student worked with us for more than 5 weeks and has already secured the participation of 3 additional University of Hawaii students and introduced a Faculty Advisor at UH's Academy of Creative Media who is now championing our cause. We will likely enlist more than 30 students to participate for the fall semester.

We are just 1 example of a company that sees the vision of Henk Rogers and is committed to giving back to the Hawaii community that has done much for us.

We couldn't more strongly endorse the HI GROWTH INITIATIVE.

Mahalo,

DP Harris



1000 Bishop St, Suite 505 | Honolulu, HI 96813 USA
P: (808) 237-5050 | energyexcelsator.com

Energy Excelerator is a program of the Pacific International Center for High Technology Research (PICHTR), a Hawaii-based nonprofit.

Testimony in Support of HB100

Aloha Chair Luke, Vice Chair Cullen, and Members of the Committee on Finance:

The Energy Excelerator respectfully submits our strong support of HB100, a bill that allocates \$10 million for fiscal year 2017-2018 to the Hawaii Strategic Development Corporation revolving fund under section 4. The HI Growth Initiative invests in critical infrastructure that supports the growth of the innovation economy, including events that bring entrepreneurs and investors together, accelerator programs, and Hawaii-based venture capital funds.

The launch of Hawaii's innovation economy was catalyzed by the state's investment through the HI Growth Initiative. We are off to a great start: six Hawaii-based accelerator programs, launching more than 50 innovative tech companies each year; a leading research institution in the University of Hawaii; world-class R&D firms and scientists; financing across globally competitive industries including scalable tech, creative media, and clean tech; co-working facilities and incubators; and coding bootcamps teaching fundamental workforce skills necessary to support the growing number of businesses in today's digital economy.

Energy Excelerator, a program of the non-profit organization PICHTR, the Pacific International Center for High Technology Research, is a multi-stage national accelerator program that uses Hawaii as a test bed for energy innovation. We recruit entrepreneurs from all across the country to come to Hawaii and work on Hawaii's energy challenges and help us achieve our **100% renewable energy goal**. The HI Growth Initiative has helped Energy Excelerator launch its first proof-of-concept follow-on investment fund to invest in the most successful companies coming out of the program and help sustain their continued growth as they work to solve the world's energy challenges. Without the support of the HI Growth Initiative, we would not have been able to attract the more than \$1M in matching private capital we have gathered so far.

We strongly support HB100 for five main reasons:

- 1) **Bringing together entrepreneurs, businesses, investors, and local government is critical to creating a vibrant innovation ecosystem.** The HI Growth Initiative has helped to catalyze partnerships among Hawaii's entrepreneurs, corporates, investors, non-profits, and local governments, establishing a statewide innovation ecosystem successfully branded as "Startup Paradise."
- 2) **State investment is a catalytic economic development activity.** The Energy Excelerator has provided about \$15M to companies to date, and these companies have raised \$342M in follow-on funding and generated more than \$7M in revenue. State support for the innovation economy also leverages significant federal investment in clean energy innovation and solidifies the state's commitment to the long-term development of our entrepreneurial ecosystem.
- 3) **Innovation companies create high-quality jobs in a knowledge-based economy.**

For example, Energy Excelerator companies support more than 580 full-time employees, and provided work experience to more than 20 interns in energy, agriculture, and transportation.

- 4) **Money spent by innovation companies directly supports the trades.** With a portion of awarded funding going to general contractors, electricians, carpenters, engineers, and other trades, the innovation economy supports not only high-tech jobs but also our local construction base.

- 5) **Support for groundbreaking innovation elevates Hawaii's image across the U.S. and the Asia-Pacific.** Hawaii's economic conditions and need to produce energy locally enable the state to attract top-tier clean energy technologies for testing. Moreover, a vibrant local energy innovation economy attracts attention and helps to build partnerships across the Pacific. For example, in June 2016 Energy Excelerator announced a new partnership with Tokyo Electric Power Company – Japan's largest electric utility and the fourth largest in the world.

We humbly ask for your continued support of the HI Growth Initiative, which makes capital resources available to entrepreneurial high growth businesses.

Mahalo for the opportunity to provide testimony on this bill.



RE: HB100

March 6, 2017

To the Committee on Finance,

As the Managing Director of the GVS Accelerator a program funded, in part, by HSDC and the HI Growth Initiative, I wholeheartedly support further and increased funding for this initiative. HI Growth's support in past years has allowed the GVS Accelerator to create more than 35 FTE jobs and engage over 210 independent contractors. In addition to bringing \$2,850,000 of investment money from outside the state of Hawai'i and currently in the process of bringing further funds to the State.

Should support for HI Growth be cut, then GVS Accelerator and Honua Studios (the second largest studio in the state of Hawai'i) will be forced to close its doors and over a dozen resident companies will likely have to follow in the same path as their larger support and ecosystem will have been shut down.

By supporting funding for HI Growth you encourage economic development and stimulus throughout the state of Hawai'i and help to create new innovations and reverse the brain drain. HI Growth's accomplishments are clear; HI Growth has been instrumental in jumpstarting Hawaii's entrepreneurial ecosystem and supporting its development into the vibrant community it is today. Hawaii boasts award winning accelerators. Accelerator graduate companies are growing and hitting milestones that are triggering further investment from private investors. Hawaii hosts international conferences and other events designed to help entrepreneurs incubate their ideas and connect with investors. Hawaii's private sector sees value in supporting innovation and has participated as investors in several local startups and investment funds. A 2016 UHERO report showed the HI Growth Initiative produced a 12X leverage on state dollars. For all these reasons, we strongly support this bill. All this would not have happened without the strong support of the HI Growth Initiative.

I urge you to support this funding, particularly **BED 145 – HI Growth Initiative (Sequence # 100-001)** – I am grateful for your time and consideration.

Mahalo,

A handwritten signature in black ink, appearing to read "Derek Hall". The signature is stylized and cursive.

Derek Hall

Managing Director

GVS Accelerator | Honua Studios | GVS Connect

+1-808-339-7553

d.hall@globalvirtualstudio.com

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 1:28 PM
To: FINTestimony
Cc: bspencer@hawaii.rr.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Bill Spencer	Hawaii Venture Capital Association	Comments Only	No

Comments: Dear Chair and Committee Members: This bill and funding is critical to the support and growth of our innovation ecosystem which we call startup paradise. The goal is to build a strong pipeline of companies that can not only create jobs, but create wealth among the entrepreneurs and investors who support them. This wealth will result in future investment in new startups creating a "virtuous" circle of investment that builds our economy, generates tax revenues and produces quality jobs. Even if these startups have to go to the mainland for second and third tier funding, the local investors and entrepreneurs have shown that they will give back and keep investing. I urge you to support this important legislation that provides an important spark to Hawaii's innovation and entrepreneurial ecosystem Sincerely, Bill Spencer Director Hawaii Venture Capital Association

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov



ROMAN CATHOLIC CHURCH IN THE STATE OF HAWAII
DIOCESE OF HONOLULU
Witness to Jesus



DATE: March 6, 2017

COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair

Rep. Ty Cullen, Vice-Chair

FROM: Walter Yoshimitsu, Executive Director – Hawaii Catholic Conference

POSITION: Support for HB 100 Relating to the State Budget

The Hawaii Catholic Conference which is the public policy voice of the Roman Catholic Church in the State of Hawaii supports various components of this bill and stands in strong support of the comments submitted by our community partner, Catholic Charities Hawaii.

Hawaii is #1 in the nation for the number of homeless per capita. More people are falling through the cracks in Hawaii. Our families are in crisis—more than 25% of homeless households have fallen into homelessness simply because they were short of money to pay their rent. 54% of all renter households are cost burdened, paying more than 30% of their income for rent. About 3,200 homeless school aged children (aged 5-17) lived with their families per the 2016 Point in Time Count. When you add younger children, families are attempting to care for thousands of kids on our streets. Unaccompanied youth are in crisis and at high risk when they become homeless. 30% of all juvenile arrests in Hawaii are for running away—averaging 4,493 per year! More than 700 youth live on our streets; many are sexually exploited, assaulted, arrested, lonely and depressed, and unable to attend school. 30% of homeless individuals are mentally ill and about 20% of the homeless have substance abuse disorders. They are at high risk and experience crises living on the streets. High healthcare and emergency room costs often result from being homeless.

We must implement targeted strategies, such as proposed in the Budget bill, that provide a coordinated approach to ending homelessness. The pieces are finally coming together in this bill.

The first step is Outreach: Intensive and more strategic outreach is needed to address homeless encampments as well as those visible in neighborhoods, in caves, etc. Neighbor Island as well as Oahu providers are struggling to reach out to the increasing number of unsheltered homeless. Catholic Charities Hawai'i supports funding to the Department of Human Services (HMS224) and the Department of Health (HTH 420 and 440) to reach out to the homeless, provide counseling and housing navigation, and other programs. We support targeted outreach to meet the special needs of the mentally ill, substance abusers, and street kids. We also support funding for civil legal services to help homeless people resolve roadblocks to obtaining housing.

HAWAII CATHOLIC CONFERENCE

(The public policy voice for the Roman Catholic Church in the State of Hawaii)



ROMAN CATHOLIC CHURCH IN THE STATE OF HAWAII
DIOCESE OF HONOLULU
Witness to Jesus



**PAGE TWO
HB 100**

Catholic Charities Hawai'i supports diverting the homeless from the criminal justice system to services. The proposed new DOH pilot project for Law Enforcement Assisted Diversion (LEAD) can build on other successful programs which found that 82% of participants were homeless and 40% became housed. Instead of arresting a homeless person for a low level offense, a police officer could offer the person a chance to meet with a counselor/social worker. Last year, of the 16,000 arrests on Oahu, 61% involved people who were severely mentally ill or abusing drugs. Moreover, 43% of detainees in HPD's central cell block were homeless. This bill could divert many from the criminal justice system and help to unclog the courts. Over 20 agencies are in the LEAD Hawaii Hui, seeking to start this successful program here.

Second: The missing piece to solving homelessness has been initiatives for the chronic homeless and rental subsidies to quickly move people into permanent rentals. This bill proposes three KEY solutions.

We support funding for Housing First (HMS224), statewide. We had no successful model for the chronically homeless before Housing First. Now, \$3 million for housing subsidies with intensive wrap around services will house more than 230 people (in 175 households) in FY 17, statewide. We must continue this program with its exceptionally high retention rate of 98.1%, within the base budget of DHS. Data shows that Housing First can result in great public cost savings. UH Center on the Family found that there was a 43% reduction in healthcare costs after just 6 months in State Housing First. Extrapolated across the 500 people estimated to be served by City/State programs this year, this is nearly \$2.3 million per month in public cost savings.

Catholic Charities Hawai'i further supports preventing homelessness through short term help with rent for rapid rehousing (HMS224). The recent "emergency funding" to Aloha United Way and its network of providers proved that this strategy works! Court cases for evictions on Oahu are down 25% since its inception in April 2016. The program has helped 1,400 household containing over 4,300 individuals to avoid homelessness with an average cost of \$2,148 per household to rapidly rehouse homeless families, and an average cost of \$2,364 per household to prevent an eviction. HB 100 funds will help stop the flow into homelessness.

HAWAII CATHOLIC CONFERENCE

(The public policy voice for the Roman Catholic Church in the State of Hawaii)



ROMAN CATHOLIC CHURCH IN THE STATE OF HAWAII
DIOCESE OF HONOLULU
Witness to Jesus



**PAGE THREE
HB 100**

Catholic Charities Hawai'i also supports funding to the Hawaii Public Housing Authority (HMS222) for the State Rent Supplement Program to provide ongoing rental subsidies for people who are homeless or at imminent risk of homelessness. Sustained subsidies are a key to ending homelessness for working homeless, seniors on social security, etc. who experience a gap between their incomes and Hawaii's rents. Almost 20% of homeless families are working. We can rapidly move them off the streets into permanent housing with this shallow, but ongoing subsidy, allowing kids to have stable schooling and homeless to achieve self-sufficiency.

Thirdly, we must create more affordable rental units! Oahu rents soared 23% in 3 years (2012 to 2015). Hawaii needs about 13,500 units for households earning 80% and below the Area Median Income (AMI). Typically these are rental units. To end homelessness, to keep our kids in Hawaii after graduation, to keep our seniors in decent housing, and to give hope to young families, we must dedicate significant resources each year to solve our affordable housing crisis.

Catholic Charities Hawai'i supports \$50 million to the Rental Housing Revolving Fund (RHRF), (BED160). This fund has produced 5,880 units as of 6/30/16. The RHRF recently received 14 applications for RHRF loans totaling \$121 million for long term, permanent RHRF financing. If all could be funded, the RHRF loans would support the development of 971 family units (83%) and 195 elderly units (17%), for a total of 1,166 affordable units. The need is high and developers are responding with affordable projects!

We also support \$15 million for the Alder Street project (BED160). Funding this juvenile service center and shelter is critical to address the tragedy of our runaway and homeless youth who face perilous and life-threatening situations. This funding would also enable the first TOD project in urban Honolulu to move forward, providing 180 units of affordable family rental housing in the urban core. It could provide a model for Transit Oriented Development (TOD) and collaboration of government entities to achieve multiple important State objectives!

Lastly, we also support funding to the Hawaii Public Housing Authority (HPHA) (HMS220) for housing development and improvements, and repair/renovation of public housing units as well as to provide security. HPHA units are especially critical since they can address extremely low-income families who are homeless. There are few other resources for this population. These units offer rental subsidies so families pay just 30% of their income for rent. HPHA operates over 85 properties housing over 6,100 families (more than 20,000 individuals). Their aging housing stock requires this funding to ensure the security, health and safety of the residents in public housing.

HAWAII CATHOLIC CONFERENCE

(The public policy voice for the Roman Catholic Church in the State of Hawaii)



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting HB 100 Relating to the State Budget
House Committee on Finance
Scheduled for Hearing Wednesday, March 8, 2017, 9:00 AM, Conference Room 308

Hawai'i Appleseed Center for Law and Economic Justice Hawai'i Appleseed is committed to a more socially just Hawai'i, where everyone has genuine opportunities to achieve economic security and fulfill their potential. We change systems that perpetuate inequality and injustice through policy development, advocacy, and coalition building.

Dear Chair Luke, Vice Chair Cullen, and Members, Committee on Finance:

Thank you for the opportunity to provide testimony **in strong support** of multiple items in HB 100:

HMS 222, 100-001: Funds for ongoing rental subsidies for the homeless in the State Rent Supplement Program at the Hawaii Public Housing Authority; adds 7 permanent positions for State Rent Supplement Program	\$7,000,000
HMS 224, 100-001: Funds for Housing First Program	\$3,000,000
HMS 224, 101-001: Funds for homeless outreach, including \$300,000 for youth outreach	\$1,500,000
HMS 224, 102-001: Funds for Rapid Rehousing	\$2,500,000
HMS 224, 151-001: Funds for legal services to homeless	\$500,000
HTH 420, 100-001: Funds for homeless individuals with serious and persistent mental health challenges	\$1,000,000
HTH 440, 105-001: Funds for outreach and counseling services for chronically homeless individuals and families with severe substance use disorders: Includes \$200,000 for a LEAD pilot project	\$800,000
BED 160: Rental Housing Revolving Fund infusion	\$50,000,000 (CIP)
BED 160: 902 Alder Street, Honolulu, Oahu Project	\$15,000,000 (CIP)
HMS 220: Hawaii Public Housing Authority for housing development, improvements, renovations, statewide	\$50,000,000 (CIP)
HMS 220: Public housing vacant unit repairs/renovations, statewide	\$4 million (CIP)
HMS 220: Public housing security improvements, statewide	\$5 million (CIP)

Homelessness is one of the biggest problems facing Hawai'i. Our state has the highest housing costs in the nation and the lowest wages when adjusted for cost of living. Not surprisingly, we also have the highest homelessness rate in the nation, with 7,921 unsheltered homeless at last count. As increases in housing costs have outpaced increases in wages, the problem has gotten worse. Despite a growing focus

on homelessness in recent years, the best we have been able to do is slow the rate at which homelessness is increasing. We need programs that work, and the above programs are among the best for addressing homelessness and building affordable housing. There are three programs in particular that bear highlighting: Housing First, Rapid Rehousing, and the State Rent Supplement Program.

Housing First

Housing First has been proven nationally as the most effective model for combating chronic homelessness. The program gets people off the streets immediately, moving them into a more stable environment where they can be rehabilitated and achieve self-sufficiency.

Locally, the program is already proving effective. Recent data shows that Housing First results in tremendous public cost savings in healthcare. Early findings from UH Center on the Family show a 43% reduction in healthcare costs after just 6-months in the Housing First program—approximately \$4,590 per person per month. After deducting the average cost of Housing First rental subsidies (\$1,100/mo) and supportive services (\$1,120/mo), the net savings accrued from Housing First based on healthcare cost savings alone is estimated to be around \$2,370 per person per month. With an estimated 500 people served by City and State Housing First programs, the savings is estimated to amount to \$1.18M per month.

Rapid Re-Housing

Rapid Rehousing can provide short-term rental help to stop people falling into homelessness and helping homeless move into permanent housing. Forty-eight percent of Hawai'i's households are living paycheck to paycheck. Many families are just a paycheck or illness away from homelessness. Once a family becomes homeless, not only does it carry significant and potentially life-long consequences for the family, but also the societal costs and burden on our public resources increase dramatically. Rapid Rehousing can give families the boost they need at a critical point in their lives to prevent these costs.

State Rent Supplement Program

The State Rent Supplement Program that would be supported by HB 1196 is intended to help households who do not need a deep subsidy to secure or maintain housing, but without some financial assistance (capped at \$500 per month) will become or remain homeless. Among homeless families, 50% of them are homeless because they were short money to pay rent and had no other underlying issues. Since the subsidy is shallow, a relatively small appropriation can help a relatively large number of households out of homelessness. The program is designed to get people back on their feet in a relatively short timeframe. Many studies indicate that participants often only required 6 months of subsidies before they were living in permanent, affordable housing. The State Rent Supplement Program is a relatively low-cost intervention that can be a permanent solution to homelessness for many Hawai'i families.

Thank you for your consideration of these important budget items.

HAWAII YOUTH SERVICES NETWORK

677 Ala Moana Boulevard, Suite 904 Honolulu, Hawaii 96813

Phone: (808) 489-9549

Web site: <http://www.hysn.org> E-mail: info@hysn.org

Rick Collins, President

Judith F. Clark, Executive Director

Bay Clinic

Big Brothers Big Sisters of Hawaii

Bobby Benson Center

Central Oahu Youth Services Association

Child and Family Service

Coalition for a Drug Free Hawaii

Domestic Violence Action Center

EPIC, Inc.

Family Programs Hawaii

Family Support Hawaii

Hale Kipa, Inc.

Hale 'Opio Kauai, Inc.

Hawaii Student Television

Ho`o

Hui Malama Learning Center

Kokua Kalihi Valley

Life Foundation

Marimed Foundation

Maui Youth and Family Services

P.A.R.E.N.T.S., Inc.

Parents and Children Together

(PACT)

Planned Parenthood of the Great Northwest and

Hawaiian Islands

Salvation Army Family

Intervention Services

Sex Abuse Treatment Center

Susannah Wesley Community Center

The Catalyst Group

Uhane Pohaku Na Moku

O Hawai'i

Waikiki Health

February 21, 2017

Representative Sylvia Luke, Chair
And members of the Committee on Finance

Testimony in Support of HB 100 Relating to the State Budget

Hawaii Youth Services Network (HYSN), a statewide coalition of youth-serving organizations, is writing in strong support for multiple items in HB 100 Relating to the State Budget

Hawaii's homeless population includes runaway and homeless youth who are living on the streets without support or guidance from their families. They are the most vulnerable segment of our homeless population because they are children who have not completed their education, lack employment experience, and their brain development is not yet complete.

HYSN strongly supports the following items in the budget, which have the potential to reduce youth and young adult homelessness:

HMS 222, 100-001: Funds for ongoing rental subsidies for the homeless in the State Rent Supplement Program	\$7,000,000
HMS 224, 102-001: Funds for Rapid Rehousing:	\$2,500,000
HMS 224, 101-001: Funds for homeless outreach, including \$300,000 for homeless youth	\$1,500,000
BED 160: 902 Alder Street, Honolulu, Oahu Project	\$15,000,000

What happens to youth who are living on the street? Many trade sex for the resources they need for survival – food, money, a safe place to sleep.

Homeless youth experience significant health challenges. Compared to their peers, they are:

- Twice as likely to get sick, be hospitalized, and go hungry.
- 7 times as likely to die from AIDS; 16 times as likely to be diagnosed wll times as likely to experience mental health problems.
- 3 times as likely to experience major depression, conduct disorder, and PTSD.

- About 75% of homeless teens use drugs or alcohol as a means to self-medicate to deal with the traumatic experiences and abuse they face.

Safety is a constant concern:

- Trauma and rape rates among unaccompanied youth are 2-3 higher than those of the general youth population.
- A U.S. Dept. of Health and Human Services study found that 46% of homeless youth left home because of physical abuse. 17% left because of sexual abuse.
- 5,000 street youth die every year because of assault, illness, or suicide.
- More likely to be the victim of a crime rather than the perpetrator.

Most unaccompanied youth practice unsafe sexual practices:

- 33% of teens will be lured into prostitution within 48 hours of leaving home.
- Average age of entry into prostitution is 14.
- 95% of homeless youth have engaged in sexual intercourse.
- Over 33% report exchanging in sex for food, shelter, or drugs.
- About 50% of street youth have had a pregnancy experience.

Street outreach is the first step in helping these youth leave the streets for safer and more appropriate living situations. Reuniting youth with their families, if it is safe for them, is the first choice, with placement in foster care or other out-of-home care if the family is not able to care for the youth. Workers build trusting relationships and convince youth to accept help to leave the streets, while helping them meet their immediate survival needs.

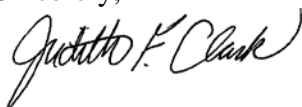
The proposed Alder Street facility will provide a juvenile service center and shelter that will help to resolve the issues that lead to youth homelessness.

Young adults, ages 18 – 24, face many housing challenges and could benefit from rapid re-housing and rent supplement programs that can be provided through this appropriation. Typically, they work at low-wage jobs while trying to complete a GED, attend college, or participate in a vocational training program. This includes young adults who have emancipated from foster care or are participating in the Imua Kakou Program (voluntary care to age 21). Ensuring that these young adults have stable, safe housing during this critical period can provide the foundation that will enable them to be self-supporting for a lifetime.

If we want Hawaii's youth to grow up safe, healthy and ready to succeed, we must reach out to our homeless adolescents and end youth homelessness.

Thank you for this opportunity to testify.

Sincerely,



Judith F. Clark, MPH
Executive Director

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 11:30 PM
To: FINTestimony
Cc: spawaikiki@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
dennis boyd miller	Healthcare For All Hawaii	Comments Only	Yes

Comments: Reagrding HB100 FIN Committee Room 308 March 8, 2017 Aloha, I'm Dennis B Miller, a Waikiki resident. I'm writing to ask you to consider the seriousness of the health care crisis in Hawaii as it is right now, and to consider how much worse the republicans in congress are about to make it. Health Care Insurance in Hawaii costs too much, and many of the reasons why are in our control to fix. HRS322, The Hawaii Health Authority, was passed in 2009. The mission of the HHA was and is to design a Universal Health Care System for Hawaii which is independent of insurance company motivations. It needs funding, and, it needs the support of the Governor. If the HHA is funded, it will design a plan which will be submitted to the legislature for consideration in the next session. We deserve to see that plan. Let's see how the HHA's plan compares with the insurance companies plans. Which plan will cost less? Which plan will benefit the public more? Why can't we see both plans side by side and compare? Right now 47% of doctors in Hawaii refuse to accept Medicare, because of how complex and expensive it is for them to do the insurance company mandated 'charting, or reporting' after seeing patients. Doctors are paid via this 'pay per value' system which allows insurance companies to micromanage doctors. Doctors have to get 'pre authorizations' from an insurance company employee before the doctor can prescribe treatment. This is very expensive. It is also completely unnecessary for the delivery of health care. Its complexity is causing half of Hawaii's private practice physicians to refuse to accept Medicare, and in general to be literally burned out. Hawaii is facing a 'silver tsunami' within two years. Many Hawaii doctors are near or over 65 years old. As soon as their lease is up on their current office, they will retire. Hawaii is facing an imminent exodus of physicians. Are we going to allow HMSA, who is partly responsible for designing rules so bad that nearly all physicians in Hawaii complain and are burned out, to continue to design our 'health care insurance? The high cost of health insurance forces employers to quit, downsize, or struggle to pay the high costs of admin-bloated health care insurance. High cost insurance is bad for everyone. The HHA offers a lower cost model. Health care outcomes in the USA rank, according to our own CDC, around 30th in the world. We pay more and get less. Please allow the HHA to simply design a Universal Health Care System, and then submit it to the legislature for comparison next session.

Compare it with HMSA's offering. Which will cost less? Which will provide better care? Which will physicians prefer? Which will you as a consumer prefer? Which will eliminate the 'reporting' rules which cause half of HI physicians to refuse Medicare? The HHA will apply for federal waivers to capture any remaining Medicaid revenue, and Medicare revenue. With those waivers, the state plan can erase the 'reporting rules' which physicians reject, and which the consumer pays for. Additionally, many states, after the results of last November's election, began to prepare for the elimination of Medicaid expansion funds. California stands to lose 12 Billion dollars per year when their Medicaid expansion funds are cut. To make up for that, they determined that by implementing a state based Single Payer health care system, CA will save 242 Billion dollars over the next ten years. Universal Single Payer Health Care is the only plausible path for states to take in the absence of ACA Medicaid expansion revenue. There is a national movement called 'One Payer States.' This movement is proposing that all states with a single payer health care system form a single multi state 'single payer system.' If we join with California in one 'multi state single payer system' the cost savings will be significant, and, that appears to be our only option. To prepare for that, the HHA must be funded, and the Governor must be persuaded to defy Dr. Pressler at the Dept of Health. Currently, Dr. Pressler is not a supporter of the HHA, and therefore neither is Gov. Ige. Please help to change that. Please insert a line item budget entry to fund HRS322, and, please ask for a meeting with both Dr. Pressler and Dr. Stephen Kemble. Let them both answer your questions about which is the most cost effective path forward for health care reform. Thank you, Dennis B Miller

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 8:55 PM
To: FINTestimony
Cc: blawaiianlvr@icloud.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
De MONT R. D. CONNER	Ho'omana Pono, LLC.	Support	Yes

Comments: We STRONGLY SUPPORT this bill, specifically with respect to FULLY FUNDING DHHL, OHA & DLNR! We are a native Hawaiian Advocacy Corporation that seeks to promote & RIGHTEOUSLY EMPOWER native Hawaiians to seek Governmental redress of our grievances & issues.

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HB 100

08 Mar 2017

**Testimony from Ken Harding,
A Member of Central Union Church
And the Housing Now Coalition**

Aloha from Lower Manoa!

As a member of **Central Union Church** at 1660 Beretania St. in the lower Manoa area of Honolulu, we are united with the **Housing Now Coalition** in urging support for public measures that address the critical need for more affordable housing in Hawaii, both short-term and long-term. We believe that the lack of an adequate housing inventory accessible to most people is a driving force in the creation of the urgent homelessness problem in our City and across our State.

No child should ever be forced to sleep on the streets, and no family should be relegated to a nomadic existence protected only by a makeshift tent. Such conditions violate all norms for a decent and humane and just society!

Homelessness is a complex issue, and indeed there are no easy answers or quick fixes, but experience across our country has shown the value of a “housing first” approach to stabilizing a person’s or small family’s situation. This allows for a more functional “case management” means to occur, and in the long run is clearly a more cost-effective solution, not only for the clients, but for our destination-dependent economy to thrive as well.

We urge support for the Governor’s Budget, which includes funding for Housing First and other critical measures, such as enhanced rent subsidies, to address this troubling issue in our beloved State.

Thank you for hearing our voices in support of HB 100!

#

Ken Harding:
808.225.4045
<krharding@mac.com>



KŪKULU KE EA A KANALOA

KAHO`OLAWE ISLAND RESERVE COMMISSION

811 Kolu Street, Suite 201, Wailuku, HI 96793
Telephone (808) 243-5020 Fax (808) 243-5885
Website: <http://kahoolawe.hawaii.gov>

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HÖKŪLANI HOLT.
CARMEN HULU LINDSEY

Michael K. Nāho`opi`i
Executive Director

**Testimony of
MICHAEL K. NAHO`OPTI
Executive Director**

Before the House Committees on

FINANCE

**Wednesday, March 8, 2017
9:00 AM
State Capitol, Conference Room 308**

**In consideration of
HOUSE BILL 100
RELATING TO THE STATE BUDGET**

House Bill 100 in addition to appropriating funds for the State Executive Branch also appropriates funds to support staffing the Kaho`olawe Island Reserve Commission under LNR 906 (Item D.9). The Kaho`olawe Island Reserve Commission (KIRC) strongly supports this measure and request an additional \$1,000,000 in operational funds be added to support the KIRC's continuing mission of managing and restoring the Kaho`olawe Island Reserve on behalf of the people of the State of Hawaii.

This funding is necessary for the KIRC to effectively meet the unique challenges of restoring, preserving and managing the appropriate, safe uses of the Reserve for the people of Hawai`i. Funding will enable the continuation of innovative KIRC land and ocean restoration programs for the Kaho`olawe Island Reserve and entrust a unique and critical opportunity to introduce, encourage and develop the next generation of land, ocean and cultural resource managers through an integrated *mauka to makai* volunteer program. Through immersive, hands-on experiences within a cooperative natural and cultural resource management system, these opportunities incorporate both traditional indigenous practices and modern scientific methods.

This request includes funding to support KIRC staffing and operations for Fiscal Years 2018 and 2019. Without additional funding, the KIRC will be unable to continue its innovative management regime beyond Fiscal Year 2017. The KIRC's management and control of Kaho`olawe is not only restoring the ecological damage on Kaho`olawe and protecting its endangered and rare flora and fauna, but ensuring the meaningful and safe use by the people of Hawai`i that fortify the Reserve.

Without this funding, the KIRC will not be able to retain its highly trained and effective staff, continue its innovative restoration programs or keep the island of Kaho`olawe open for safe, escorted public access.



**Testimony of O'ahu Invasive Species Committee
Supporting H.B. 100
Relating to the State Budget
House Committee on Finance
Wednesday March 8, 2017, 9:00 AM, Room 308**

The O'ahu Invasive Species Committee supports the DOFAW priorities in H.B. 100, namely:

- \$4.75m for Hawai'i Invasive Species Council (HISC) programs
- \$2.4m for Watershed Partnerships Program
- \$1m for research on Rapid 'Ōhi'a Death.
- An additional \$500,000 for watershed protection/WPs
- An additional \$500,000 for HISC
- \$7.5m CIP money for watershed fences (\$15m over the biennium).

OISC is a grantee of the Hawai'i Invasive Species Council and we are grateful for the support we have received from the Legislature over the years. With support from HISC, OISC field crews have surveyed 84,119 acres for *Miconia calvescens*, a watershed destroying tree that could damage the natural infrastructure of our watersheds. Since 2002, we have removed a total of 24,694 trees. The number of mature trees per acre on O'ahu has dropped 96% between 2002 and 2016. Despite this good progress however, our resources are continually stretched because new invasive species continue to arrive to the island. We must find the resources to deal with these new threats while keeping up the progress we have made with the species we are already managing.

The native forest forms a natural watershed infrastructure that filters rain, directs fog condensation into the aquifer and holds soil in place. The programs described above will protect that natural infrastructure, preventing costly engineering fixes and ensuring the island's water supply for future generations.

Thank you for the opportunity to testify.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 3:17 PM
To: FINTestimony
Cc: rgaffney@pacificboatsales.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Rick Gaffney	Pacific Boats & Yachts LLC	Support	No

Comments: We support the passage of HB100 because it is not only essential to the operation of State government, but it also shows a lot of careful deliberation regarding what the State absolutely needs in the next few years, and balances that against what the State can actually afford.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 7:47 PM
To: FINTestimony
Cc: seerescue@juno.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Dr. Robert Yonover	SEE/RESCUE Corporation	Support	No

Comments: I am in full support of HB100 as it is critical to keep the momentum of the technology sector that we have been building for many years! In the old days, it was only the dual use technology companies, but now there are numerous avenues for people of all backgrounds to pursue their entrepreneurial endeavors to diversify the Hawaiian economy. This bill will continue the great advancements that we have already made. Thank you for your consideration and assistance. Aloha, Dr. Robert Yonover

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Testimonial in SUPPORT of BED 145 – HI Growth Initiative (Sequence # 100-001)

Submitted by:
Vincent Kimura
Smart Yields

To whom it may concern,

As an entrepreneur, we have been working hard to build our company's software platform here in Hawaii. The HI Growth Initiative has been instrumental in jumpstarting Hawaii's entrepreneurial ecosystem and supporting our development into the vibrant community it is today. We are strongly **IN SUPPORT of BED 145 – HI Growth Initiative (Sequence # 100-001).**

Smart Yields is an ag-tech start up, that provides real-time farming conditions, alerts, and trends to help small farmers take the guess work out of growing. We are humbled to have gained insights and support via several of the HI Growth Initiative projects, in particular two of the award winning accelerator programs, Blue Startups and the Energy Exceleator. If it were not for these programs we would not be around today, nor at this accelerated stage of development. Having my-self-started traditional companies, technology companies are very different from brick-and-mortar organizations. Tech companies live and die based on time to commercialize and scalability.

As we look to the future, technological innovations could once again thrust Hawaii to center stage of our Smart Yields' industry, Agriculture. It is imperative we continue to focus on investments in tech solutions, especially in research and development.

I look forward to supporting this measure and will continue to see change happen in our state. Please do not hesitate to contact me for any additional comments.

Respectfully submitted,

Vincent Kimura
CEO, Smart Yields

STAFFORD CAPITAL PARTNERS
600 Congress Ave, 14th Floor
Austin, Texas, 78701
United States



March 7, 2017

House of Representatives
Committee on Finance
State Capitol
415 South Beretania Street
Honolulu, HI 96813X

Honorable Representatives:

I am writing you in support of increased funding for the HI Growth Initiative, BED 145, Seq. # 100-001.

Stafford Capital Partners, invests and administers the Hawai'i Targeted Investment Program (HiTIP) on behalf of the Employees' Retirement System of the State of Hawai'i. The HiTIP program shares HI Growth's objective to support and grow the Hawaii entrepreneurial ecosystem. A longer-term objective of both programs is to strengthen and diversify the Hawaiian economy.

The HI Growth program has been one of the critical drivers of initiatives to jumpstart Hawaii's entrepreneurial ecosystem.

HI Growth provided the anchor financing for several of the local award winning accelerators. Accelerators, by their very design, support nascent companies at a key stage when capital and support can be hardest to acquire. Many of the graduate companies from the accelerators are in the process of executing on their business plans and growing their businesses.

Two businesses that graduated from the HI Growth supported Blue Startups incubator received follow-on investments from mainland venture capital firms through the HiTIP program. These investments highlight that Hawaiian companies can be competitive on a national scale. It is difficult to see how these investments would have been possible without the support that HI Growth provided to launch the incubators.

HSDC is a demonstrated and valued partner in HiTIP's effort to increase capital availability to deserving Hawaii based businesses. We strongly support this budget request to fund the HI Growth Initiative.

Please feel free to reach out if there is any information we can provide or questions that we can answer.

Mahalo for your time.

Andrew Betz
Investment Manager
Stafford Private Equity
andrewbetz@staffordcp.com
949.246.5986

A Member of the Stafford Capital Partners Group of Companies

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 1:46 PM
To: FINTestimony
Cc: dave@towchoice.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Dave Kozuki	Tow Choice	Support	No

Comments: BED 145 – HI Growth Initiative (Sequence # 100-001) I am in support of this funding. In particular, we need to support startups in the gap after accelerator and prior to VC level funding. Dave Kozuki 808-772-7282

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To Whom it concerns,

First and foremost, I want to thank HI Growth Initiative for what you have done for the communities of Hawaii. You have made a tremendous impact on startups, accelerators and entrepreneurial businesses like mine. I support HB100 funding of HI Growth Initiative. I believe it's a crucial part in moving Hawaii forward on a local and worldwide stage of progress. My small business would not be here if it weren't for your support. Thank you for your time and consideration.

Dave Goetter
Twenty20Sound

ALAN ARAKAWA
Mayor



DEBORAH STONE-WALLS
Executive on Aging

PHONE (808) 270-7755

FAX (808) 270-7935

E-MAIL: mcoa.adrc@mauicounty.gov

CAROL K. REIMANN
Director
Housing & Human Concerns

JAN SHISHIDO
Deputy Director
Housing & Human Concerns

COUNTY OF MAUI
DEPARTMENT OF HOUSING AND HUMAN CONCERNS
MAUI COUNTY OFFICE ON AGING
AN AREA AGENCY ON AGING

J. WALTER CAMERON CENTER
95 MAHALANI STREET, ROOM 20
WAILUKU, HAWAII 96793

TO: Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair
Committee on Finance

FROM: Deborah Stone-Walls, Executive on Aging
Maui County Office on Aging

SUBJECT: HB100 Relating to the State Budget

HEARING: Wednesday, March 8, 2017, 9:00 am
Conference Room 308

POSITION: MCOA **strongly supports** HB100, Item No. 25, making appropriations for the Executive Office on Aging (HTH904).

The budget bill HB 100 includes EOA's annual operating budget of \$13,440,783 (general fund) for FY18 and FY19 (item no. 25). This testimony focuses on \$6 million out of the total that has not been consistently included in EOA's base budget:

- **Kūpuna Care:** adding \$4.15 million to the base amount of \$4.85 million for a total of \$9 million.
- **ADRC** (Aging and Disability Resource Center): adding \$1.7 million to the base amount of \$1.4 million for a total of \$3.1 million.
- **Long-Term Care Ombudsman Program:** \$150,000.

Without these levels of funding, services to our most vulnerable seniors in the state will be greatly reduced.

Justification: Census projections indicate that the senior population in Hawaii will almost double between the period between 2010 and 2020 with the highest percentage increase occurring in those over the age of 85. In order to minimize the potential **financial strain** of the burgeoning aging population on the State, **proactive** efforts are required now. ***Keeping seniors healthy and at home is the most cost-effective***

To promote and protect the well-being of the Older Americans in Maui County.

manner to address the needs of one of our most valuable societal resources, and HB 100 will ensure that state funds are utilized to provide assistance in the community at a much lesser financial drain than institutional services.

Kūpuna Care: MCOA supports a total appropriation of at least \$9,000,000,000 each fiscal year, ideally with the entire amount in the State base budget. Each County Area Agency on Aging (AAA) oversees a variety of home and community-based service areas designed specifically to ensure that elders have the care they need in the least restrictive, and often most economical, setting as possible in order to assist Hawaii's kupuna to lead independent, meaningful, and dignified lives. These state funds are targeted to those who are frail and vulnerable and who do not have access to other services. AAAs have consistently succeeded in reaching the objective to prevent and/or delay the need for more restrictive levels of care.

Moving the full amount of Kūpuna Care appropriation to the base budget for FY17 allowed for a more consistent contracting and service delivery system. MCOA was able to better plan for consistent service delivery throughout the year for the first time in many years. Conversely, when funds are released at varying times throughout the year, the process of planning for steady service delivery to frail elders is more difficult. AAAs must wait for the release of funds not appropriated through the base budget; therefore, service delivery cannot be planned in a reliable, steady manner. Knowing on July 1 of each year the exact amount of appropriation for these vital services will allow AAAs to more effectively plan for and meet the needs of eligible seniors.

Aging and Disability Resource Center (ADRC): Implemented on Maui on April 16, 2012, the ADRC has allowed MCOA to improve efficiency and effectiveness in working with elders and family caregivers across a broad spectrum of functional abilities and financial standing. The ADRC is designed to serve as a highly visible and trusted resource agency where people with disabilities of all ages can find information on the full range of long-term support options and can access a single point of entry to public

long-term support programs and benefits. Benefits of the ADRC include but are not limited to:

- Efficient Screening and Referral: The HI ADRC Intake process provides a concise indication of individual functional needs supports as well as personal resources available to assist in meeting functional needs.
- Better care for seniors and ease of access for family caregivers: The ADRC is designed to serve as a highly visible and trusted resource agency where people with disabilities of all ages can find information on the full range of long-term support options and can access a single point of entry to public long-term support programs and benefits.
- Comprehensive **individualized** interventions: The HI ADRC Assessment Tool provides in-depth information regarding individual circumstances, needs, and appropriate interventions in twenty-seven (27) Clinical Assessment Protocols (CAPS). When a CAP is “triggered,” there is a clear indication not only that assistance is likely needed, but also **what type of intervention is most appropriate**. For instance, if the Falls CAP is triggered, MCOA staff can determine the likely reason for the risk for a fall and speak with the elder and/or family member regarding appropriate interventions. If the risk of fall is most likely due to poor lighting, for instance, a plan to increase light in poorly illuminated areas would result. Prior to the ADRC tool implementation, MCOA knew that seniors in general were at risk for falls, but we had no way to clearly identify which senior risked a fall and what intervention would most likely result in reducing that risk of a fall. This type of data allows MCOA to better focus interventions. In short, the ADRC Assessment tools allow MCOA personnel to **effectively target interventions** resulting in a much **more efficient use of public funds**.
- Increased AAA capacity to target services to those most at need: Through the Intake and Assessment process, MCOA gathers functional and financial data that assists employees in effectively and efficiently identifying those individuals who demonstrate the greatest need. The HI ADRC Assessment process allows the identification of those individuals at the lowest income and highest risk. The

Older Americans Act of 1965, as amended in 2006, tasks Area Agencies on Aging to target services to older individuals with: greatest economic need; greatest social need; those at risk for institutional placement; low-income minority older individuals; older individuals with limited English proficiency; and older individuals residing in rural areas. The ADRC tools allow us to easily comply with this federal requirement and thereby utilize public funds in the most efficient manner.

- Ease of access to Quality Improvement Information: Through the ADRC information system, MCOA now has a means to track the actual success of services in helping seniors remain at home. For example, the Assessment tool identifies those individuals who have a CAPS trigger for Institutional Risk. AAAs using the ADRC system can now quantify the number of individuals who continue to live in the community through support of home and community-based services. This ability to objectively quantify the effectiveness of service delivery in order to ensure the best use of public funds has not been present in Hawaii previously.

Long-Term Care Ombudsman Program (LTCOP): The State is mandated to ensure that vulnerable seniors residing in facilities receive assistance in ensuring the safety and adequacy of such facilities. This is accomplished through the LTCOP that is described in the Older Americans Act of 1965 most recently amended in 2016. The LTCOP is responsible to visit each facility four times per year. We know that individuals residing in facilities and their family members often experience high levels of vulnerability thereby making even the task of suggesting small improvements difficult for residents. They wonder if staff members will somehow retaliate. The LTCOP personnel are charged with maintaining effective relationships with both facility staff and administrators as well as with residents and family members so that facilities maintain a consistently emotionally safe and physically healthy environment. Each county in Hawaii must have adequate LTCOP representation in order to meet the requirements of the Older Americans Act.

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

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 8:56 AM
To: FINTestimony
Cc: jamie_bruch@yahoo.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
James Bruch	Individual	Support	No

Comments: I, James Bruch, support HB100. Please support this important measure to provide financial support and stability of the restoration and protection of the Kaho'olawe Island Reserve, which will benefit all of Hawai'i's people for generations to come. Kaho'olawe is a unique ecosystem preserving immensely valuable cultural and biological resources. It is surrounded by the richest marine ecosystems remaining in the Main Hawaiian islands and providing replenishment of fish and invertebrates to other islands' waters. The KIRC's massive restoration program designed to revitalize the ecology and cultural history of the island will benefit all of Hawai'i's people for generations to come. Please support this bill.

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 8:57 AM
To: FINTestimony
Cc: alicekamaka@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Timothy Renken	Individual	Support	Yes

Comments: I am in SUPPORT of HB 100 relating to the specific budget items noted below. HTH 905 – Developmental Disabilities Council. Page 31, item No. 23. The reason I support the DD Council is because they are very helpful to anyone who needs it. They always do what they can and it makes me want to do more. Also, within the budget worksheet page 529 of 1018 sequence number 80-001 to convert the temporary Program Specialist IV position to a permanent Program Specialist IV position. This Self-Advocate liaison position is important to me because if it wasn't for this position we wouldn't have SAAC. We would be lost. I would not have been motivated to get a job or want to help others to do more for themselves. I may have just been stuck in a day program. Now I don't need a day program because I am so busy with SAAC activities. I am saving the state \$70 a day 5 days a week thanks to the support of the DD Council and SAAC! Not just me but lots of us, there are 189 members and when we have a meeting, they don't need to go to their day program. It really is a great thing to have.

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Aloha Chair Luke, Vice Chair Cullen and committee members.

I am a senior citizen and a resident of House District 19 and Senate District 9. I am an AARP volunteer and a member of Kokua Council, the Hawaii Alliance of Retired Americans and PABEA's legislative committee.

I am urging strong support of HB100, Item No. 25, appropriations for the Executive Office on Aging (HTH904), essential programs that support our most frail and vulnerable kupuna.

In FFY 2015 (the last figures available), the Kupuna Care program served over 4800 individuals with homemaker services, chore services, congregate meals, (or home delivered meals), transportation, legal services, etc., so that they can age in place and avoid the high cost of nursing care.

The Base Budget includes approximately \$4.8M for this program annually and it used to be supplemented about \$4.2, for a total of \$9M. For the past two years, however, the supplement was only \$3M.

Aging and Disability Resource Centers are the one stop shop for those seeking services for our kupuna. The base budget is \$1.4M; an additional \$1.7 is needed to assure that these services (fully operational in two counties, but needing to be expanded in two others) are provided to kupuna.

Hawaii has more per capita seniors than any other state and the number is increasing rapidly. It is incumbent upon all of us to care for our frail elderly and enable them to remain in their own homes as long as possible.

Lastly, the Long Term Care Ombudsman Program is significantly underfunded. Currently, one paid staff is responsible for more than 12,000 kupuna in more than 1700 long-term residential facilities, 17% of which are on neighbor islands. National standards recommend an ombudsman for every 2000 residents. \$100,000 would provide an ombudsman specialist on each of the other three islands and provide \$25,000 for program operating expenses.

Please support appropriations for these three programs which are so important for our kupuna.

Thank you for the opportunity to testify.

Barbara J. Service

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 8:51 AM
To: FINTestimony
Cc: cpurkiser@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Clif Purkiser	Individual	Comments Only	No

Comments: A someone who has been investing in Hawaii technology companies and startups for more than 10 years, I strong support increased funding for the HI Growth Initiative, BED 145, Seq. # 100-001. As an investor knowing that startup or accelerator has received HiGrowth funding is important for two reasons. First, it makes my investment dollar go further. But it even more importantly, it is a sanity check that this investment has been deemed worthy by an experienced group. Karl Fooks and his team. Clif Purkiser

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Sent: Tuesday, March 7, 2017 8:47 AM
To: FINTestimony
Cc: jvanderveur@kirc.hawaii.gov
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Vander Veur	Individual	Support	No

Comments: I, Jennifer Vander Veur, support HB100. This measure to help ensure the future funding of the Kaho'olawe Island Reserve Commission (KIRC) will not only help the continued restoration of Kaho'olawe, but will help ensure the island and its resources are cared for and protected for generations to come. The island is a unique treasure for all of Hawaii's people and it is all of our responsibility to malama Kaho'olawe. Supporting this act will show the people of Hawaii you care for them, these islands, and the future of this Kaho'olawe. The cultural and natural resources of this island are priceless, without active management of this land and the surrounding waters the restoration and conservation efforts of the previous decades would be wasted. Without watering many of the planting areas would die, without active erosion control efforts the island would continue to lose topsoil, decimating the adjacent reefs, and without active patrols and management the semi-pristine coral reefs and abundant fish populations would plummet due to erosion and overharvesting. Kaho'olawe has the most intact and least impacted marine environment of all the main Hawaiian Islands. With a high abundance of fish and predators, Kaho'olawe's fish populations are closer to Kure Atoll's than any of the main islands. As such, Kaho'olawe has the ability to be like a 'seed bank' for the surrounding islands and can result in 'spill over' (when there are so many fish in one area some of them have to leave that area for another) thereby increasing the abundance of fishes in other areas. This means the protected waters of Kaho'olawe are invaluable to the rest of the state and will help ensure fish populations don't crash. Kaho'olawe is also the home to critically endangered and protected species such as the Hawaiian Monk Seal and Spinner Dolphins. Annually 1-2 monk seal pups are born on Kaho'olawe, and we have recently seen females born on Kaho'olawe return to have their own pups. As well as pups returning to Kaho'olawe after a few years and utilizing the marine resources. The marine environment of Kaho'olawe is an incredibly valuable resource for Hawaii's people both now and in the future, but will only remain so if action is taken to ensure the proper future management of this island by supporting measures to provide funding for this critical work. The KIRC takes thousands of people to Kaho'olawe to help in the restoration efforts, educate them about the Hawaiian culture and natural resource of Hawaii and encourages them to malama their own community resources with a sense of kuleana and aloha. The impact the KIRC has is

far reaching and meaningful not only for the individuals the visit the island but for the greater community of Hawaii. Please fulfill your individual kulena to Kaho'olawe and support this bill and future measures to ensure the longevity of the KIRC and the continued care for Kaho'olawe.

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Cc: laudowicz@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

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Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Laurens Laudowicz	Individual	Support	No

Comments: I strongly support this! The entrepreneurial efforts for the state of Hawaii are of utmost importance so that Hawaii can grow another industry aside from Tourism and Military. Looking forward to getting this approved.

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COMMITTEE ON FINANCE
Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair

Wednesday, March 8, 2017 9:00 am
Room 308

HB 100, RELATING TO THE STATE BUDGET

Good Morning, Chair Luke, Vice Chair Cullen, and members of the Finance Committee. Lanakila Pacific supports the funding of the Executive Office on Aging and its Kupuna Care and ADRC programs in the state budget.

This office has the leadership role in setting policy and programs for the state's rapidly growing senior population. The number of Hawaii's kupuna, ages 60 and over, increases by over 20% each year, while kupuna 85-years and older increase each year by 27%. The general population growth is 5% per year.

Every year we see more seniors requiring supports to remain in the community. These services are identified through the ADRC and provided through the Kupuna Care program. However, the availability of services has not kept pace with the need, despite the fact that all the population projections show continued growth in this age group; despite the fact that aging in place is a fraction of the cost of institutionalization; despite the fact that there aren't and won't be enough long term care beds.

We will continue to ask for more funding for our Kupuna Care programs. However, we also need to take a preventative approach in addressing the growing need.

Please consider the role, responsibility and resources allocated to the Executive Office on Aging to systemically and collaboratively develop policies and initiatives that will help our community age with grace and dignity.

Respectfully submitted,

Marian E. Tsuji
President & CEO

Lori Lau
Director, Meals on Wheels

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Cc: jvanderveur@kirc.hawaii.gov
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HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Vander Veur	Individual	Support	No

Comments:

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Sent: Tuesday, March 7, 2017 8:19 AM
To: FINTestimony
Cc: joshharmsworth@gmail.com
Subject: *Submitted testimony for HB100 on Mar 8, 2017 09:00AM*

HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
josh harmsworth	Individual	Support	No

Comments:

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Cc: dtokishi@kirc.hawaii.gov
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Dean Tokishi	Individual	Support	No

Comments: I, Dean Tokishi, support KIRC bill HB100. Please support this important measure to provide financial support and stability of the restoration and protection of the Kaho'olawe Island Reserve, which will benefit all of Hawai'i's people for generations to come. Thank you, Dean

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Cc: carolmarie.delima.lee@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Carol Marie Lee	Individual	Support	No

Comments: I support this measure specifically the inclusion of the Kahoolawe Island Reserve Commission as part of the Administration's Budget. It provides the assurance that the State does take the commitment to manage this very special place not only to the Native people of these islands but everyone far and wide. Mahalo for the opportunity to provide testimony.

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HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Sylvia Ching	Individual	Support	No

Comments: Please add \$250,000 line item to the B&F budget to fund the HHA Hawaii Health Authority so it can plan for a comprehensive Universal Health Care System which is badly needed. Thank you. Sylvia Ching 523-1798

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March 8, 2017

Committee on Finance
Representative Sylvia Luke, Chair
Representative Ty Cullen, Vice Chair

Aloha Chair Luke, Vice Chair Cullen and Members of the Committee,

We would like to provide testimony in support for HB100.

We are a group of advocates representing Native Hawaiian, Multilingual, English Learner, Special Education students, as well as organizations wanting improved community engagement in our schools, who have come together to express our concern for the DOE Budget, as adjusted by the Governor's Message of February 7, 2017.

As public education advocates, we provided input on our priorities for public education in the Governor's ESSA Task Force town hall meetings and BOE/DOE Strategic Plan community meetings. Attachment 1 lists these priorities along with the respective stakeholders. We noticed that the Governor and the BOE/DOE appeared supportive of our priorities since items such as Hawaiian Education/ Nā Hopena A'o (HĀ), the narrowing the achievement gap for English Learners, Special Education and disadvantaged students, and the importance of community engagement were recurrent throughout both the Blueprint for Education and the Strategic Plan.

We appreciated that the BOE and DOE supported our priorities in the Board approved budget for the Biennium FY18 and FY19 (attachment 2), in particular, because many of these line item inputs and supports addressed the Strategic Plan's aim to narrow the achievement gap. However, we are concerned by the Governor's recent adjustments to the budget, which cut the funding for all of these priorities (attachment 2), as well as reduced weighted student formula funds by \$18 million per year. Instead, the governor's budget recommends a school innovation fund for \$10 million per year for two years. Other items were cut from the budget along with our priorities, such as air conditioning and facilities maintenance, teacher induction and mentoring, and structural supports vital for the planning and implementation of the state's ESSA Plan, such as the Office of Strategy Innovation and Performance and data governance. While we agree that innovation is important, it should not be at the expense of funding systemic basic needs and supports for our high needs students.

We have advocated to the Board of Education and hope to convey our concerns directly to the governor. We ask the legislature to join us in our advocacy to support the Board approved budget, and restore these line items, which are critical for implementing the Strategic Plan and narrowing the achievement gap.

Thank you for the opportunity to testify.

Mahalo,

Martha Guinan (Special Education Advisory Council)
Cheri Nakamura (HE'E Coalition)
Sylvia Hussey (Native Hawaiian Education Council)
Patricia Halagao
Brook Chapman DeSousa
Emily Lam
Gavin Thornton
William Pila Wilson (Ka Haka 'Ula O Ke'elikōlani College of Hawaiian Language, UH Hilo, 'Aha Pūnana Leo, Inc.)
Ka'ano'i Walk
Kanakolu Noa
Paula Adams (Hawai'i Afterschool Alliance)
Dawn Dunbar (After-School All-Stars Hawai'i)
Amy Agbayani (Filipino-American Advocacy Network)
Faye Kennedy (Hawai'i Friends of Civil Rights)
Elisapeta Tuupo Alaimaleata (Le Fetuao Samoan Language Center)
Terrina Wong (Pacific Gateway Center)
Josie Howard (We are Oceania)
Shawn Ford (Teaching English as a Second Language (TESOL))

Governor’s Blueprint and DOE Strategic Priorities (Attachment 1)

PRIORITY	STAKEHOLDER GROUP	LINE ITEM
Nā Hopena A’o (HĀ)/Hawaiian Education	Native Hawaiian Education Council Ka Haka ‘Ula O Ke‘elikōlani College Kamehameha Schools ‘Aha Punana Leo	EDN 100 Office of Hawaiian Education
Achievement Gap: SPED and Disadvantaged	Special Education Advisory Council Hawaii Appleseed Center	EDN150 Pre-school Teachers and Ed Assistants EDN150 Train & License of Paraprofessionals EDN200 Seclusion and Restraints EDN200 School Based Behavioral Health EDN200 Homeless Concerns Liaisons
Achievement Gap: English Learners	Hawaii Association of Language Teachers Filipino Community Center LeFetuao Samoan Language Center Micronesians United Big Island We are Oceania Hawai‘i TESOL Pacific Gateway Center	EDN200 World Languages and Health EDN200 English Language Learner Program
Community Engagement	HE‘E Coalition Hawai‘i Afterschool Alliance University of Hawai‘i College of Education After-School All-Stars Hawai‘i Atherton and Campbell Foundations	EDN300 Community Engagement
Facilities	All Stakeholders	EDN400 Heat Abatement and AC Maintenance EDN400 Environmental Health Service EDN400 School Service and Maintenance
ESSA and Other Supports	All Stakeholders	EDN300 Teacher Mentoring EDN300 Data Gov and Strategic Initiatives EDN300 Funding for OSIP

DOE/BOE Request vs. GOV's Decision (02/2017)

(Attachment 2)

		DOE/BOE	DOE/BOE	GOV'S DECISION	GOV'S DECISION
				(02/2017)	(02/2017)
Prog ID	DESCRIPTION	FY18	FY19	FY18	FY19
EDN100	OFFICE OF HAWAIIAN EDUCATION	283,255	283,255	0	0
EDN100	OFFICE OF HAWAIIAN EDUCATION	2,027,645	2,027,645	0	0
EDN150	TRAINING AND LICENSURE OF PARA-PROFESSIONALS	3 (FTE)	3 (FTE)	0	0
EDN150	PRESCHOOL TEACHERS AND ED ASSTANTS (IDEA)	60 (FTE)	60 (FTE)	0	0
EDN200	SECLUSION AND RESTRAINTS	466,909	466,909	0	0
EDN200	SCHOOL BASED BEHAVIORAL HEALTH	183,818	183,818	91,909	183,818
EDN200	HOMELESS LIAISONS	844,776	844,776	0	0
EDN200	WORLD LANGUAGES AND HEALTH	183,818	183,818	0	0
EDN200	ELL PROGRAM	183,818	183,818	0	0
EDN300	COMMUNITY ENGAGEMENT OFFICE	293,557	293,557	0	0
EDN400	HEAT ABATEMENT AND AC MAINTENANCE	2,031,330	2,031,330	0	1,000,000
EDN400	ENVIRONMENTAL HEALTH SERVICES	800,000	800,000	0	0
EDN400	SCHOOL SERVICE AND MAINTENANCE	2,800,000	4,000,000	0	0
EDN300	TEACHER MENTORING	341,243	341,243	0	0
EDN300	DATA GOVERNANCE AND STRATEGIC INITIATIVES	1,311,004	1,311,004	0	0
EDN300	FUNDING FOR OFFICE OF STRATEGY INNOV AND PERFORM	1,080,184	1,080,184	0	0
EDN100	SCHOOL INNOVATION PROGRAM			10,000,000	10,000,000

From: mailinglist@capitol.hawaii.gov
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To: FINTestimony
Cc: adamcfeely@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Michelle Muralt	Individual	Support	Yes

Comments: I am in SUPPORT the specific budget items noted below. HTH 905 – Developmental Disabilities Council, Page 31, Item No. 23. The Council helped me meet new people. Also, within the budget worksheet on Page 529 of 1018, SEQ# 80-001 to convert the Program Specialist IV – Developmental Disabilities position from temporary to permanent for self-advocacy activities. This position helps self-advocates and is important to me because I am a self-advocate. We have over 150 self-advocates on our council now. They helped me get my State ID because my dad was in the military I was born overseas and could never get my birth certificate. The DD Council and SAAC helped me with my skills to apply for and get my birth certificate. Now I have my State ID and can go to the neighbor islands and help other self-advocates. HTH 501- Developmental Disabilities, Page 29, Item No.16 It is also important to add funds for the rebased provider payment rates as outlined in the budget worksheet on Page 463 of 1018, SEQ# 101-001. I go to Lanakila and they have helped me learn new skills. They deserve to be paid more. Thank you for this opportunity to testify.

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Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
ada mcfely	Individual	Support	No

Comments: I am in SUPPORT the specific budget items noted below. HTH 905 – Developmental Disabilities Council, Page 31, Item No. 23. The DD Council has different meetings that I can attend during the month so I stay informed. Because of the Council I no longer need to attend an Adult Day Health program. Also, within the budget worksheet on Page 529 of 1018, SEQ# 80-001 to convert the Program Specialist IV – Developmental Disabilities position from temporary to permanent for self-advocacy activities. This position helps self-advocates and is important to me because I am a self-advocate. I am a Self-Advocate and have learned to have a voice. They helped me get my own computer. I don't have to be on the system. HTH 501-Developmental Disabilities, Page 29, Item No.16 It is also important to add funds for the rebased provider payment rates as outlined in the budget worksheet on Page 463 of 1018, SEQ# 101-001. Support services are important to help people like me, you can pick just what you need this saves the State lots of money. I no longer have to go to a program and I just need a worker two times a week to help me with my doctor's appointment and shopping. Without this help, I would not be able to live in my own apartment and forced to live in a home which costs a lot more money. Thank you for this opportunity to testify

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Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Iris Xiao	Individual	Support	No

Comments: I am in SUPPORT of HB 100 relating to the specific budget items noted below. HTH 905 – Developmental Disabilities Council, Page 31, Item No. 23. Also, within the budget worksheet on Page 529 of 1018, SEQ# 80-001 to convert the Program Specialist IV – Developmental Disabilities position from temporary to permanent for self-advocacy activities. This position helps self-advocates and is important to me because I am a self-advocate. Being a part of the Self-Advocacy group has given me the confidence to have a voice. To speak up for myself and others. I am the legislative liaison for Maui's self-advocacy chapter; I wouldn't have known about the legislative process if it wasn't for SAAC. HTH 501-Developmental Disabilities, Page 29, Item No.16 It is also important to add funds for the rebased provider payment rates as outlined in the budget worksheet on Page 463 of 1018, SEQ# 101-001. Support services are so important to help people like me have a goal to get a job and not rely completely on "the system." Thank you for this opportunity to testify

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Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
alex beers	Individual	Comments Only	No

Comments: To whom it may concern, Hi, my name is Alex Beers. I am in favor of adding a line item budget insert of \$150,000.00 to fund HRS322, the Hawaiian Health Authority. I believe universal single payer health care is what we need for Hawaii and our country. Blessings, Alex Beers and my Ohana

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HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Faruq Ahmad	Individual	Support	No

Comments: I support increased funding for the HI Growth Initiative, BED 145, Seq. # 100-001. HI Growth has been instrumental in jumpstarting Hawaii's entrepreneurial ecosystem and supporting its development into the vibrant community it is today. Hawaii boasts award winning accelerators. Accelerator graduate companies are growing and hitting milestones that are triggering further investment from private investors. Hawaii's private sector sees value in supporting innovation and has invested in several local startups and investment funds. A 2016 UHERO report showed the HI Growth Initiative produced a 12X leverage on state dollars. For all these reasons, we strongly support this budget request. All this would not have happened without the strong support of the HI Growth Initiative.

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Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

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Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Zisk	Individual	Support	No

Comments: Aloha, As a formerly San Francisco based Entrepreneur who has recently relocated to the North Shore of Maui, I was lucky enough to personally observe the technology boom which lead to San Francisco becoming one of the top technology ecosystems and economies in the world. HSDC and the HI Growth initiative are vital drivers of the momentum towards making Hawaii a World Class Innovation leader, bringing knowledge jobs to and spreading culture from these beautiful islands. I would like to respectfully urge the Hawaii State Legislature to please fund HSDC, the Hi Growth Initiative and similar projects to your fullest extent and ability, as any investment is sure to pay itself back many times over, and to provide long lasting benefits. Thank you so much for your efforts. Brian Zisk

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Steven Forrest
asfpmay2702@gmail.com

March 7, 2017

To: The Honorable Sylvia Luke, Chair
The Honorable Ty Cullen, Vice Chair, and Members
House Committee on Finance

Re: HB 100 – State Budget

Position: Request to add \$250,000 line item to Department of Budget & Finance for
Hawaii Health Authority

Hearing: Wednesday, March 8, 2017, 9:00 a.m. Conf Room 308

Please consider funding the Hawaii Health Authority (HHA) with \$250,000. I would like to see our state move towards a universal healthcare system. Therefore, I feel it is important for the Hawaii Health Authority to be able to hire staff to help with research and planning to develop a comprehensive State-based plan for a healthcare system for Hawaii.

There are many challenges to health care that the HHA needs to address. Insurance rates in this state keep going up and the HHA should investigate ways to bring down health care costs. Retention rates for doctors are low and the HHA must develop plans to attract and keep the best doctors. There are many other issues and challenges that the HHA should address. \$250,000 will go a long way to address many health care related issues.

Thank you for your time and consideration,

Steven Forrest

Date: March 8, 2017

To: The Honorable Sylvia Luke, Chair
And Members of the House Committee on Finance

From: Christine Trecker

Subject: HB 100: Relating to the State Budget
In Support of Campaign Spending Commission Funding

The bill includes an appropriation from the state's general fund to cover the operating expenses of the Campaign Spending Commission for FY 2017-2018 and 2018-2019.

The Campaign Spending Commission has not had stable, predictable funding for years. Instead it has had to rely on the \$3 State income tax return check off, a declining source of revenue that also funds Hawaii's partial public campaign financing program. I'm deeply concerned their financial situation has become dire.

I have seen the Commission in action and I applaud the tremendous public service their knowledgeable, committed staff delivers. The Commission is integral to keeping political campaigns lawful and to bolstering public trust in government. No doubt their role has never been more important than it is today, given escalating campaign spending.

I strongly urge general fund support for the Campaign Spending Commission. Without adequate, stable funding this vitally important agency cannot effectively watchdog and protect the integrity of Hawaii's political campaign process.

Thank you for the opportunity to testify.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 11:03 PM
To: FINTestimony
Cc: deshaies@buffalo.edu
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
George	Individual	Support	No

Comments: Please support HB100 for the purpose of reclaiming the land and water of Kaho'olawe for present and future generations of Hawaii. There is nothing more worthwhile than to preserve, protect and enjoy the natural beauty that has been given to all of us. Thank you for the service to our nation. George Deshaies, 9054 Sibley Rd, East Concord, NY 14055

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 10:53 PM
To: FINTestimony
Cc: boyne@hawaii.edu
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Jonathan Boyne	Individual	Support	No

Comments: I am in favor of adding a "Line item budget insert of \$150,000.00 to fund HRS322 The Hawaii Health Authority." I work full-time between two jobs, which both offer health insurance I cannot afford, not even the cheapest available plans. Single-payer health insurance is the only answer, and while a higher than the national average of people in Hawaii have employer health insurance they can afford, that will not be for much longer, as the economy gets steadily and unstopably worse, not better.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 9:58 PM
To: FINTestimony
Cc: kalani.fukumoto@yahoo.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
kalani fukumoto	Individual	Support	No

Comments: I support this bill because it has funding for KIRC to continue the work of restoration on Kaho'olawe Island. Mahalo, Kalani Fukumoto

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 8:36 PM
To: FINTestimony
Cc: dkealoha@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Donavan Kealoha	Individual	Support	No

Comments: Strongly support.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 8:16 PM
To: FINTestimony
Cc: 231oehana@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Larson	Individual	Support	No

Comments: The KIRC's massive restoration program designed to revitalize the ecology and cultural history of the island will benefit all of Hawai'i's people for generations to come. Please support this bill.

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The House Committee on Finance
March 8, 2017
Room 308

HB 100
TESTIMONY IN SUPPORT OF THE APPROPRIATION FOR THE
UNIVERSITY OF HAWAII CANCER CENTER

Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Megan Hackett, and I am writing in strong support of the appropriation for the UH Cancer Center in this bill.

The UH Cancer Center is one of only 69 institutions in the United States that hold the prestigious National Cancer Institute (NCI) designation, and is the only NCI-designated center in the Pacific. The NCI designation provides cancer researchers in Hawai'i with greater access to federal funding and research opportunities. More importantly, it gives the people of Hawai'i and the Pacific region access to many innovative and potentially life-saving clinical trials without the necessity of traveling to the mainland.

Each year more than 6,000 Hawaii residents are diagnosed with cancer, and more than 2,000 will die from the disease. Cancer is the second leading cause of death in Hawaii, and accounts for one of every five deaths statewide. Hawaii's racial/ethnic mixture makes us unique (as compared with national norms) in the types and incidents of cancer. As a NCI-designated cancer research center, the UH Cancer Center brings ground-breaking studies and new cancer-fighting drugs and treatment to our community, making it possible for Hawaii's people to receive the most advanced treatments for cancer without the need to travel to the mainland away from home and at great expense.

The UH Cancer Center works to reduce the burden of cancer through research and patient care. In 2014, the UH Cancer Center, working with Hawaii's hospitals, gave Hawaii's adult and pediatric cancer patients approximately 100 different national clinical trials locally. Currently there are about 100 ongoing clinical trials enrolling both adults and children. These clinical trials always guarantee the national standard of best care and the opportunity to benefit from a better treatment. The Cancer Center is actively following over 1,000 patients who have enrolled in clinical trials in the past. The Cancer Center is also working on identifying potential cancer drugs from Hawaii's natural resources, including compounds from plants, such as poha berry, noni and sea sponge, all of which have shown promise against cancer. Several patents are pending based on the UH Cancer Center's findings and research.

A number of Cancer Center researchers focus on key cancers that impact Hawaii. Our work contributes to a global knowledge that leads to the development of new life-saving treatments and therapies. Ongoing research at the Center provides important insights on the use and impact of e-cigarettes and other tobacco products in Hawaii.

For example, our research found Hawaii teens used e-cigarettes at nearly triple the rate of mainland teens. The Center has established a partnership with the state Department of Health to educate Hawaii residents on smoking cessation and the risks of tobacco use.

As the types and incidence of cancer among our local population varies significantly from populations on the mainland, the focus of our research has been to target our diverse ethnic groups. For instance, we have found that colon cancer in Native Hawaiian men is higher than in other ethnic groups. Our researchers are investigating ways to reduce the high rate of cancer deaths in this population.

Key components of the Cancer Center's financial plan are: 1) ensure continued success and productivity in conducting cancer research that benefits the people of Hawai'i, 2) position UH Cancer Center for successful application for continued National Cancer Institute (NCI) designation and 3) attain zero deficit operations within three years. Successful implementation of the plan will reassure potential philanthropic donors, legislators, the Honolulu business community and community stakeholders of the long-term sustainability of the Cancer Center. The legislative request will enable the Cancer Center to reduce and with additional measures, eliminate the annual operating deficits. It will also enable the Cancer Center to facilitate recruitment of physicians scientists with the expertise to conduct early phase clinical trials. Currently most patients from Hawaii who may be eligible to participate in these trials have to travel to the mainland. Additionally, the funding will enable the expansion of the clinical trials infrastructure for cancer patients on Oahu and permit possible expansion to the neighbor islands.

Cigarette tax revenue is statutorily provided for debt service and (as available) for operations of the facility the Cancer Center occupies in Kaka'ako. Cigarette tax revenue has declined over the years from approximately \$20 million to approximately \$14.8 million currently. In light of the fiscal shortfalls, management has been working diligently to implement operational restructuring to reduce the shortfalls. In order to be successful so that it can continue to serve the needs of Hawaii's population, we must maintain the NCI designation of Hawaii's cancer center.

The incidence of cancer is increasing significantly and may double during the next twenty years, according to recent estimates by the International Agency for Cancer. It is imperative that the UH Cancer Center maintain its NCI designation to foster research relevant to those in Hawai'i and to provide our state's residents with access to the most innovative clinical trials here in Hawai'i, in order to reduce the incidence of cancer in Hawai'i.

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

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 7:13 PM
To: FINTestimony
Cc: launahele@yahoo.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Benton	Individual	Support	No

Comments: My name is Benton Pang. I support HB100. Kaho'olawe is a unique ecosystem preserving immensely valuable cultural and biological resources. It is surrounded by the richest marine ecosystems remaining in the Main Hawaiian islands and providing replenishment of fish and invertebrates to other islands' waters. The KIRC's massive restoration program designed to revitalize the ecology and cultural history of the island will benefit all of Hawai'i's people for generations to come. Please support this bill. Mahalo.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 7:05 PM
To: FINTestimony
Cc: shari@globalnetproductions.com
Subject: *Submitted testimony for HB100 on Mar 8, 2017 09:00AM*

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Shari Lienau	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 6:22 PM
To: FINTestimony
Cc: gresco15@aol.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Scott Schwarzwaldner	Individual	Support	No

Comments: I, Scott Schwarzwaldner, support bill HB100. Please support this important measure to provide financial support and stability of the restoration and protection of the Kaho'olawe Island Reserve, which will benefit all of Hawai'i's people for generations to come. Despite the mistreatment that the island of Kaho'olawe has endured over the course of many decades, the land can be rehabilitated. It requires funding, protection, hard work, and commitment, but it is worth all the efforts to restore the island for the people of Hawai'i.

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Testimony of The Nature Conservancy of Hawai'i
Supporting DLNR Funding in H.B. 100 Relating to the State Budget
House Committee on Finance
Wednesday, March 8, 2017, M, Room

The Nature Conservancy of Hawai'i is a private non-profit conservation organization dedicated to the preservation of the lands and waters upon which life depends. The Conservancy has helped to protect nearly 200,000 acres of natural lands in Hawai'i. We manage 40,000 acres in 14 preserves and work in 19 coastal communities to help protect the near-shore reefs and waters of the main Hawaiian Islands. We forge partnerships with government, private parties and communities to protect Hawai'i's important watershed forests and coral reefs.

The Nature Conservancy supports H.B. 100 and, in particular, Department of Land and Natural Resources' budget requests for:

WATERSHED MANAGEMENT (LNR172, 402, 407): Base general funding plus \$7.5m CIP funds to provide long-term protection for watershed forests across the islands.

INVASIVE SPECIES (LNR402): \$5.25m for the Hawai'i Invasive Species Council to address the worst pest threats to Hawai'i's economy, environment and quality of life; and an additional \$1.0m to address the extreme threat of Rapid 'Ōhi'a Death.

LEGACY LAND PROTECTION (LNR101): Requested spending ceiling increase to help protect priority coastal, agricultural, historic, cultural, forest, and recreational resources.

AQUATIC RESOURCES (LNR401): Base general funding and staff support to address the health and productivity of Hawai'i's marine resources, including planning and strategies for sustainable fisheries management, coral reef bleaching recovery, and to work with more than two-dozen coastal communities statewide seeking to assist DLNR with care and management of these resources.

CONSERVATION ENFORCEMENT (LNR405): Funding for the Division of Conservation and Resources Enforcement (LNR405) to operate permanent community fisheries enforcement units on four islands.

These budget items contribute to the resilience, sustainability and continued health of our islands' environment, economy, and quality of life. Thank you for appreciating the critical importance of protecting our limited and exhaustible natural resources so that they will continue to support us with fresh water, productive fisheries and farmlands, cultural treasures, and a healthy lifestyle.



South Kona koa forest before and after fencing and animal control.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 5:17 PM
To: FINTestimony
Cc: tiffanyquezada@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Tiffany Quezada	Individual	Support	No

Comments: I strongly support increased funding for the HI Growth Initiative. It has been instrumental in jumpstarting Hawaii's entrepreneurial ecosystem and supporting its development into the vibrant community it is today. As a graduate of the first cohort of the Blue Startups Accelerator (funded by the HI Growth Initiative) I have personally witnessed the impact this initiative has had on the tech sector in Hawaii. It has grown from a small fragmented group of people to a true community with hundreds of entrepreneurs starting businesses and creating jobs. As a co-founder for Hobnob, we believe it is up to this generation to build the tech community in Hawaii to diversify our economy and showcase the talent that comes from Startup Paradise. To date we have successfully raised 2.25M in seed funding from top Silicon Valley investors and currently employ 7 incredibly talented people in our Honolulu office. We plan to continue to build our business in Hawaii and hope to attract more talent to the state as we grow.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 5:16 PM
To: FINTestimony
Cc: mark@mirthlab.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Mark Quezada	Individual	Support	No

Comments: I support increased funding for the HI Growth Initiative, BED 145, Seq. # 100-001. HI Growth has been instrumental in jumpstarting Hawaii's entrepreneurial ecosystem and supporting its development into the vibrant community it is today. I am a product of the this initiative. When I was faced with the choice to leave Hawaii for better opportunity in startups on the mainland, I was able to choose to stay due to the efforts of programs that are funded by HI Growth. I am now a co-founder of a local startup (Hobnob) that has garnered millions in seed funding from top silicon valley investors and has employed 7 people to date. We continue to invest in Hawaii and attract top talent from other markets. This would not have been possible without HI Growth.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 4:53 PM
To: FINTestimony
Cc: dbangert@hawaii.edu
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
David Bangert	Individual	Support	No

Comments: I support increased funding for the HI Growth Initiative, BED 145, Seq. # 100-001. •HI Growth has been instrumental in jumpstarting Hawaii’s entrepreneurial ecosystem and supporting its development into the vibrant community it is today. •Hawaii boasts award winning accelerators. Accelerator graduate companies are growing and hitting milestones that are triggering further investment from private investors. •Hawaii’s private sector sees value in supporting innovation and has invested in several local startups and investment funds. •A 2016 UHERO report showed the HI Growth Initiative produced a 12X leverage on state dollars. For all these reasons, we strongly support this budget request. All this would not have happened without the strong support of the HI Growth Initiative.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 4:39 PM
To: FINTestimony
Cc: adeleonmaui@yahoo.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
adele rugg	Individual	Support	No

Comments: Aloha .. I strongly urge you to support HB 100 relating to the Executive Office on Aging's operating budget, page 36, item 25 in the appropriation amount of \$13,440,783 for FY 2017-2018 and \$13,440,783 for FY 2018-2019 .. the budget supports .. an increase to the base budget for Kupuna Care .. (request for \$4.1 million, total \$9 million) .. an increase to the base budget for Aging and Disability Resource Center .. (request for \$1.7 million, total \$3.3 million) .. and a funding request for the Office of the Long Term Care Ombudsman (\$100,00) .. mahalo nui loa for your time and consideration !

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 4:39 PM
To: FINTestimony
Cc: sumnergarber@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Sumner Garber	Individual	Support	No

Comments: I support BED 145 – HI Growth Initiative (Sequence # 100-001). Thank you.

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The House Committee on Finance

March 8, 2017

HB 100

**Individual Testimony *in Support of* the Appropriation for
*the University of Hawaii Cancer Center***

Dear Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Annette Jones, I am a Research Lab Analyst at the UH Cancer Center. I herein submit my individual testimony in strong support of your appropriation for the UH Cancer Center.

I have worked at the Cancer Center for the last 23 years, and I believe that the State's investment in the people of the Cancer Center and the work we carry out will produce significant returns for the community. Your support will be critical for the Center to retain its National Cancer Institute (NCI) designation, a distinguished recognition for high-caliber and synergistic cancer research. The fact that we could have successfully competed for this honor for 20 years, despite being one of the smallest of all NCI Cancer Centers, is a testament to the importance of our work on the uniquely diverse populations of Hawaii and the Pacific that cannot be replaced by any on mainland. Our populations have the most varied genetic make-up, for both risks and protection regarding diseases, and show the widest ranges of lifestyles and cultures. Being of native Hawaiian mixed ancestry, the work being done at our Cancer Center directly affects are unique island blend. Disparities that affect our island community need to be studied for our future generations. Our world's leading cancer epidemiology group has conducted excellent surveillance and etiology research, which has decoded the relationships of many genetic and lifestyle factors with different cancers, to the extent not possible by studies of homogeneous populations on mainland or in other countries. With your support, the clinical trials team will be able to continue delivering never-profitable but potentially life-saving experimental treatments to local hospitals for their patients in most need, as they have done so compassionately for 30 years. The cancer biology group will be able to explore the Pacific environment and cultivate the minds of local youths to advance the future care, the unlimited value of which can only be realized with your vision and commitment.

With our new director Dr. Holcombe, the faculty and staff can truly rally behind his vision of a cancer center that can directly influence our island community. With gratitude and fresh optimism, we at the Cancer Center are on our way to improve and reclaim financial self-sufficiency. I ask you to advocate for our mission and support the UH Cancer Center in HB 100.

To Hawaii State Legislature,

I support increased funding for the HI Growth Initiative. HI Growth has helped to increase the film company's business, including my own work at the GVS Accelerator and the local economy here in Kailua-Kona. HI Growth has also been instrumental in jumpstarting Hawaii's entrepreneurial ecosystem and supporting its development into the vibrant community it is today. Hawaii boasts award winning accelerators. Accelerator graduate companies are growing and hitting milestones that are triggering further investment from private investors. Hawaii hosts international conferences and other events designed to help entrepreneurs incubate their ideas and connect with investors. Hawaii's private sector sees value in supporting innovation and has participated as investors in several local startups and investment funds. A 2016 UHERO report showed the HI Growth Initiative produced a 12X leverage on state dollars. For all these reasons, we strongly support this bill. All this would not have happened without the strong support of the HI Growth Initiative.

Sincerely,
Neil Sauvageau

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 4:25 PM
To: FINTestimony
Cc: kamakane73@gmail.com
Subject: *Submitted testimony for HB100 on Mar 8, 2017 09:00AM*

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Kama Hopkins	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 4:21 PM
To: FINTestimony
Cc: naregion9@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Derek Kimura	Individual	Support	No

Comments: In HB100, I support the legislature to fund the Department of Hawaiian Home Lands request for over \$25 million in general funds to cover administrative and operating budget, as well as \$25 million in general obligations bonds to cover capital improvement projects. Also, the Governor's request to authorize \$15 million of federal funds for homestead development projects administered under the Native American Housing Assistance & Self-Determination Act (NAHASDA).

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I, Rob Lee, support House Bill 100.

...

Please support this important measure to provide financial support and stability of the restoration and protection of the Kaho'olawe Island Reserve, which will benefit all of Hawai'i's people for generations to come.

...

As the only Island Reserve set up entirely in trust for a Native Hawaiian Sovereign Entity, the KIRC is well poised to change the economic landscape and life quality of Native Hawaiians and the communities in which they reside by means of a truly unique experience on the island of Kaho'olawe. The State must maintain the responsibility of supporting the Kaho'olawe Rehabilitation Trust Fund.

...

As the only island listed on the National Register of Historic Places in its entirety, containing nearly 3,000 archaeological sites and features, it is imperative that the State preserves this important resource for current and future generations through this financial support system.

...

Without the KIRC's ongoing protection of Kaho'olawe's coastal ecosystem, including the adjacent nearshore environment and coral reefs that can be covered with, and choked by, derelict fishing gear, nets, a huge variety of plastics and other debris items, species including the endangered Hawaiian monk seal, threatened green sea turtle, endangered hawksbill sea turtle, endangered humpback whale, endangered Hawaiian dark-rumped petrel, and endangered Newell's shearwater will be put at risk. It is imperative that a trust fund be stabilized to continue this work.

...

Kaho'olawe is a unique ecosystem preserving immensely valuable cultural and biological resources. It is surrounded by the richest marine ecosystems remaining in the Main Hawaiian Islands and providing replenishment of fish and invertebrates to other islands' waters. The KIRC's massive restoration program designed to revitalize the ecology and cultural history of the island will benefit all of Hawai'i's people for generations to come.

Please support this bill.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 4:10 PM
To: FINTestimony
Cc: mmartin96825@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Bonnie M. Livingston	Individual	Support	No

Comments: I, Bonnie Malia Livingston, support HB100 The personnel for the Kaho'olawe Island Reserve Commission must continue to have financial stability to ensure the restoration of the island. The natural and cultural significance of this island is priceless, and this bill to ensure proper personnel is a critical investment for Hawaii's future. Mahalo, Bonnie Malia Livingston aka Malia Martin

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Monday, March 6, 2017

Mahalo nui loa for your service to the State of Hawaii.

It is with great appreciation and hope I would like to humbly ask for your support for the increased funding for the HI Growth Initiative (BED 145, Seq. # 100-001).

I have been privileged to be a part of the team that founded the GVS Accelerator, one of the HI Growth Initiative's partnered accelerators, and am so encouraged to see the yield it has already produced. From only a few years into the Program, the Accelerator has seen significant job creation and Hawaii State home-grown content creation - where the economic benefit will be captured and retained by the State as opposed to out of State companies that usually own content produced in Hawaii.

Through program directing the GVS Accelerator Program, I have already gained invaluable experience myself in developing creative content and in structuring investment for production such that I am now working as a facilitator for the GTA Development Fund. (The GTA Development Fund is the investment fund partnered with the Program for investing in the Accelerator's startup companies.) From the perspective of the private equity members of the Fund, the County of Hawaii and State of Hawaii support is key in focusing their attention on investing in the State (and County) of Hawaii as opposed to utilizing those same funds on another opportunity. This support truly has been the spark to get things going - and to draw private investment monies into the County of Hawaii which in turn leads to job creation.

I have also learned from my time program directing the Accelerator that sufficient funding is critical to the success and foundation of this new industry that is being created - and that a long enough "runway" to be properly established is key to long-term sustainability and growth.

Please support SB 761 for allocation for the HI Growth Initiative for the full resources it is requesting. I sincerely believe the support is a great investment for the future for the State of Hawaii.

Mahalo for your consideration and support,
Nikki Nietz

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 3:50 PM
To: FINTestimony
Cc: alicekamaka@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Alice Kamaka	Individual	Support	Yes

Comments: I am in strong support of HB100 specifically two areas. The first is on page 31 Item number 23 HTH905 funding for the DD Council and within the HTH905 budget worksheets page 529 of 1018, sequence number 80-001, to make the program specialist IV a permanent position. This position is very important to me because I am an individual with developmental disabilities and the DD Council has supported self-advocates like me to have a voice, and that position has helped grow the self-advocate group SAAC from 12 members to almost 200 members in the past four years. The second area is HTH 501 to provide funding to the Developmental Disabilities Division for their Medicaid waiver program. I use to HAVE to live in Waimano Training School and Hospital. With the waiver program, I can live with one friend in the community; we share the expenses of the single family home we have. This would not have been possible without the waiver program. The agency that supports me hasn't received a raise in over ten years. The cost of living has increased, please authorize their increase as outlined in the budget worksheets on page 460 of 1018, sequence number 101-001; for \$2,754,980 in FY18 and \$7,118,914 for FY19. Thank you for this opportunity to submit testimony.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 3:44 PM
To: FINTestimony
Cc: sforsyth17@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Susan Forsyth	Individual	Comments Only	No

Comments: I, Susan H. Forsyth, support KIRC bill (HB100 #). ... Please support this important measure to provide financial support and stability of the restoration and protection of the Kaho'olawe Island Reserve, which will benefit all of Hawai'i's people for generations to come. ... As the only Island Reserve set up entirely in trust for a Native Hawaiian Sovereign Entity, the KIRC is well poised to change the economic landscape and life quality of Native Hawaiians and the communities in which they reside by means of a truly unique experience on the island of Kaho'olawe. The State must maintain the responsibility of supporting the Kaho'olawe Rehabilitation Trust Fund. ... As the only island listed on the National Register of Historic Places in its entirety, containing nearly 3,000 archaeological sites and features, it is imperative that the State preserves this important resource for current and future generations through this financial support system. ... Without the KIRC's ongoing protection of Kaho'olawe's coastal ecosystem, including the adjacent nearshore environment and coral reefs that can be covered with, and choked by, derelict fishing gear, nets, a huge variety of plastics and other debris items, species including the endangered Hawaiian monk seal, threatened green sea turtle, endangered hawksbill sea turtle, endangered humpback whale, endangered Hawaiian dark-rumped petrel, and endangered Newell's shearwater will be put at risk. It is imperative that a trust fund be stabilized to continue this work. ... Kaho'olawe is a unique ecosystem preserving immensely valuable cultural and biological resources. It is surrounded by the richest marine ecosystems remaining in the Main Hawaiian islands and providing replenishment of fish and invertebrates to other islands' waters. The KIRC's massive restoration program designed to revitalize the ecology and cultural history of the island will benefit all of Hawai'i's people for generations to come. Please support this bill. I have been to this wonderful Island and can totally appreciate the goals that KIRC is trying to attain. I fully support this bill and ann Legislators should too.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 3:31 PM
To: FINTestimony
Cc: cantodoreen@gmail.com
Subject: *Submitted testimony for HB100 on Mar 8, 2017 09:00AM*

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Doreen Canto	Individual	Support	No

Comments:

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The House Committee on Finance

March 8, 2017

HB 100

**Individual Testimony in Support of the Appropriation for
the University of Hawaii Cancer Center**

Dear Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Unhee Lim. I am an epidemiologist and Associate Professor at the UH Cancer Center. I herein submit my individual testimony in strong support of your appropriation for the UH Cancer Center.

I believe that the State's investment in the people of the Cancer Center and the work we carry out will produce significant returns for the community and for generations to come. Your support will be critical for the Center to retain its National Cancer Institute (NCI) designation, a distinguished recognition for high-caliber and synergistic cancer research. The fact that we could have successfully competed for this honor for 20 years, despite being one of the smallest of all NCI Cancer Centers, is a testament to the importance of our work on the uniquely diverse populations of Hawaii and the Pacific that cannot be replaced by any on mainland. Our populations have the most varied genetic make-up, for both risks and protection regarding diseases, and show the widest ranges of lifestyles and cultures. Our world's leading cancer epidemiology group has conducted excellent surveillance and etiology research, which has decoded the relationships of many genetic and lifestyle factors with different cancers, to the extent not possible by studies of homogeneous populations on mainland or in other countries. With your support, the clinical trials team will be able to continue delivering never-profitable but potentially life-saving experimental treatments to local hospitals for their patients in most need, as they have done so compassionately for 30 years. The cancer biology group will be able to explore the Pacific environment and cultivate the minds of local youths to advance the future care, the unlimited value of which can only be realized with your vision and commitment.

I will not bore you with the recent history of how we came to the current state requiring your urgent assistance. I will say, however, with gratitude and fresh optimism, that we at the Cancer Center are on our way to recovery and to reclaim financial self-sufficiency on the Center's 45-year track record.

I respectfully ask you to be on our side for our mission and support the cause of the UH Cancer Center in HB 100.

Unhee Lim (unheelim@gmail.com)

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 3:18 PM
To: FINTestimony
Cc: kumuhoku@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Hokulani Holt-Padilla	Individual	Support	No

Comments: Please support this important measure to provide financial support and stability for the restoration and protection of the Kaho'olawe Island Reserve, which will benefit all of Hawai'i's people for generations to come. As the only Island Reserve set up entirely in trust for a Native Hawaiian Sovereign Entity, the KIRC is well poised to change the economic landscape and life quality of Native Hawaiians and the communities in which they reside by means of a truly unique experience on the island of Kaho'olawe. The State must maintain the responsibility of supporting the Kaho'olawe Rehabilitation Trust Fund. It is imperative that a trust fund be stabilized to continue the great restoration work already begun by the Kaho'olawe Island Reserve Commission. Kaho'olawe is a unique ecosystem preserving immensely valuable cultural and biological resources. It is surrounded by the richest marine ecosystems remaining in the Main Hawaiian islands and provides replenishment of fish and invertebrates to other islands' waters. The KIRC's massive restoration program is designed to revitalize the ecology and cultural history of the island which will benefit all of Hawai'i's people for generations to come. Please support this bill.

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HB 100-Budget: Testimony: Lawrence H. Nitz. HB 607—Relating to Kupuna Care

I am a professor of political science at the University of Hawaii at Manoa. Over the past 27 years I have worked extensively on the problems of funding long-term care (or long-term services and supports). This bill is a first attempt to provide some of the most important support for Hawaii's working people who are providing care for their elders.

Kupuna Caregivers, the title of the program expansion sponsored by the bill, helps the most fragile of our caregivers—those who must give care and still maintain a full-time job. The goal is by providing a subsidy to secure a few extra hours of care, the full-time family worker can continue in his or her career, without the risk of performing poorly, having to leave work early, arrive for work late, or feel forced to take an early retirement. Of course, in fact, most of these folks who must reduce work hours or retire early. The proposed benefit, up to \$70 per day for additional services, directly addresses the full-time worker/caregiver's need to continue a career and still provide responsible care for a family member of other elder.

Who is eligible? This is a two-part question. First, the ultimate beneficiary is a Hawaii resident who meets the standards of care for Hawaii's Kupuna Care program: two ADL's, one ADL and IADLs, and so on. The second part is that the caregiver must be fully employed (Using a standard of 30 hours per week).

The program is a testbed—the average median number of days of home care used by American elders is about 89 days. (This is not a feature of the bill, just an estimate of how far the funding would reach if everyone used the median number of days of services.) At this level of usage, the program could initially accommodate about 900 users. A larger scale may be reasonable as the usage is established. The program is framed as an expansion of the services of Kupuna Care, using the same local counseling and administrative skills as those involved in delivering our existing Kupuna Care services.

Finally, this proposal follows the key discoveries by Johannes Geyer and Thorben Korfhage of the German Institute for Economics, a national research center. That supplying a block of “helper time” as a service, rather than a monetary payment creates a dramatic increase in the labor force participation of the caregiver. And, for German policy, as for ours in Hawaii, keeping people in the labor force is an economic benefit for the state, as well as the person using the assistance benefit. More work hours and lower risk of retiring early; protection of the caregiver's own retirement benefits.

The implications of informal caregiving not only involve burdensome financial costs but also include negative health effects on over-stressed caregivers. Studies show that caregiving for an older, disabled parent or parent-in-law negatively affects the mental and physical health of caregivers, especially among those caring for patients with cognitive or behavioral illnesses such as dementia and Alzheimer's disease. Many informal, unpaid caregivers struggle to manage multiple social roles such as work, family, and caregiving for elderly parents. The time constraints and physical strain of dealing with multiple roles results in “chronic stress” which increases levels of psychological distress and deteriorates caregivers' health over time (Kohl 2015).

For the society, reducing work hours or leaving the labor force has negative effects on tax revenues (no income tax on money not earned), lost retirement benefits and lower Social Security contributions. Leaving the labor force or retiring early creates higher risks of having to make transfer payments to these caregivers when they are older (increased welfare expenditures of various kinds for those who left careers for caregiving.) Providing a few hours of extra care, however, reduces these losses by keeping caregivers in the labor force, earning and building their own retirement support.

At this point, the Germans have already laid the foundation so that Hawaii can move forward.

Citations:

Johannes Geyer; Thorben Korfhage (2015): Long-term care reform and the labor supply of household members: Evidence from a quasi-experiment. DIW Discussion Papers, No. 1500.

Johannes Geyer; Peter Haan; Thorben Korfhage (2015): Indirect fiscal effects of long-term care insurance. DIW Discussion Papers, No. 1520.

Kohl, Noreen. 2015. Policy Note. "The Need for Formal Long-Term Care Supports and Services: Implications of Informal Caregiving." Long-Term Services and Supports Feasibility Study, Department of Political Science, University of Hawai'i at Manoa.

My name is Terri Gavagan and I am writing in support of HB100, State Budget, particularly with regard to the budget for DLNR and its inclusion of funding for the operation of the KIRC (Item D.9). This funding will help the KIRC maintain its current operations to protect and restore Kaho'olawe as well as to provide safe and meaningful access to the Reserve.

Mahalo.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 2:32 PM
To: FINTestimony
Cc: ross@current-events.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Ross Wilson Jr.	Individual	Support	No

Comments: It's important for our state to have a second airport with direct international flights and a permanent FIS facility. Mahalo for your support and kokua!

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 2:53 PM
To: FINTestimony
Cc: hswinkler@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
johann winkler	Individual	Comments Only	No

Comments: I, johann winkler, support KIRC bill (ENTER BILL 100 #). ... Please support this important measure to provide financial support and stability of the restoration and protection of the Kaho'olawe Island Reserve, which will benefit all of Hawai'i's people for generations to come. ... As the only Island Reserve set up entirely in trust for a Native Hawaiian Sovereign Entity, the KIRC is well poised to change the economic landscape and life quality of Native Hawaiians and the communities in which they reside by means of a truly unique experience on the island of Kaho'olawe. The State must maintain the responsibility of supporting the Kaho'olawe Rehabilitation Trust Fund. ... As the only island listed on the National Register of Historic Places in its entirety, containing nearly 3,000 archaeological sites and features, it is imperative that the State preserves this important resource for current and future generations through this financial support system. ... Without the KIRC's ongoing protection of Kaho'olawe's coastal ecosystem, including the adjacent nearshore environment and coral reefs that can be covered with, and choked by, derelict fishing gear, nets, a huge variety of plastics and other debris items, species including the endangered Hawaiian monk seal, threatened green sea turtle, endangered hawksbill sea turtle, endangered humpback whale, endangered Hawaiian dark-rumped petrel, and endangered Newell's shearwater will be put at risk. It is imperative that a trust fund be stabilized to continue this work. ... Kaho'olawe is a unique ecosystem preserving immensely valuable cultural and biological resources. It is surrounded by the richest marine ecosystems remaining in the Main Hawaiian islands and providing replenishment of fish and invertebrates to other islands' waters. The KIRC's massive restoration program designed to revitalize the ecology and cultural history of the island will benefit all of Hawai'i's people for generations to come. Please support this bill.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 2:57 PM
To: FINTestimony
Cc: jckona@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Judith Cunningham	Individual	Support	No

Comments: Kona is my home and I am so grateful to be raising my family here. I am a makeup artist for film and tv and a working mother. The work that I do allows me to stay in this beautiful place. With the support of the state to help our creative industries get a jump start here on Hawaii island, I am hopeful that I can continue to provide for my family through the creative industries. Thank you for your support!

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 2:30 PM
To: FINTestimony
Cc: renderflow33@gmail.com
Subject: *Submitted testimony for HB100 on Mar 8, 2017 09:00AM*

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Jeremy Pyhala	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 2:15 PM
To: FINTestimony
Cc: katelyn.thomson@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Katelyn Thomson	Individual	Support	No

Comments: I, Katelyn Thomson, support KIRC bill #HB100. I have participated in cleaning up marine debris myself, and have volunteered under the supervision of KIRC employees. Please support this important measure to provide financial support and stability of the restoration and protection of the Kaho'olawe Island Reserve, which will benefit all of Hawai'i's people for generations to come. As the only Island Reserve set up entirely in trust for a Native Hawaiian Sovereign Entity, the KIRC is well poised to change the economic landscape and life quality of Native Hawaiians and the communities in which they reside by means of a truly unique experience on the island of Kaho'olawe. The State must maintain the responsibility of supporting the Kaho'olawe Rehabilitation Trust Fund. As the only island listed on the National Register of Historic Places in its entirety, containing nearly 3,000 archaeological sites and features, it is imperative that the State preserves this important resource for current and future generations through this financial support system. Without the KIRC's ongoing protection of Kaho'olawe's coastal ecosystem, including the adjacent nearshore environment and coral reefs that can be covered with, and choked by, derelict fishing gear, nets, a huge variety of plastics and other debris items, species including the endangered Hawaiian monk seal, threatened green sea turtle, endangered hawksbill sea turtle, endangered humpback whale, endangered Hawaiian dark-rumped petrel, and endangered Newell's shearwater will be put at risk. It is imperative that a trust fund be stabilized to continue this work. Kaho'olawe is a unique ecosystem preserving immensely valuable cultural and biological resources. It is surrounded by the richest marine ecosystems remaining in the Main Hawaiian islands and providing replenishment of fish and invertebrates to other islands' waters. The KIRC's massive restoration program designed to revitalize the ecology and cultural history of the island will benefit all of Hawai'i's people for generations to come. Please support this bill.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 2:11 PM
To: FINTestimony
Cc: csoares48@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Colleen Soares	Individual	Comments Only	No

Comments: I, Colleen Soares, support KIRC bill (HB100). I have worked on Kaho'olawe, and I treasure that experience. It is a rich cultural resource. It is listed on the National Register of Historic Places, and has thousands of archaeological sites and features. The State should preserve this important resource. Please support HB100 to provide financial support and stability of the restoration and protection of the Kaho'olawe Island Reserve, which will benefit all of Hawai'i's people.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 2:09 PM
To: FINTestimony
Cc: jim.wyban@gmail.com
Subject: *Submitted testimony for HB100 on Mar 8, 2017 09:00AM*

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Jim Wyban	Individual	Support	No

Comments:

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I, Coral Bielecki, support the allocation of funds to Kaho'olawe Island Reserve Commission (KIRC) within HB100.

Please support the Bill which provides financial support and stability of the restoration and protection of the Kaho'olawe Island Reserve, which will benefit all of Hawai'i's people for generations to come.

As the only Island Reserve set up entirely in trust for a Native Hawaiian Sovereign Entity, the State is obligated to support KIRC. KIRC needs **continued financial support in order to execute trusteeship duties** in the best interest of its beneficiaries. KIRC is well poised to change the economic landscape and life quality of Native Hawaiians and the communities in which they reside by means of a truly unique experience on the island of Kaho'olawe. The State must maintain the responsibility of supporting the Kaho'olawe Rehabilitation Trust Fund.

As the only island listed on the National Register of Historic Places in its entirety, containing nearly 3,000 archaeological sites and features, it is imperative that the State preserves this important resource for current and future generations through a **robust financial support system in order to comply with the National Historic Preservation Act.**

Without the KIRC's ongoing protection of Kaho'olawe's coastal ecosystem, including the adjacent nearshore environment and coral reefs that can be covered with, and choked by, derelict fishing gear, nets, a huge variety of plastics and other debris items, species including the endangered Hawaiian monk seal, threatened green sea turtle, endangered hawksbill sea turtle, endangered humpback whale, endangered Hawaiian dark-rumped petrel, and endangered Newell's shearwater will be put at risk. It is imperative that a **trust fund be stabilized to continue this work in order to comply with the Endangered Species Act of 1973.**

Kaho'olawe is a unique ecosystem preserving immensely valuable cultural and biological resources. It is surrounded by the richest marine ecosystems remaining in the Main Hawaiian islands and providing replenishment of fish and invertebrates to other islands' waters. The KIRC's massive restoration program designed to revitalize the ecology and cultural history of the island will benefit all of Hawai'i's people for generations to come. Please support this bill.

All my best,

Coral R Bielecki

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 1:59 PM
To: FINTestimony
Cc: c_noneza@hotmail.com
Subject: *Submitted testimony for HB100 on Mar 8, 2017 09:00AM*

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Carmela Noneza	Individual	Support	No

Comments:

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Heather Goetter
75-5805 Lupa Pl.
Kailua Kona, HI 96740
(808)333-6529

March 6, 2017

Greetings,

I support increased funding for the HI Growth Initiative. *BED 145, Seq. # 100-001.*

I am so thankful for the past support of Honua Studio as a startup business opportunity through HI Growth Initiative.

I get the privilege of leading tours and sharing about Honua's impact on this island. Almost daily, I connect with entertainment industry investors and producers interested in bringing work to Hawaii Island. I get to do this because of my job at Honua Studio. It is fulfilling that I get to work in what I am passionate about and support my family.

Additionally, I have three teenagers who are evaluating their future and expressing the desire to stay on Hawaii Island *and* pursue careers here in the movie industry. They understand that that desire, even a few years ago, would have been impossible. However, my husband and I are hopeful that the momentum from Honua and other startups will continue to offer career opportunities to young people here at home. In turn we know that the community at large will economically benefit from jobs/careers for our young people.

Please seriously consider supporting in full the GVS Accelerator and Honua Studios through the HI Growth Initiative. The future of my family here in the land-that-we-love literally depends upon it.

A 2016 UHERO report showed the HI Growth Initiative produced a 12X leverage on state dollars. For all these reasons, I strongly support this bill. All this would not have happened without the strong support of the HI Growth Initiative

With much respect,

Heather Goetter
Honua Studio

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 1:43 PM
To: FINTestimony
Cc: kmchugh@kirc.hawaii.gov
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Kelly McHugh	Individual	Support	No

Comments: Please support this bill, which offers much needed assistance for Kahoolawe.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 1:29 PM
To: FINTestimony
Cc: cassiehoku@yahoo.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Cassandra L. Smith	Individual	Support	No

Comments: I, Cassandra L. Smith, strongly support HB100 specifically for item D.9 operational funding for DLNR that includes funds for 15 KIRC staff positions.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 1:17 PM
To: FINTestimony
Cc: kaipo423@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Kaipo Kahoali'i	Individual	Support	No

Comments: I strongly support item D.9 of HB100. The work being done on Kaho'olawe needs to continue and this bill is instrumental in making that a reality.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 1:15 PM
To: FINTestimony
Cc: justin.finestone@hawaiicounty.gov
Subject: *Submitted testimony for HB100 on Mar 8, 2017 09:00AM*

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Justin Finestone	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 1:11 PM
To: FINTestimony
Cc: jcaleb1@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Jacob Lienau	Individual	Support	No

Comments: Aloha to whom it may concern, Please join me in support of the increased funding for the HI Growth Initiative, BED 145, Seq. # 100-001. HI Growth has been instrumental in jumpstarting Hawaii's entrepreneurial ecosystem and supporting its development into the vibrant community it is today. Hawaii boasts award winning accelerators. Accelerator graduate companies are growing and hitting milestones that are triggering further investment from private investors. Hawaii's private sector sees value in supporting innovation and has invested in several local startups and investment funds. A 2016 UHERO report showed the HI Growth Initiative produced a 12X leverage on state dollars. For all these reasons, we strongly support this budget request. All this would not have happened without the strong support of the HI Growth Initiative.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 12:56 PM
To: FINTestimony
Cc: momalley@goodsill.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Michael O'Malley	Individual	Support	No

Comments: • I support increased funding for the HI Growth Initiative, BED 145, Seq. # 100-001. • HI Growth has been instrumental in jumpstarting Hawaii's entrepreneurial ecosystem and supporting its development into the vibrant community it is today. • Hawaii boasts award winning accelerators. Accelerator graduate companies are growing and hitting milestones that are triggering further investment from private investors. • Hawaii's private sector sees value in supporting innovation and has invested in several local startups and investment funds. • A 2016 UHERO report showed the HI Growth Initiative produced a 12X leverage on state dollars. For all these reasons, we strongly support this budget request. All this would not have happened without the strong support of the HI Growth Initiative.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 12:49 PM
To: FINTestimony
Cc: rechung.fujihira@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Rechung Fujihira	Individual	Support	No

Comments: I support increased funding for the HI Growth Initiative, BED 145, Seq. # 100-001 The accelerators are an important part of our startup ecosystem. These things take time and to not fund them would set us back five years. The amount we get back for the amount of money we put into these programs more than justifies their costs.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 12:43 PM
To: FINTestimony
Cc: jonwallenstrom@forestcity.net
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Jon Wallenstrom	Individual	Comments Only	No

Comments: My name is Jon Wallenstrom and I believe that the most important thing that State of Hawaii government can do for our people is help to create new meaningful and interesting jobs. We are reliant on military and tourism. Military can not drive our economy and tourism's growth is limited. Therefore: • I support increased funding for the HI Growth Initiative, BED 145, Seq. # 100-001. • HI Growth has been instrumental in jumpstarting Hawaii's entrepreneurial ecosystem and supporting its development into the vibrant community it is today. • Hawaii boasts award winning accelerators. Accelerator graduate companies are growing and hitting milestones that are triggering further investment from private investors. • Hawaii's private sector sees value in supporting innovation and has invested in several local startups and investment funds. • A 2016 UHERO report showed the HI Growth Initiative produced a 12X leverage on state dollars. For all these reasons, we strongly support this budget request. All this would not have happened without the strong support of the HI Growth Initiative. Thank you, Jon C. Wallenstrom President, Forest City Hawaii

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March 6, 2017

Testimony in support of HB100

Members of the House Finance Committee:

The Kohala Coast Resort Association (KCRA) is in full support of the \$50,000,000 appropriation for the Ellison Kona International Airport at Keahole, to construct a new international arrivals facility. This important project will allow the State of Hawaii to fulfill its requirements to the federal Department of Homeland Security, and Customs and Border Patrol officials, to create a permanent second international port of entry for our state. It is essential that this project be funded this year, as the construction of a new facility must take place within the five-year window granted by federal officials to use the current facility.

KCRA is a collection of master-planned resorts and hotels situated north of the airport which represents more than 3,500 hotel accommodations and an equal number of resort residential units. This is approximately 35 percent of the accommodations available on the Island of Hawai'i. KCRA member properties annually pay more than \$20 million in TAT and \$20 million in GET.

Sincerely,

A handwritten signature in black ink that reads "Stephanie P. Donoho". The signature is written in a cursive, flowing style.

Stephanie Donoho
Administrative Director

Patrick Fitzgerald, Hualalai Resort
Kelley Cosgrove, Fairmont Orchid, Hawai'i
David Givens, Hilton Waikoloa Village
Steve Yannarell, Waikoloa Beach Marriott Resort & Spa

Scott Head, Waikoloa Land Company
Robert Whitfield, Four Seasons Resort Hualalai
Rodney Ito, Mauna Lani Bay Hotel & Bungalows
Craig Anderson, Mauna Kea Beach Hotel and Hapuna
Prince Hotel

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 11:56 AM
To: FINTestimony
Cc: rkailianu57@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Rachel L. Kailianu	Individual	Support	Yes

Comments: In strong strong strong support!!!

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 11:52 AM
To: FINTestimony
Cc: jzwiebel@cruzio.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
John Zwiebel	Individual	Support	No

Comments: President Trump and the Republican Congress have promised to repeal the Affordable Care Act (ACA). It is a huge question whether or not they will actually replace it with something that will provide insurance for most Americans. In 2009, Hawaii established the Hawaii Health Authority to research how the state might provide a single-payer Healthcare for all. The state legislature is now considering whether or not to fund the HHA in the annual budget (HB100). If you get your health insurance from the health exchange, there is an excellent chance that you will not be able to buy any comprehensive or affordable health insurance in 2018. If you are on Medicare, there is an excellent chance your benefits will be cut and/or your premiums will go up. If you are on Medicaid you should have even more incentive to take action.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 9:00 AM
To: FINTestimony
Cc: jkimof@msn.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
james Kimo Falconer	Individual	Support	No

Comments: Chair Luke and members of the finance Committee Please support funding the protection of Hawaii's watersheds and the fight to battle new invasive species. It is vital to take the proactive stance as this effort needs funding now more than ever as we continue to lose traditional land stewards (farmers and agricultural stewards). Mahalo Kimo Falconer

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 6, 2017 1:59 PM
To: FINTestimony
Cc: c_noneza@hotmail.com
Subject: *Submitted testimony for HB100 on Mar 8, 2017 09:00AM*

HB100

Submitted on: 3/6/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Carmela Noneza	Individual	Support	No

Comments:

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LATE

OFFICE OF THE LIEUTENANT GOVERNOR
STATE OF HAWAII
STATE CAPITOL
HONOLULU, HAWAII 96813

SHAN S. TSUTSUI
LIEUTENANT GOVERNOR

**TESTIMONY OF
THE OFFICE OF THE LIEUTENANT GOVERNOR
TO THE
HOUSE COMMITTEE ON FINANCE**

**HOUSE BILL NO. HB 100
Relating to the State Budget**

Chair Luke, Vice-Chair Cullen and members of the Committee on Finance, the Office of the Lieutenant Governor **supports** House Bill No. 100, Relating to the State Budget, as it pertains to the Office of the Lieutenant Governor. This measure appropriates funds for the supplemental operating and capital improvement budget of the Executive Branch for fiscal years 2017-2018 and 2018-2019.

The Office of the Lieutenant Governor has worked to fulfill its duties under the current Administration, including performing the statutory duties of the office, while also assuming the responsibility for several new initiatives and programs. Under the current Administration, the Lieutenant Governor has continued work on the Resources for Enrichment, Athletics, Culture and Health (R.E.A.C.H.) initiative, to help provide access to after-school programs to public middle/intermediate school students statewide, the Farm to School Initiative to expand the inclusion of local products in school meals, the Sports Development Initiative to promote and grow Hawaii as a premier sports destination for professional, amateur and youth athletics in the Asia-Pacific region, and the Aerospace States Commission. Additionally, the Lieutenant Governor has undertaken additional duties and assignments, as requested and required by the Administration.

We ask for the Committee's favorable consideration of our current budget request to ensure that the Office of the Lieutenant Governor can continue to ably serve the public and support current programs and responsibilities.

DAVID Y. IGE
GOVERNOR



WESLEY K. MACHIDA
DIRECTOR

LAUREL A. JOHNSTON
DEPUTY DIRECTOR

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

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

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

WRITTEN COMMENTS
TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 100



March 8, 2017
9:00 a.m.
Room 308

RELATING TO THE STATE BUDGET

Chair Luke, Vice Chair Cullen and Members of the Committee:

The Department of Budget and Finance (B&F) supports H.B. 100, the Executive Biennium Budget submittal. The Department's requests include necessary adjustments to our fixed cost payments (debt service, employer retirement benefits payments, and employer health premium payments) and for specific requests that support key mission critical needs of our B&F core programs and the attached agencies.

We also respectfully request the following items contained in Governor's Message No. 2, dated February 7, 2017 be included in the measure:

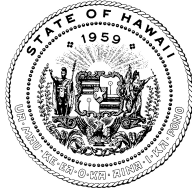
Vacation Payout – Statewide (BUF 103/VP) – *reduction of \$4,493,450 in both FY 18 and FY 19* in general funds in other personal services for reimbursement to the Departments of Accounting and General Services; Agriculture; Attorney General; Budget and Finance; Business, Economic Development and Tourism; Defense; Human Resources Development; Human Services; Labor and Industrial Relations; Land and Natural Resources; Public Safety; Taxation and

the Offices of the Governor and Lieutenant Governor for expenditures of accrued vacation payments for general funded employees leaving their employ.

Health Premium Payments – State (BUF 761/ST) – *reduction of \$74,200,000 in FY 18* to reflect a decrease in Other Post-Employment Benefits (OPEB) Prefunding from 100 percent pre-funding to the statutorily required 80 percent pre-funding.

Thank you for the opportunity to provide testimony on this measure and for your consideration of our comments.

DAVID Y. IGE
GOVERNOR



TODD NACAPUY
CHIEF INFORMATION
OFFICER

STATE OF HAWAII
OFFICE OF ENTERPRISE TECHNOLOGY SERVICES

P.O. BOX 119, HONOLULU, HI 96810-0119
Ph: (808) 586-6000 | Fax: (808) 586-1922
ETS.HAWAII.GOV

LATE

Testimony of
TODD NACAPUY
Chief Information Officer, State of Hawai'i

Before the

HOUSE COMMITTEE ON FINANCE
Wednesday, March 8, 2017; 9 a.m.
State Capitol, Conference Room 308

HOUSE BILL NO. 100
RELATING TO THE STATE BUDGET

Chair Luke, Vice Chair Cullen, and Committee Members:

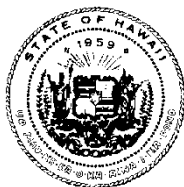
I am Todd Nacapuy, State Chief Information Officer and head of the Office of Enterprise Technology Services (ETS), testifying in support of House Bill No. 100, appropriating funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2017-2018 and 2018-2019.

We respectfully request that the items for ETS contained within this budget, as amended by Governor's Messages 2 and 5, be considered for approval. They propose fiscally prudent funding for ETS' legislatively mandated duties to provide governance for Executive Branch information technology projects and to support the management and operation of all State agencies by providing effective, efficient, coordinated and cost-beneficial computer and telecommunication services. Items contained in the budget also further our mission objectives to identify, prioritize and advance innovative initiatives with the greatest potential to increase efficiency, reduce waste, and improve transparency and accountability.

Together, the request items will enable ETS to provide the necessary services that support all of State government.

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

DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
Honolulu, Hawaii 96817

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

LATE

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

HOUSE COMMITTEE ON FINANCE

March 8, 2017 9:00 A.M.
Room 308, Hawaii State Capitol

In consideration of

House Bill 100
RELATING TO THE STATE BUDGET

Honorable Chair Luke and Members of the House Committee on Finance, thank you for the opportunity to provide testimony regarding House Bill 100, relating to the State budget.

The Hawaii Public Housing Authority (HPHA) supports the enactment of this measure, which appropriates funds for the operating and capital improvement budget of the Executive Branch for the fiscal years 2017-2018 and 2018-2019.

The HPHA's mission is to promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination through its public housing and rental assistance programs. The HPHA serves the State's most vulnerable populations, including the homeless and those at risk of homelessness, those earning less than thirty percent of the Area Median Income (AMI), the disabled and the elderly. The HPHA respectfully your support as we continue to provide shelter to working families, elderly, the homeless and those on the verge of homelessness.

The HPHA supports the Fiscal Biennium 2017-2019 Budget for the Department of Human Services (HMS), as well as HMS' testimony. Specifically, HPHA supports the key budget requests listed below.

EQUAL OPPORTUNITY EMPLOYER

I. HMS 220 – Rental Housing Services

220RH-01 Support Operations of State Family and Elderly Housing
FY18 A = \$2,100,000
FY19 A = \$2,100,000

The HPHA is very appreciative of the proposed \$2.1 million FY18 and FY19 appropriation toward State Family and Elderly public housing, which will eliminate the need for rental increases. Hawaii Revised Statutes Chapter 365D-43 mandates that the State Family and Elderly low-income public housing programs “shall be and always remain self-supporting,” yet the rental income for both programs is insufficient to support the programs. The requested \$2.1 million funding will allow the agency to not increase the tenant’s rent, while complying with the statute that mandates that we do not run a deficit. The increase in rent for this vulnerable population will cause great hardship which may lead to rent delinquencies and possible evictions.

II. HMS 222 – Rental Assistance Services

222RA-0102 Convert Temporary Positions to Permanent
FY18 A = -16.00P, -13.00T
FY19 A = -16.00P, -13.00T

222RA-03 Convert Temporary Positions to Permanent
FY18 N = 29.00P, \$1,864,310
FY19 N = 29.00P, \$1,864,310

The HPHA greatly appreciates last year’s appropriation of \$1.25 million A funds and the one-year conversion of positions from N to A. The HPHA now respectfully requests the conversion of positions back to federal funds and the conversion of existing temporary positions to permanent positions. Converting these positions to permanent status will assist the HPHA in being able to recruit for vacant positions which have been historically considered undesirable due to their temporary nature.

With 12 of the 29 positions currently in recruitment, the amount of time it takes to hire staff is substantially high. Additionally, the leasing of new vouchers (as well as the approximately 160 families are who currently looking for housing) and an increase in failed inspections (54% fail rate in January) necessitates N funded staff to properly maintain the program.

222RA-04 Additional Funding for State Rent Supplement to Provide
Housing Subsidies for Homeless Families
FY18 A = 7.00P, \$2,000,000
FY19 A = 7.00P, \$5,288,576

The HPHA greatly appreciates the additional funding and positions for the State Rent Supplement Program. The HPHA believes that \$2 million in the first year and the remaining \$5.28 million in the following year is a realistic proposal when establishing positions, hiring and new training staff, and implementing the program for the remainder of the year. 7.0 FTE positions would be needed in the initial year in order to establish and recruit staff to ensure the program is running at full capacity by the start of the second year.

The full appropriation would serve anywhere from 900 to 1,100 families. At this time, we anticipate that program participants would be eligible for up to \$500 per month in rent supplement depending on their income and monthly rent. Rent Supplement includes rental assistance payments to landlords on behalf of eligible individuals and families.

III. HMS 229 – Hawaii Public Housing Authority Administration

229HA-01 Establish New Positions for Multi-Skilled Worker Pilot
Program
FY18 W = 34.00P, \$2,088,413
FY19 W = 34.00P, \$2,959,892

The HPHA greatly appreciates the establishment of 34 permanent positions for the Multi-Skilled worker program under HB 100.

The Multi-Skilled Worker (MSW) Program began as a pilot program to address a dire need to reduce housing turn-over rates. The MSW program has since proven to be a documented success. The program's advantage is that public servants are no longer confined by their position descriptions, but can now train and be trained by other skilled trade workers in the MSW program to effectively work as a unified team to put a roof over the heads of our most vulnerable citizens with greater efficiency. Establishing permanent positions will enable a greater opportunity for increased success across the agency and allow the "borrowed" position to return to the property level that are tasked with keeping the occupied units in a safe, decent and sanitary condition as mandated by law. The positions for the program were initially borrowed from the Property Management Branch, as HPHA workers volunteered to participate in the program. Ultimately, the MSW positions will save

the tax payers money as HPHA gets Federal subsidies based on its total occupied units.

IV. HMS 220 - Lump sum for public housing development, improvements, renovations, and security statewide

The HPHA is very appreciative of the \$59 million lump sum in general obligation bonds for public housing improvements and renovations statewide under HB 100, combined or separated as follows:

a. Public Housing Development, Improvements and Renovations statewide

The HPHA is very appreciative of the \$50 million lump sum CIP appropriation, which will provide the agency with critical cost elements in tackling the backlog of capital needs, currently estimated to be more than three quarters of a billion dollars. Due to the age of our housing inventory and unexpected repairs, the HPHA respectfully requests your consideration for a lump sum budget request, as you have done in the past, which will provide the agency the flexibility to manage and expend capital funds in an expeditious manner. The condition of a property can change due to unexpected events, such as tenants who drive their vehicles into buildings, set their units on fire, discovering heavy mold after removing drywall, arsenic in the soil or by the occasional act of nature that sends a boulder down a hill into a newly renovated building.

b. Public housing improvements and renovations of vacant units statewide

The HPHA is very appreciative of the \$4 million lump sum in general obligation bonds for vacant unit repairs and renovations statewide under HB 100.

The HPHA experiences between 400 and 500 additional vacant units each year. This lump sum CIP appropriation will provide the agency with critical cost elements to develop, upgrade, and renovate its public housing facilities. Due to the age and condition of our housing inventory, the HPHA would respectfully request your consideration for a lump sum amount, which would provide the agency the flexibility to manage and expend capital funds in an expeditious manner and provide the agency with critical cost elements in tackling backlog, unforeseen conditions, or by the occasional act of nature.

c. Public housing security improvements statewide

The HPHA is very appreciative of the \$5 million lump sum in general obligation bonds for security improvements statewide under HB100.

This lump sum CIP appropriation will provide the agency with critical cost elements to upgrade and improve its security operations. One of HPHA's greatest concerns and priorities is the safety and well-being of its tenants and staff. Aging equipment and sparse security at asset management projects, prevent our residents from feeling secure, and increases the likelihood of trespassing, violence, and destruction of property. The HPHA would respectfully request your consideration for a lump sum amount, which would provide the agency the flexibility to manage and expend capital funds in an expeditious manner and provide the agency with critical cost elements in tackling backlog, unforeseen conditions and security measures, or by the occasional act of nature.

The HPHA appreciates the opportunity to provide the House Committee on Finance with the HPHA's position regarding HB 100, and thanks you very much for your dedicated support in addressing the affordable housing crisis in Hawaii.



LATE

STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
919 ALA MOANA BOULEVARD, ROOM 113
HONOLULU, HAWAII 96814
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543
March 8, 2017

The Honorable Sylvia Luke, Chair
The Honorable Ty J.K. Cullen, Vice Chair
House Committee on Finance
Twenty-Ninth Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Dear Representatives Luke and Cullen, and Members of the Committee:

SUBJECT: HB 100 - RELATING TO THE STATE BUDGET

The State Council on Developmental Disabilities (DD) **STRONGLY SUPPORTS HB 100** relating to the specific budget items noted below. The purpose of this measure is to appropriate funds for the operating and capital improvement budget of the Executive Branch for fiscal years (FY) 2017-2018 and 2018-2019.

1. HTH 905 – Developmental Disabilities Council

Page 31, Item No 23.

HTH 905	FY 2018	FY 2019
	2.50 *	2.50 *
HTH 230,932 A	6.50 *	6.50 *
HTH 528,666 N		528,666 N

The appropriation amount in HB 100 provides the Council with its current staffing and fiscal resources to implement its 2017-2021 State Plan activities in the areas of community supports; health and children and youth; public awareness, education and training; transition and employment; and self-advocacy and self-determination. Activities include policy development, implementation and analysis; informing and educating policymakers about developmental disabilities; establishing networks and coalitions on specific issues and concerns relating to developmental disabilities; conducting legislative advocacy training; providing leadership training; demonstrating new approaches to services and supports; fostering interagency collaboration and coordination; coordinating and sponsoring the annual Day at the Capitol, transition events, and neighbor island legislative forums, etc.

The Honorable Sylvia Luke
The Honorable Ty J.K. Cullen
Page 2
March 8, 2017

Budget Worksheet: Page 529 of 1018
SEQ# 80-001 Executive Request:
Convert (1) position from temporary to permanent for self-advocacy activities
(HTH905/AH). (FY 18: 1.00/A; FY 19: 1.00/A)

Detail of Governor's Request:
(1) Program Specialist IV - Developmental Disabilities SR22 (#118735;51,930)

The Program Specialist (DD) IV position was established per Act 213/SLH 2007 as a temporary civil service position. The legislature acknowledged self-advocates as an important stakeholder and was very supportive of them to be active participants in policy development and implementation. Therefore, the legislature established the position as temporary civil service to give the DD Council the go ahead and a mechanism to fill the position.

The position serves as a critical link in providing planning and coordination of statewide self-advocacy activities, outreach and leadership training and educational events for the Self-Advocacy Advisory Council (SAAC) and a statewide self-advocacy network that is comprised of individuals with DD (self-advocates). Through outreach and self-advocacy leadership training, self-advocates are increasing their knowledge base, developing leadership skills, empowering themselves and others to take control over their lives, engaging in leadership roles, and participating as a significant stakeholder in the development and implementation of county, state and federal policies and programs that promote person-centered planning, self-directed services, self-determination, community inclusion and integration, and consumer satisfaction for people with DD.

There is no other position performing similar work as Position #118735, and no position within the Developmental Disabilities Council and the Department of Health that provides planning and coordination of statewide self-advocacy activities that cut across other state departments (i.e., Departments of Education, Health, Human Services, Labor and Industrial Relations, and Transportation). Establishing permanency in the position would assure continuity in providing staffing for the Self-Advocacy Advisory Council, establishing a statewide self-advocacy network, and coordinating statewide self-advocacy activities.

SAAC is working with the DD Council, University of Hawaii Center on Disability Studies, and Hawaii Disability Rights Center to provide leadership training, education, skill building, and assistance in helping self-advocates to develop partnerships with other organizations and advocacy groups that represent a range of diverse cultures and disabilities; working on building their skills in decision-making, goal setting with measurable results, setting priorities, and strengthening their leadership role in the community; and working on strengthening their advocacy skills to expand their outreach and build stronger, inclusive communities.

The Honorable Sylvia Luke
The Honorable Ty J.K. Cullen
Page 3
March 8, 2017

**2. HTH 501- Developmental Disabilities
Page 29, Item No 16.**

Budget Worksheet: Page 463 of 1018
SEQ# 101-001 Executive Request:
Add funds for rebased provider payment rates (HTH501/CN).
(FY18: \$2,754,980A; FY19: \$7,118,914 A)

Detail of Governor's Request:
Home and Community Based Services Waiver
(FY18: \$2,754,980A; FY19: \$7,118,914 A)

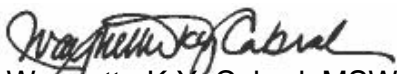
According to calculations by the Department of Health DD Division, the above request to add funds to rebase provider payment rates would leverage an additional \$4.8 million in FY2018 and additional \$10.1 in FY2019. (Total Biennium: Additional \$14.9 million over current Medicaid claiming for the Waiver).

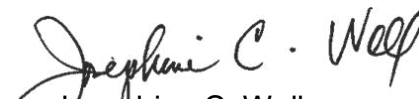
Hawaii received conditional approval of its Waiver effective July 1, 2016. The Waiver was approved based on the assurance that the State would comply with all applicable federal regulations and requirements contained in the Waiver. One of the stipulations is "requirements provided in §1902(a)(30)(A) of the Social Security Act that the state must assure that payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that they are available to the general population in the geographic area." Centers of Medicare and Medicaid Services (CMS) requires Waiver programs to have payments that are sufficient to have an adequate pool of service providers. The rebasing reflects payments for actual costs of providing services.

Although there was a slight increase in rates in 2009, most rates remained unchanged since the early 2000s. Rate increases were not funded over the duration of the previous Waiver. Factors that impact costs are the minimum wage increases, cost of living, new Home and Community-Based Services requirements (CMS final rule on community integration) mean new types of services and supports are needed to integrate people fully into the community.

The Council respectfully ask for your favorable support of the above budget items. Thank you for the opportunity to submit testimony **strongly supporting the above-mentioned budget items in HB 100.**

Sincerely,


Waynette K.Y. Cabral, MSW
Executive Administrator


Josephine C. Woll
Chair

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII



JOBIE M. K. MASAGATANI
CHAIRMAN
HAWAIIAN HOMES COMMISSION

SHAN S. TSUTSUI
LT. GOVERNOR
STATE OF HAWAII

WILLIAM J. AILA, JR.
DEPUTY TO THE CHAIRMAN

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879
HONOLULU, HAWAII 96805

LATE

TESTIMONY OF JOBIE M.K. MASAGATANI, CHAIRMAN
HAWAIIAN HOMES COMMISSION
TO THE HOUSE COMMITTEE ON FINANCE
IN SUPPORT OF

HB 100, RELATING TO THE STATE BUDGET

March 8, 2017

Chair Luke, Vice-Chair Cullen, and Members of the Committee:

HB 100, as introduced, includes the Governor's Executive Budget request for our program, HHL 625, Administration and Operating Support. The Governor's Budget request includes \$25.120 million in general funds to cover the department's existing personnel, administrative, and operating costs. In addition to the request for general funds, the current version of the budget bill includes requests for \$4.824 million in special funds and \$1.3 million in federal funds that DHHL receives from the Native American Housing and Self-Determination Act (NAHASDA).

As you are aware, the Hawaii Circuit Court ruling on November 27, 2015, in the Nelson v. Hawaiian Homes Commission case had a significant impact on our budget request for the 2017-19 Biennium Budget. In part the Court ruled that the Hawaiian Homes Commission must take all reasonable efforts "to obtain the funding it needs for its administrative and operating budget

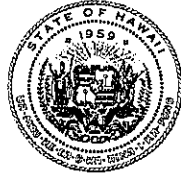
The department administers two (2) programs, HHL 602, Planning and Development for Hawaiian Homesteads, and HHL 625, Administration and Operating Support. The intent of the homesteading program is to increase the self-sufficiency of native Hawaiians through the provision of land. At the present time the Department must use its special and trust funds to finance any of its administrative and operating costs not funded with general funds. These resources would otherwise be used for direct benefits to our beneficiaries.

The Department is including for the Committee's consideration the testimony presented to the Ways and Means Committee on January 11, 2017. Although in the past the Department would've presented this information to the Committee at its annual informational briefing on DHHL's budget, this year was the first year that such a briefing was not scheduled by the Finance Committee. Therefore, we appreciate the opportunity to respectfully provide this information to the Finance Committee for its consideration.

Department of Hawaiian Home Lands
HB 100
House Committee on Finance, 3-8-2017
Page 2

DHHL requests that the Finance Committee consider our request and provide sufficient sums. Thank you for your consideration of our testimony.

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII



JOBIE M. K. MASAGATANI
CHAIRMAN
HAWAIIAN HOMES COMMISSION

SHAN S. TSUTSUI
LT. GOVERNOR
STATE OF HAWAII

WILLIAM J. AILA, JR.
DEPUTY TO THE CHAIRMAN

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

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Testimony of Jobie M.K. Masagatani, Chairman
Hawaiian Homes Commission

Before the House Finance Committee
on the
2017-19 Biennium Budget Request
of the Department of Hawaiian Home Lands

March 8, 2017

Chair Luke and Members of the House Finance Committee. Thank you for this opportunity to provide information on the Department of Hawaiian Home Lands (DHHL) Biennium Budget request for Fiscal Years 2018 and 2019 Operating and Capital Improvement Program Budget.

Overview

The mission of the department is to manage the Hawaiian Home Lands trust effectively and to develop and deliver land to native Hawaiians. We will partner with others toward developing self-sufficient and healthy communities. The trust, created by Congress through the Hawaiian Homes Commission Act of 1920, as amended, (Act) sets aside public lands to be used for the benefit of native Hawaiians (persons of at least 50% Hawaiian blood). Today, the department is responsible for the management of approximately 203,000 plus acres of these trust lands, including 9,816 homestead leases statewide.

As required by the Admissions Act and as a compact with the United States, the State of Hawaii and the people of Hawaii adopted the Act as a provision of the State Constitution and agreed to faithfully carry out the spirit of the Act for the rehabilitation of the Hawaiian race. These trust responsibilities still remain.

Although DHHL's mission "to develop and deliver land to native Hawaiians" is well-known, the lesser known charge "to manage the Hawaiian Home Lands trust effectively" is equally important. Increasingly, this responsibility is demanding a greater share of DHHL's financial and staff resources to address. In terms of land holdings, Table 1 identifies the land use designation utilized by DHHL. Of the total inventory, less than 5 percent are designated for residential use (including existing residential homesteads), while nearly two thirds of DHHL's land inventory (63.3% percent or 128,721 acres) are lands designated as General Agriculture or

ATTACHMENT

Conservation/Special District¹. Most of these lands will remain in DHHL’s inventory over the next 20 years with DHHL facing land management issues for this acreage, similar to DLNR and other large private land owners (i.e. trespassing, dumping, fire prevention, etc.) Finding creative ways to manage this trust resource with beneficiary input and participation, while honoring DHHL’s fiduciary responsibilities to act prudently and not place the interests of one beneficiary group above another, is the challenge ahead.

Table 1: DHHL Lands by Land Use Designation Statewide

	TOTAL	%	
Residential	9,508	4.67%	
Subsistence Ag	6,590	3.24%	
Supplemental Ag	10,199	5.01%	
Pastoral	43,739	21.51%	
Community Use	1,760	0.86%	
Commercial	1,144	0.56%	
Industrial	1,676	0.82%	
General Agriculture	65,218	32.07%	} 63.30%
Special District	33,673	16.56%	
Conservation	29,830	14.67%	
Acres:	203,337		128,721

I. Statewide Conditions

The “hot” real estate market has highlighted the need for affordable housing. DHHL’s homesteading program is a vital part of the state’s response to this critical need.

Needed Units/Affordability

The recently released Hawaii Housing Planning Study, 2016 (completed in December 2016 for the Hawaii Housing Finance and Development Corporation by SMS Research) includes an analysis of the number of additional units needed from 2016-2020 to house new households after the housing market responds with supply. Of 24,551 Housing Units Needed for the State of Hawaii, 9,074 units are needed for Single Family Ownership.² Table 2 displays the needed Single-Family Ownership units broken out by HUD Income Classifications (% of Area Median Income (AMI)) and the fair share of units applicable to DHHL beneficiaries based on the estimated proportion of native Hawaiian households to the total households in the State of Hawaii³. Based on this analysis, if

¹ The General Agriculture designation identifies lands that are unlikely to be developed within the next twenty years given its remote location or high costs needed to bring in infrastructure to prepare the lands for homesteading.

² See Table 28b, Hawaii Housing Planning Study 2016

³ DHHL estimated total beneficiary population from NAHASDA Annual Performance Report 2015: 67,721 Households. Total households statewide 450,299 from State of Hawaii Data Book 2015 Table 1.17.

DHHL is to shoulder its fair share of units, it should be producing approximately 272 lots on an annual basis.

In terms of affordability, Hawaii Housing Finance Development Corporation provides guidelines as to the sales prices that are considered affordable to families based on their income (expressed as a percent AMI). While DHHL is expanding the number of vacant lots offered to beneficiaries, the department continues to work with developers on a more limited basis. In the most recent offering conducted for lots in Waimanalo in the fall of 2016, the price for a 3 bedroom 2 bath turnkey home was \$285,345. This is well under the Honolulu County Affordable Sales Price Guideline of \$400,400 for a family of four in Honolulu at 80 percent of AMI.⁴

Table 2
 Needed Housing Units State of Hawaii Single-Family Ownership 2016-2020
 HUD Income Classification (% of Area Median Income)

	< 60	60-80	80-120	120-140	140-180	180+	TOTAL
Units	2,332	1,350	1,047	1,763	738	1,844	9,074
% of Total	26%	15%	12%	19%	8%	20%	100%
Units Needed/Yr -- State	466	270	209	353	148	369	1,815
Units Needed/Yr -- DHHL Benefic. (estimated) 15% of State	70	41	31	53	22	55	272

II. Homesteading Program

In calendar year 2016 a total of 374 new lots were completed or near completion.

These included:

- (1) Waimanalo (Kakaina) 45 lots (31 lots awarded in the fall of 2016);
- (2) East Kapolei 160 lots;
- (3) Laiopua Kona 118 lots; and
- (4) Anahola Kauai (Piilani Mai Ke Kai Phase II) 51 lots.

DHHL is currently reviewing proposals to build a rent with option to purchase project on the Laiopua lots in Kona, and is seeking a developer to build a portion of the East Kapolei lots. In response to requests from our beneficiaries for more opportunities to build their own homes, as noted above, DHHL is expanding the number of vacant lot offerings it is providing to

⁴ See Honolulu County Affordable Sales Price Guidelines 2016 available at the HHFDC website.

both “undivided interest” (UI) lessees⁵ and applicants on the waiting list. The department also continues to work with self-help providers on all islands including Habitat for Humanity. Over the next calendar year, DHHL intends to award an additional 38 lots remaining in DHHL’s inventory, (22 lots in Anahola and 16 lots in Lanai) as owner-builder or self-help homes and to complete the conversion of 70 rental units to homestead leases in Kapolei (Hoolimalima subdivision). In calendar year 2017 a total of 482 lots will be awarded or converted to leases or under development as a rent with option to purchase unit, this lot count is over 75 percent more than DHHL’s proportionate share of lots for affordable units.

Challenges

There are a number of challenges DHHL faces with regard to meeting the mission of homesteading. These include, but are not limited to, the following:

- (1) DHHL can only develop where it has lands. Most of DHHL’s lands are located on the neighbor islands in rural or more remote locations. The greatest demand (longest waiting list) is for residential property on Oahu (10,511⁶). Yet, DHHL has the least amount of land holdings on Oahu (3.3% of total lands).
- (2) Many do not respond. Over the last five years, of the thousands of families contacted approximately 3-4 percent of those contacted expressed an interest in the offering. The remainder either: (1) responded but was not interested (between 10-12 percent); or (2) did not respond at all (approximately 85 percent). Anecdotally, the more common reasons given for lack of interest in the offering include: location of the lot, timing (i.e. holding a place for their children to take a lease in the future, waiting to retire, not ready to move back to Hawaii, etc.), and affordability. Given the non-response rate of 85 percent, about 15 percent of DHHL’s applicants are actively engaged with the department. This number may reflect a more accurate estimate of demand. If the total number of individuals on DHHL’s waiting lists is currently 23,808, 15 percent is 3,571.
- (3) Reliable funding. The cost for infrastructure (roads, water, sewer, drainage, electrical, etc.) to prepare DHHL lands for homesteading is high. The development process is also long requiring environmental compliance, planning, design, and construction phases. To keep a steady production of lots requires a reliable stream of funding to keep lots in every phase of development. This reliable funding also gives families waiting for an award of a lot (both applicant families on the waiting list or UI lessees) some certainty to plan and prepare financially to take a lot.

⁵ “Undivided Interest” (UI) leases were awarded approximately 15 years ago for specific subdivisions that were planned for development. Upon completion of the subdivision, the UI lessee was eligible to select a lot and convert their UI lease to a standard homestead lease.

⁶ As of November 30, 2016

- (4) Competing needs. In addition to developing new homesteads, DHHL also has other critical, albeit lesser known responsibilities. Like a county, DHHL maintains and repairs existing infrastructure (e.g. clearing of flood channels and drainage, fire protection of non-homestead areas, roads and facilities maintenance, sewer emergencies and repairs, etc.) In certain counties, the county has either not accepted portions of newer infrastructure, or has stopped performing needed repair. One examples is sewer systems. Act 227, SLH 2014, clarified and confirmed that operating and maintenance of sewer systems is a county function. However, DHHL continues to maintain the sewer systems on Hawaiian home lands in the interim until Act 227 can be fully implemented.

In addition to County-like responsibilities, DHHL also performs water utility functions. DHHL owns and operates three regulated public water systems: Hoolehua, Molokai; Anahola, Kauai; and Kawaihae, Hawaii⁷. Together, the systems have a total of 826 meters serving approximately 2,500 individuals (not including the schools and airport that are supported by the Hoolehua system.)

If DHHL trust resources are spent to address these critical functions for existing homesteads and lessees, it will not have the resources needed to maintain its homestead production goals and meet the needs of beneficiaries on the waiting list.

Efforts to Support Progress

- (1) Focus on subsistence agricultural lots. For Maui, Hawaii, Kauai, and Molokai, the waiting lists for an agricultural lot is longer than a residential lot. Given this strong apparent demand for agricultural lots and DHHL's extensive agricultural land inventory on the neighbor island, DHHL is developing a new agricultural award that focuses on use of the lot for subsistence (including residency) rather than commercial purposes. These lots anticipate less-costly infrastructure that is more consistent with its rural location, e.g. agricultural standard roads, catchment water systems, overhead electrical, etc. This new award is intended to allow for more awards of lots at a lower price tag for infrastructure. After extensive beneficiary consultation, the rules for this program are near completion. The goal is to award subsistence lots by end of year 2018.
- (2) HALE program. The HALE program was initiated in August 2013 to assist beneficiaries with preparation for homeownership. Now in full swing, this program utilizes the services of experienced housing counselors to assist beneficiaries with credit repair, budgeting, and loan qualification. Both workshops and case management services are paid for by DHHL utilizing its federal NAHASDA funds to financially prepare beneficiaries. This effort is intended to support families that are interested in taking

⁷ DHHL also owns and operates a fourth non-potable system that feeds its pastoral homestead lots in Puukapu, Hawaii.

a lot but face financial difficulties, eliminating this barrier to lot selection and homeownership.

- (3) Legislative support for repair and maintenance. For FY 2016 and FY 2017 the Legislature provided a total of \$12.75 million to address critical sewer repairs in Papakolea. These resources are instrumental in insuring that needed repairs take place so that transfer of the system to the City and County of Honolulu can occur. We would respectfully ask that the Legislature continue its support of projects like this that benefit both the homestead communities and the properties that neighbor DHHL lands.

Beyond homestead development, calendar Year 2016 saw three other notable achievements at DHHL: (1) the opening of the Ka Makana Alii Shopping Center in Kapolei; (2) the completion of the South Point Resources Management Plan (addressing the management of South Point and other culturally sensitive sites), and (3) the gathering of all of the homestead association leaders to the first "Puwalu" Conference to discuss their community initiatives and priorities. The outcome of that discussion is included as part of DHHL's "sufficient sums" budget submission, also noting those projects community organizations intend to submit as a Grant-in-Aid request.

While there are tremendous challenges in front of us, the department is positioned to play an integral part in our State's economy through its CIP projects, particularly as private projects near completion and the construction industry starts to cool down. We look forward to coordinating our efforts with the Legislature.

Federal Funds

DHHL is the recipient of the Native Hawaiian Housing Block Grant (NHHBG), CFDA 14.873, as part of the Native American Housing Assistance and Self Determination Act (NAHASDA). These funds support housing activities for beneficiaries at or below the 80 percent Area Median Income. NAHASDA funding for federal grant years 2018 and 2019 is not assured, given that the NAHASDA program (all titles) is currently not authorized. Planned program activities for FY 2018 and FY 2019 are currently funded with prior grant year available balances.

DHHL has been notified that it has been approved as a recipient for the United States Department of Agriculture Water and Waste Disposal program loan/grant funds.

Biennium Budget Request

The department administers two (2) program, HHL 602, Planning and Development for Hawaiian Homesteads, and HHL 625, Administration and Operating Support. The objectives of the programs are to develop and manage the designated Hawaiian home lands to create more homesteads for native Hawaiians (as defined by the Act), and generate revenues to address program needs.

DHHL is a unique department. While it is part of the Executive branch, it is also the only state agency with a State of Hawaii constitutional provision that mandates funding. This provision was the basis of a lawsuit brought against the State and the Hawaiian Homes Commission by beneficiaries of the Hawaiian home lands program.

Background: DHHL “Sufficient Sums” Biennium Budget – FB 2017-19

Article XII, Section 1 of the State Constitution identifies four purposes where the legislature shall make sufficient sums available: “... (1) development of home, agriculture, farm and ranch lots; (2) home, agriculture, aquaculture, farm and ranch loans; (3) rehabilitation projects to include, but not limited to, educational, economic, political, social and cultural processes by which the general welfare and conditions of native Hawaiians are thereby improved; (4) the administration and operating budget of the department of Hawaiian home lands....”

On October 19, 2007, several beneficiaries filed a lawsuit against the State and the Hawaiian Homes Commission claiming that the State violated its constitutional duty to sufficiently fund the Department of Hawaiian Home Lands.

On March 9, 2012, the Supreme Court affirmed the Intermediate Court of Appeals judgment in part that the courts can determine what constitutes “sufficient sums” for the DHHL’s administrative and operating expenses to carry out the purposes of the Hawaiian Homes Commissions Act, 1920, as amended. The Supreme Court also determined that “sufficient sums” for (1) development of lots, (2) loans, and (3) rehabilitation projects are political in nature and could not be judicially determined.

On November 27, 2015, the First Circuit Court entered its Findings of Fact, Conclusions of Law and Order concerning Plaintiffs’ claim that the State of Hawaii failed to make sufficient sums available to the DHHL as required by article XII, section 1 of the Hawaii Constitution. Final Judgment was entered on December 14, 2015. This order was subsequently orally amended (in part) on February 29, 2016.

Judge Castagnetti declared in her final amended order that:

“1. The State of Hawaii has failed to provide sufficient funds to the Department of Hawaiian Home Lands for its administrative and operating budget in violation of the State’s constitutional duty to do so under article XII, section 1 of the Hawaii Constitution.

2. The State of Hawaii must fulfill its constitutional duty by appropriating sufficient general funds to the Department of Hawaiian Home Lands for its administrative and operating budget so that the Department does not

need to use or rely on revenue directly or indirectly from general leases to pay for these expenses.

3. Although what is sufficient will change over the years, the amount of general funds appropriated to DHHL for its administrative and operating budget for fiscal year 2015-16 (\$9,632,000) is not sufficient. The State is required to comply with the Hawaii Constitution and must fund DHHL's administrative and operating expenses by making sufficient general funds available to DHHL for its administrative and operating budget for fiscal year 2015-16.

4. Prior to 2012, the DHHL Defendants breached their trust duties by failing to take all reasonable efforts – including filing suit – to obtain all the funding it needs for its administrative and operating budget.

5. The defendants must fulfill their constitutional duties and trust responsibilities.

Based on the advice of counsel and the Court's ruling, the Hawaiian Homes Commission, has a fiduciary responsibility to ask for amounts the Commission considers "sufficient sums" for the Department's four purposes: (1) lot development; (2) loans; (3) Rehabilitation projects; (4) the administrative and operating budget of the Department of Hawaiian Home Lands.

The Hawaiian Homes Commission "Sufficient Sums" Budget request is formulated in two parts:

- a) Administrative and Operation costs relating to the Supreme Court ruling regarding purpose no. 4 of Article XII, Section I. This part also includes repair and maintenance (R&M) costs associated with existing infrastructure projects. As a result of insufficient resources, these deferred R&M items have now, in many instances, become capital improvement issues.
- b) Costs aligned with purposes numbers 1, 2 and 3, of Article XII, Section I, of the Hawaii State Constitution relating to: ...(1) development of home, agriculture, farm and ranch lots"; (2) home, agriculture, aquaculture, farm and ranch loans; and (3) rehabilitation projects to include, but not limited to, educational, economic, political, social and cultural processes by which the general welfare and conditions of native Hawaiians are thereby improved...." which the Supreme Court ruled as political in nature and, therefore, could not be judicially determined.

Hawaiian Homes Commission “Sufficient Sums” Biennium Budget Requests
Fiscal Years 2018 and 2019

On September 20, 2016, the Hawaiian Homes Commission (HHC) approved the following “sufficient sums” biennium budget request at its regular meeting.

Merriam-Webster defines sufficient as “enough to meet the needs of a situation or a proposed end.” The “sufficient sums” budget identifies, for example, a staffing level of 260 general funded positions as the amount needed to be able to implement DHHL’s programs and deliver services to beneficiaries at a level that is adequate in its quality.

While we recognize that establishing and filling 60 additional positions in one (1) year is extremely ambitious given the State’s personnel processes and DHHL’s current vacancy count, we continue to make the ask to be transparent as to the level of staffing DHHL currently deems sufficient. This same approach was utilized to develop the amounts deemed sufficient to fund the four purposes identified in Article XII Section 1.

Administrative and Operating Costs: Purpose 4 of Article XII, Section 1

The HHC biennium budget request for administrative and operating costs total \$59,045,280 and \$53,430,280 annually for fiscal years 2018 and 2019, respectively.

Ongoing repairs and maintenance for existing infrastructure on Hawaiian home lands totaled \$3,613,000 annually for fiscal years 2018 and 2019 and is requested as a separate general fund “Repair and Maintenance” request in the “Other Current Expenses” category.

DHHL’s initial CIP general obligation bond request relating to existing infrastructure is made as a lump sum request under the title of “Hawaiian Home Lands Development, Statewide” totaling \$24,115,000 and \$18,500,000 for fiscal years 2018 and 2019, respectively. The existing infrastructure projects have a long standing history of operational, maintenance and repair issues that have become capital improvement issues. A summary recap of the discussion is shown below. The detailed projects included in the Repair and Maintenance Operating and CIP Budget request are included as Attachment A.

Hawaiian Homes Commission Budget Request: Purpose no. 4 - State Constitution, Article XII, Section 1			
	FY 2018	FY 2019	
	(260.00)	(260.00)	
Administrative and Operating Budget Request	\$31,317,280	\$31,317,280	(A)
Operating Budget: Repairs and Maintenance of Existing Infrastructure	\$3,613,000	\$3,613,000	(A)
CIP Budget: Repairs and Maintenance of Existing Infrastructure	\$24,115,000	\$18,500,000	(C)
Total HHC Administrative and Operating Budget Request	\$59,045,280	\$53,430,280	
Means of Financing: (A)= General Fund; (C) = General Obligation Bond			

Hawaii State Constitution: Purposes 1, 2, 3 of Article XII, Section I; Lot Development, Loans and Rehabilitation Projects

The HHC biennium budget request for Purposes 1, 2, 3 of Article XII, Section I (Lot Development, Loans and Rehabilitation Projects) total \$196,055,100 and \$209,234,100 for FY 2018 and 2019, respectively. The detailed request is included as Attachment B. A summary recap of the discussion is shown below.

Hawaiian Homes Commission Budget Request: Purposes no. 1, 2, 3, State Constitution, Article XII, Section 1			
	FY 2018	FY 2019	
Purpose 1: Lot Development	\$73,425,000	\$88,975,000	(C)
Purpose 2: Loans	\$75,000,000	\$78,100,000	(C)
Purpose 3: Rehabilitation Projects	\$32,121,000	\$29,050,000	(C)
Rehabilitation Projects	\$15,509,100	\$13,109,100	(A)
Total	\$196,055,100	\$209,234,100	

Means of Financing: (A) = General Fund; (C)=General Obligation Bond

In August 2016, DHHL participated in a Puwalu discussion in Hilo that brought native Hawaiian beneficiary leaders state-wide together regarding priorities in their communities and programmatic needs. These needs provided by the beneficiaries were identified and sorted according to the purposes provided by Article XII, Section 1 of the State Constitution and included in the FB 2017-19 request.

Separate from the department’s request are grants-in-aid (GIA) projects that were brought up in the Puwalu discussion. The GIA requesters will still need to go through the normal GIA process to secure funding.

CIP Budget: HHC Federal Fund Request

Separate from the “sufficient sums” request is a request for authorization to expend \$16.1 million in Federal funds for fiscal year 2018 as provided by the U.S. Department of Agriculture Water and Waste Disposal program.

Also separate from the “sufficient sums” request is a request to fund four (4) (FTE) positions and two (2) temporary positions funded by the Native American Housing Assistance and Self Determination Act (NAHASDA) program.

Executive Biennium Budget Requests – Fiscal Years (FY) 2018 and 2019

Operating Budget Request for Fiscal Years 2018 and 2019

Governor’s Executive Biennium Budget request for DHHL generally reflects a status quo request using amounts as financed by Act 124, SLH 2016 as a current funding level, after

adjustments for collective bargaining increases. Sources of funding are from general, special, trust and federal funds. Adjustments in the Operating Budget request consist of:

1. General Fund – Collective Bargaining increase of \$184,170.
2. General Fund – Position Variance of three (3) positions, no increase in funding.
3. Trust Fund – decrease appropriation by \$3,740,534.
4. Federal Fund – decrease other current expenses by \$ 22,000,000 to reflect Federal grant year funds.

We note for the Committee’s consideration two (2) concerns with the Governor’s request.

1. The general fund amounts for “other current expenditures” (OCE) is substantially lower than the amounts DHHL expended in FY 2016. The object codes included under DHHL’s other current expenditures are consistent with the Circuit Court’s definition of administrative and operating expenses. Given the Court’s order, DHHL is respectfully asking that the Legislature provide general fund resources for “other current expenditures” at a level that will, at a minimum, cover the actual amounts expended so that DHHL will not have to use revenues generated by its general leases to make up the shortfall.
2. Set aside of \$6,865,887 for general fund fringe benefit costs in DHHL’s budget which, for most other departments, are reflected in a separate Department of Budget and Finance general fund appropriation.

Capital Improvement Program Request (CIP) for Fiscal Years 2016 and 2017

The Governor’s Executive Biennium Budget request is comprised of a request for three (3) CIP appropriations.

Two (2) of the CIP projects, totaling \$25,000,000, seeks financing through general obligation bonds to 1) improve or remediate existing infrastructure on Hawaiian home lands in the amount of \$5,000,000 annually and 2) provide lot development on Hawaiian home lands in the amount of \$20,000,000 annually for fiscal years 2018 and 2019.

The other CIP budget request is funded by Federal Funds through the HUD NAHASDA program and seeks authorization to expend \$15 million annually for the biennium period.

Summary

We are most appreciative of the support given by the Legislature to the Hawaiian homes program throughout the years. We again thank the Committee for the opportunity to brief you on our biennium budget request. We would be pleased to respond to any questions the Committee may have.

Department of Hawaiian Home Lands
 Purpose 4: Administrative and Operating Costs
 Repair and Maintenance of Existing Infrastructure
 FB 2017 - 2019 Budget Request

ISLAND	AREA or SUBDIVISION	MAINTENANCE COMPONENTS- PURPOSE	FY 2018	FY 2019
Hawaii	Kawaihae	Water System Operation and Maintenance	120,000	120,000
Hawaii	Laiopua Villages	Brush Clearing and Fire Breaks	50,000	50,000
Hawaii	Puukapu	Water System Operation and Maintenance	255,000	255,000
Kauai	Anahola	Water System Operation, Maint, Emerg Call	75,000	75,000
Kauai	Piilani MKK and Anahola	Maintenance	75,000	75,000
Lanai	Lanai City	Maintenance	75,000	75,000
Maui	Kula	Maintenance	200,000	200,000
Maui	Leialii	Leialii Parkway Maintenance	85,000	85,000
Maui	Waiehu Kou	Detention Basins and Ditches	125,000	125,000
Maui	Waiehu Kou	Sewage Pump Station	80,000	80,000
Oahu	East Kapolei II	Detention Basins (2)	30,000	30,000
Oahu	Kapolei	Maiuohai, Kaupea, Kanehili Maintenance	75,000	75,000
Oahu	Nanakuli	Princess Kahanu Road Repairs	30,000	30,000
Oahu	Oahu	Sewage Spill Response and Repair	150,000	150,000
Oahu	Oahu	Street Light Replacement	375,000	375,000
Oahu	Oahu	Scattered Location Repair and Maintenance	1,200,000	1,200,000
Oahu	Oahu	Albizia Control	290,000	290,000
Oahu	Waimanalo	Drainage Channel and Tree Trimming	38,000	38,000
Oahu	Waimanalo	Detention Basin	30,000	30,000
State	Statewide	Sign Replacement	255,000	255,000
		Total	\$3,613,000	\$3,613,000

Means of Financing: General Fund

Department of Hawaiian Home Lands
 Purpose 4: Administrative and Operating Costs
 Repair and Maintenance of
 Existing Infrastructure (Lump Sum Details)
 FB 2017 - 2019 Budget Request

ISLAND	AREA or SUBDIVISION	PROJECT COMPONENTS	PHASE (PLANNING, DESIGN, CONSTRUCTION, HOUSING)	FY 2018	FY 2019
Oahu	Papakolea	Papakolea Sewer System Improvements & Slope Remediation	Design and Construction	1,500,000	10,000,000
Oahu	Papakolea	Roadway and Retaining Walls Stairway Repair	Design and Construction	750,000	
Oahu	Islandwide	Traffic calming measures	Design and Construction	450,000	
Hawaii	Kawaihae	Kawaihae Water System	Design	750,000	
Maui	Waiehu Kou 3	Sewer Pump Station	Design and Construction	200,000	
Maui	Waiehu Kou Phase 2	Detention Basin and Park Repair	Design and Construction	250,000	
Maui	Waiehu Kou Phase 3 and 4	Detention Basin and Ditch Improvements	Design and Construction	550,000	
Oahu	Islandwide	Sewer assessment and Design	Planning and Design	500,000	1,000,000
Maui	Islandwide	Drainage Improvements	Design and Construction	1,000,000	
Maui	Kula Residence Lots	Roadway Safety and Drainage Improvements	Design and Construction	1,200,000	1,200,000
Oahu	Nanakuli Series 5-3	Soils and Rockfall Mitigation	Planning and Design	550,000	
Oahu	Waianae Valley	Rock Mitigation	Design and Construction	170,000	
Oahu	Waianae and Nanakuli	Sewer System Extension	Design and Construction	1,100,000	
Oahu	Waimanalo	Rock Fall Mitigation	Planning and Design	500,000	
Hawaii	Lalopua	Plant Mitigation and Preservation Restoration	Design and Construction		1,100,000
Lanai	Lanai	Drainage Improvements	Design and Construction	820,000	
Kauai	Anahola	Anahola Park Improvements	Design and Construction	100,000	
Kauai	Anahola	Drainage Masterplan and Design	Planning and Design	825,000	
Kauai	Anahola	Surface Water Development	Plan, Design Construct	1,000,000	2,000,000
Kauai	Waimea	Waimea Waterline Improvements	Planning and Design	300,000	
Kauai	Waimea	Pu'u 'Opae Agricultural and Water Plan	Planning	275,000	
Statewide	Statewide	Cesspool Upgrades to Septic or Sewer	Planning and Design	1,100,000	
Statewide	Statewide	Remedial Roadway Improvements for Dedication to Counties	Planning and Design	1,100,000	
Hawaii	Islandwide	UXO Mitigation and Remediation on Existing Lots	Plan, Design Construct		2,000,000
Oahu	East Kapolei II	Detention Basin Corrective Action to Sides and Silting	Construction	75,000	
Oahu	Nanakuli	Drainage Channel Repairs	Design and Construction	1,000,000	
Oahu	Waimanalo	Drainage Channel Repairs	Design and Construction	300,000	
Statewide	Statewide	Street Light Improvements	Design and Construction	450,000	
Maui	Keokea-Waiohuli	Archaeological Preservation Improvements	Design and Construction	1,000,000	
Molokai	Kapaakea & Kalamaula	Kapaakea & Kalamaula Drainage Improvements	Design and Construction	3,000,000	
Hawaii	Islandwide	Street Light LED Conversion	Design and Construction	400,000	
Oahu	Kapolei	Traffic Signalization - Kapolei Parkway at Puainako Street	Design and Construction	600,000	
Oahu	Kapolei	Traffic Signalization - Kualakoi Parkway at Keahumoa Parkway	Design and Construction	600,000	
Oahu	Kapolei	Kaupea Safety Wall	Design and Construction	500,000	
Statewide	Statewide	Infrastructure Repair and Maintenance on HHL	Design and Construction	1,200,000	1,200,000
TOTAL				\$ 24,115,000	\$ 18,500,000

Means of Financing: General Obligation Bonds

Department of Hawaiian Home Lands
Purpose 1: Lot Development
FB 2017 - 2019 Budget Request

ISLAND	AREA or SUBDIVISION	PROJECT COMPONENTS	PHASE	FY 2018	FY 2019
Hawaii	Laiopua Village 4	Hema (103 Lots)	Design & Construction	14,300,000	
Oahu	East Kapolei II, Incr. IIC	Roadways & Utilitles for 130 Res Lots	Construction		15,000,000
Oahu	Nanakuli	Voice of America, Ph I Infrastructure	Design & Construction	800,000	10,000,000
Oahu	Waimanalo	Agricultural Lots	Design & Construction	750,000	5,000,000
Molokai	Molokai	Hoolehua Water System Improvements	Design & Construction	900,000	21,500,000
Maui	Villages of Leialii	Leialii Parkway & Highway Improvements	Design & Construction	1,000,000	4,000,000
Maui	Honokowai	Honokowai Master Plan	Planning & Environmental	1,000,000	
Maui	Honokowai	Water System Improvements	Design & Construction	8,000,000	
Hawaii	Kona	North Kona Exploratory Well	Planning & Design	2,000,000	
Hawaii	Kau	Kau Water System	Design & Construction	1,000,000	
Hawaii	Kawaihae	Production, Storage & Transmission	Planning & Design	750,000	
Hawaii	Puukapu	Puukapu Pastoral Lots Electrical Facilities	Design & Construction	2,100,000	
Molokai	Hoolehua	Kanakalooa Cemetery Improvements	Construction	1,500,000	
Hawaii	Kaumana	Kaumana Subdivision Lot Rehabilitation	Design & Construction	500,000	
Hawaii	Lalamilo	Lalamilo Septic System Improvements	Design & Construction	500,000	
Hawaii	Hilo	Hilo Community College Model Home	Construction	225,000	225,000
Hawaii	Puukapu	Puukapu Roadway Improvements	Design & Construction	2,000,000	
Maui	Villages of Leialii Ph1B	Subdivision Design (175 Lots)	Design & Construction	2,000,000	4,000,000
Molokai	Hoolehua Agriculture Lots	Naiwa Subdivision Site Improvements	Design & Construction		1,000,000
Lanai	Lanai Residence Lots	Phase 2.Off-site Development	Design	2,000,000	
Maui	Keokea-Waiohuli Development	Phase 2 Site Improvements (76 Lots)	Design & Construction	1,000,000	15,000,000
Kauai	Piilani Mai Ke Kai III	Drainage & Subdivision Improvements (40 Lots)	Design & Construction		4,000,000
Maui	Keokea	Agricultural Off-site Water System	Design & Construction	2,000,000	
Maui	Keokea Farm Lots	Subdivision Improvements to Drainage System	Design & Construction	1,000,000	
Statewide	Statewide	Statewide Lot Rehabilitation	Design & Construction	2,000,000	
Hawaii	Laiopua	Utility and Infrastructure Changes	Housing (Infrastructure)	1,000,000	
Hawaii	Lalamilo Phase 2	Lalamilo Phase 2A	Design & Construction		2,000,000
Kauai	Anahola Farm Lots	New Reservoir & Backup Well	Design & Construction	6,000,000	
Kauai	Hanapepe	Hanapepe Residential Subdivision Phase 2	Planning & Design		1,000,000

Department of Hawaiian Home Lands
Purpose 1: Lot Development
FB 2017 - 2019 Budget Request

ISLAND	AREA or SUBDIVISION	PROJECT COMPONENTS	PHASE	FY 2018	FY 2019
Kauai	Moloaa	Moloaa Farm Lots	Planning & Design		1,000,000
Hawaii	Honokaia	Honokaia Water System	Construction	1,300,000	
Kauai	Wailua Residential Lots	Infrastructure	Planning, Design	2,000,000	
Molokai	Kalamaula & Kapaakea	Aquaculture Development Plan	Planning & Environmental	250,000	
Molokai	Kalamaula	Water & Drainage System Improvements	Design	1,000,000	
Molokai	Hoolehua	Pasture Lot Development (30 Lots)	Design & Construction		1,000,000
Molokai	Hoolehua Agriculture Lots	Scattered Lots Site Improvements	Design & Construction	1,000,000	
Molokai	Kalamaula	Kalamaula Farm Lots Site Improvements (40 Lots)	Design & Construction		1,000,000
Oahu	East Kapolei	Transit Oriented Development	Plans, Design, Construction	2,000,000	
Oahu	Lualualei Reservoir Site	Survey, Environmental Studies and Planning	Planning		250,000
Mauli	Keokey-Waihuli Development	Phase 3 Site Improvements (77 Lots)	Design		1,000,000
Hawaii	Ka'u	Ka'u Farm and Ranch Lots Subdivision Site Improvements	Design		2,000,000
Hawaii	Lalamilo	Lalamilo Phase 1 Kawaihae Rd Impt	Design & Construction	550,000	
Hawaii	Hawaii Island	UXO Mitigation and Construction Support	Plan, Design, Construct	1,000,000	
Statewide		Options to Consider Land and/or Building Purchase	Acquisition	10,000,000	
			Total	\$73,425,000	\$88,975,000
			Biennium Total:		\$162,400,000

AMENDED

Means of Financing: General Obligation Bonds

Department of Hawaiian Home Lands
 Purpose 2: Loans
 FB 2017 - 2019 Budget Request

Purpose	FY 2018	FY 2019
Mortgage Capitalization for Gap Group and Low to Moderate Income Families	28,000,000	37,500,000
Interim Financing (for Turnkey)	38,800,000	32,400,000
ADU Financing (\$100,000 x 50)	5,000,000	
Debt Service - Revenue Bonds	3,200,000	3,200,000
Total	\$75,000,000	\$73,100,000

Department of Hawaiian Home Lands
 Purpose 3: Rehabilitation Projects
 FB 2017-2019 Budget Request

ISLAND	AREA	PROJECT COMPONENTS	PHASE	FY 2018			FY 2019		
				OPERATING	CIP	GIA	OPERATING	CIP	GIA
Hawaii	Kaunaloa & Pihonua	Community Center	Planning						
Hawaii	Panaewa	Farming Work Group		1,000,000				50,000	
Hawaii	Panaewa	Kamoleao Infrastructure & Bldg	Planning and EA		425,000				4,500,000
Hawaii	Keaukaha Panaewa	Farmers Assoc Farmer's market	Expansion					250,000	
Hawaii	Panaewa	Road Infrastructure Improvements	Transp & Circulation		150,000				
Hawaii	Makuu	Community Center	Construction			3,000,000			
Hawaii	Makuu	Off-site water system				4,500,000		1,000,000	
Hawaii	Keaukaha	Community Pavilion							
Hawaii	Kamaoa Puueo	Water Master Plan (\$75,000)*	Planning						
Hawaii	Kamaoa Puueo	Cultural & Natural Resource Land Mgmt		130,000	3,000,000				
Hawaii	Waiohinu	Agriculture Homestead Leases						100,000	
Hawaii	Waimea	WHHCC Ag	Construction			1,200,000			
Hawaii	Waimea	WHHCC Cemetery	Design			225,000			
Hawaii	Waimea	WHHC Operations				200,000			
Hawaii	Waimea	Ag Peer to Peer Program (\$200,000)*							
Hawaii	Puukapu	Hybrid water system (pumps)	Upgrade and certify		100,000				
Hawaii	Puukapu	Security System for Internal Road Networks			8,000				
Hawaii	Puukapu	Firebreak						1,200,000	
Hawaii	Puukapu	Homestead Emergency Access Rd	Planning and EA		134,000				
Hawaii	Kailapa	Comm Resource Ctr/Emerg Shelter				2,000,000			
Hawaii	Kailapa	Irrigation Well for Native Plants and Erosion Control						1,000,000	
Hawaii	Kawaihae	Potable Water Feasibility Study (\$125,000)*							
Hawaii	Kailapa	Na Kilo Aina Program		20,000					

Department of Hawaiian Home Lands
 Purpose 3: Rehabilitation Projects
 FB 2017-2019 Budget Request

ISLAND	AREA	PROJECT COMPONENTS	PHASE	FY 2018			FY 2019		
				OPERATING	CIP	GIA	OPERATING	CIP	GIA
Hawaii	Kailapa	Community Assn Operations							
Hawaii	Kailapa	Emergency Access Road	Planning and EA		134,000				
Hawaii	Kailapa	Firebreak around the community						1,200,000	
Hawaii	North Kona	Water Development (\$2,000,000)*	Planning and EA						
Hawaii	Laiopua	Laiopua 2020 Operation Funding							480,000
Hawaii	Laiopua	Laiopua 2020 Community Center							4,500,000
Hawaii	Laiopua	Renewable energy initiative						250,000	
Kauai	Anahola	Irrigation System (\$1,000,000)*	Planning & Design						
Kauai	Wailua	Access to surface/ground water							
Kauai	Kekaha	Ag with homestead		10,000					100,000
Kauai	West Kauai	Multi-Purpose, Evacuation & Ed Ctr							250,000
Kauai		Study drug rehab facilities w/in Community							
Kauai		Educational programs						100,000	
Kauai		Bring assn's together to collaborate (\$100,000)*							
Kauai	Hanapepe	Ag land							250,000
Kauai	Puu O Pae	Road Improvements							200,000
Lanai		Interim Use of Undeveloped Land							
Maui	Keokea	Farmers Marketplace	Planning and EA	25,000					
Maui	Keokea	Agricultural Water-Source and Distribution (\$5,500,000)*							
Maui	Paukukalo	Armory Site Development	Planning and EA						350,000
Maui	Paukukalo	Pihana Heiau Restoration	Planning and EA						100,000
Maui	Waiehu Kou	Community Center & Bus Stop							500,000
Maui	Waiehu Kou	Landscaping Maintenance Contract		150,000				150,000	
									500,000
									600,000

Department of Hawaiian Home Lands
 Purpose 3: Rehabilitation Projects
 FB 2017-2019 Budget Request

ISLAND	AREA	PROJECT COMPONENTS	PHASE	FY 2018			FY 2019					
				OPERATING	DHHL	CIP	GIA	OPERATING	DHHL	CIP	GIA	
Maui	Waiehu Kou	Community Garden - Water Development				30,000					1,500,000	
Maui	Waiehu Kou	Drainage Basins - siltation clean up (\$3,500,000)*										
Maui	Kahikinui	Composting toilet	Planning /Design/ Materials			600,000						
Maui	Kahikinui	Community Center/Pavilion				1,000,000					1,000,000	
Maui	Kahikinui	Road Construction and Repair				2,000,000					2,000,000	
Maui	Kahikinui	Lot Development & Road Repair	Equipment			75,000						
Maui	Kahikinui	Road Repair	Equipment			165,000					10,000,000	
Maui	Kahikinui	Fencing and Rebar				150,000					150,000	
Maui	Kahikinui	Fog Catchment System	Planning /Design /Materials			750,000					TBD	
Maui	Kahikinui	Water Storage (water tanks)				150,000					TBD	
Maui	Leialii	Community Center/Kitchen	Planning & Design			100,000					100,000	
Maui	Honokowai	Ag Homestead	Planning & Design			400,000					1,000,000	
Maui	Pulehunui	Community-Based Economic Dev				100,000						
Molokai		Ed workshop on Alternative Energy				10,000						
Molokai	Malama Park	Land Use Designation & Master Plan				50,000						
Molokai	Kiowea Park	Complete Pavilion Project								1,300,000		
Molokai	Lanikeha Center	Alternative Energy Retrofit and Smart Grid				5,000,000						
Molokai	Hoohehua	Multi-Purpose Youth Center									250,000	
Molokai	Lanikeha Center	Playground									250,000	
Molokai		Voter Ed for Youth: "Rise to Vote"				10,000						

Department of Hawaiian Home Lands
 Purpose 3: Rehabilitation Projects
 FB 2017-2019 Budget Request

ISLAND	AREA	PROJECT COMPONENTS	PHASE	FY 2018			FY 2019						
				OPERATING	DHHL	CIP	GIA	OPERATING	DHHL	CIP	GIA		
Molokai	Kalamaula Mauka	Passive Park				100,000							
Molokai		Transition Cespools to Septic Systems			TBD								
Molokai		Conduct ed workshops on water		20,000									
Oahu	Papakolea	Address Abandoned Homes		115,000				115,000					
Oahu	Papakolea	Community Center & Park Improvements					2,500,000						
Oahu	Nanakuli	Tourism ed & boater safety		TBD									
Oahu	Princess Kahanu	Removal of bus route in neighborhood		TBD									TBD
Oahu	Princess Kahanu	Expansion of community center											TBD
Oahu	Waianae Kai	Community Development											TBD
Oahu	Waianae Valley	Courbarium with large area for cultural uses			250,000								
Oahu	Leeward Coast	Utilize ocean resources		50,000									
Oahu	Kapolei	Kapolei Heritage Center Phase II					3,000,000						
Oahu	Kanehili	Park Development & Fencing of self help homes			2,500,000								
Oahu	Kanehili	Community Signage & Traffic Safety on Kinoiki St.			TBD								TBD
Oahu	Kaupea	9 acre park parcel											
Oahu	Kaupea	Perimeter wall at Kamaaha/Kapolei Pkwy (\$500,000)*											
Oahu	Kaupea	Kupuna/opio programs											
Oahu	Kapolei	Safety/Drug coalition with NSW		50,000									
Oahu	Kapolei	Maintenance/Repair for dedication of roads (\$125,000)*											
Oahu	Kapolei	Place of worship & place of rest/cemetery										250,000	

Department of Hawaiian Home Lands
 Purpose 3: Rehabilitation Projects
 FB 2017-2019 Budget Request

ISLAND	AREA	PROJECT COMPONENTS	PHASE	FY 2018			FY 2019		
				DHHL OPERATING	DHHL CIP	GIA	DHHL OPERATING	DHHL CIP	GIA
Oahu	Waimanalo	Emergency Evacuation and Street Extension		500,000	13,500,000				
Oahu	Waimanalo	Vacant homes for homeless or kupuna		75,000					
Statewi		Housing Program Plan		500,000					
		* Projects are funded in other budgets	Puwaiu: Subtotal	\$2,765,000	\$32,121,000	\$23,105,000	\$365,000	\$29,050,000	\$5,600,000
		Homeowner Affordability Initiative		5,000,000			5,000,000		
		Lease Cancellation Prevention/Financial Literacy		5,000,000			5,000,000		
		Native Hawaiian Development Program Plan		2,744,100			2,744,100		
		Total		\$15,509,100	\$32,121,000	\$23,105,000	\$13,109,100	\$29,050,000	\$5,600,000
		Means of Financing: (A) General Funds		(A)	(C)		(A)	(C)	
		(C) General Obligation Bonds							

DAVID Y. IGE
GOVERNOR



CATHERINE PAYNE
CHAIRPERSON

STATE OF HAWAII
STATE PUBLIC CHARTER SCHOOL COMMISSION
(‘AHA KULA HO‘ĀMANA)

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LATE

FOR: HB100 Relating to the State Budget
DATE: Wednesday, March 8, 2017
TIME: 9:00 AM
COMMITTEE: House Committee on Finance
ROOM: Conference Room 308
FROM: Sione Thompson, Executive Director
State Public Charter School Commission

TESTIMONY IN SUPPORT OF HB100

Chair Luke, Vice Chair Cullen, and members of the Committee:

The State Public Charter School Commission (“Commission”) appreciates this opportunity to submit this testimony in support of its budget and facilities funding for charter schools.

MISSION STATEMENT

The statutory mission of the Commission is “to authorize high-quality public charter schools throughout the State.” (HRS 302D-3(b)). The Commission’s strategic vision for the chartering of these high-quality schools is that they provide excellent and diverse educational options for Hawai‘i’s families, prepare our students for future academic or career success, and contribute meaningfully to the continued improvement of Hawai‘i’s public education system as a whole.

ECONOMIC AND FISCAL CONDITIONS

Hawai‘i’s 34 public charter schools currently enroll 10,792 students in school year 2016-2017, which represents an increase of 370 students (3.6%) from the previous school year. Last school year, Ka‘u Learning Academy opened its doors to 99 students, bringing the total number of charter schools in Hawai‘i back to 34 after the closure of one school, Halau Lokahi Charter School in May 2015.

Most of the charter schools' state funding is provided on a per-pupil basis based on the operating appropriation to the Department of Education (DOE) and the schools' pro rata enrollment compared to the total public education enrollment. Per-pupil funding has increased from \$6,846 in fiscal year 2015-2016 to \$7,089 for the current fiscal year 2016-2017, but, as is detailed in the Commission's 2015-2016 Annual Report, the Commission's analysis of financial data submitted by the schools suggests that in the longer term, charter school funding will need to increase further and/or greater cost savings will need to be realized in order to meet the cost obligations of schools, especially when it comes to facilities.

Thirty-three charter schools are in the third year of the current three-year charter contract. The 34th and newest charter school, Ka'u Learning Academy, was awarded a five-year contract. All charter school contracts include a performance framework which the Commission uses to evaluate their performance in three areas: academic, financial, and organizational. In November 2015, the Commission adopted the charter contract renewal process and criteria that will determine each school's eligibility for a subsequent charter contract based on school performance under these measures. The heightened expectations embodied in the Commission's performance framework and contract renewal criteria, while necessary and overdue; pose real administrative and related fiscal challenges to the charter schools, many of which are small and lightly-staffed.

The Commission has received notices of intent to apply for a charter from three eligible applicants in its current applications cycle. The Commission will be reviewing and evaluating the applicants to identify high quality applications for charter award. Any charter contracts awarded to applicants this year will result in charter schools opening in school year 2018-2019.

FEDERAL FUNDS

Charter schools are included with the DOE's Federal programs since the DOE is the prime recipient. The first terms of the Continuing Appropriations Act of 2017 resulted in a 0.496 percent cut for non-defense discretionary funding from October 1, 2016 through December 9, 2016. It included most education programs such as Title I, Part A; Title II, Part A; Title III; IDEA, Part B; and Impact Aid. Under the second terms of the Act, a 0.1901 percent is applied to discretionary funding from December 10, 2016 through April 28, 2017.

On January 1, 2015, the Commission was awarded a four-year federal Preschool Development Grant to support statewide efforts to build, develop and expand voluntary, high-quality pre-kindergarten programs for children from low-and moderate-income families. The grant, totaling \$14,881,368 over the four years, will serve a potential 920 children. Hawai'i is the only grantee in the nation whose award focused solely on charter schools.

Six charter schools in Hawai'i have opened a pre-kindergarten classroom to income eligible four-year-olds. Four schools enrolled 78 students into their pre-kindergarten program in the 2015-2016 school year with two more additional classrooms opened this school year, for a total of six classrooms. Two of these schools are Hawaiian immersion schools. In addition, annual early learning symposiums were held to build community capacity to support high quality preschools. Attendees included all schools that will eventually participate in the grant over its four-year term and other partnering agencies.

Due to the uncertainty of federal funding for the fourth year of the grant, sustainability efforts have begun. This will ensure that these high quality prekindergarten programs will be sustained for Hawai'i's keiki. We deeply appreciate the Committee's support of HB500 HD1, which would ensure that these 18

classrooms would continue to support our charter school communities and provide high-quality early educational experiences for our most vulnerable students with the least access to such programs.

BUDGET REQUEST

In September 2016, the Commission submitted the original budget request to the Department of Budget and Finance. Thanks to legislation adopted by this body in 2014, the budget for the charter schools and Commission are separate and result in the funding of the Commission without impacting the charter schools' per pupil funding.

School Operations

Pursuant to the per-pupil funding formula that is based on DOE appropriations and relative enrollment, increases of approximately \$7.74 million and \$7.96 million in per-pupil funding for fiscal years 2018 and 2019, respectively, are included in the Governor's biennial budget package to equalize the per-pupil funding formula.

Estimated grants and donations to charter schools were self-reported by 26 of the 34 charter schools for fiscal year ended June 30, 2016, for a total of approximately \$7,838,007. Grants were provided during the year by other institutions, notably including Kamehameha Schools. While this support is helpful and has been an element of support for these charter schools for many years, it also comes with many conditions, and private funders often are reluctant to provide funding to meet the basic needs of schools to ensure sustainability.

During the 2016 legislative session, the Commission requested funding for 1) facilities for charter schools; 2) hard-to-fill incentive pay for teachers; 3) National Board Certified Teacher awards; and 4) new charter school start-up. Despite clearing both the House and the Senate, Commission's bills that would have provided these resources failed. This year, the Commission has requested funding of \$6,348,000 for these items to support charter schools that were excluded from the Governor's biennial budget package.

1. **Facilities funding for charter schools (\$5,479,000):** Facilities funding for charter schools is the top priority of the Commission. As one of the Commission's Standing Advocacy Principles state: charter schools must be funded and supported and adequately to be able to meet the needs of their students and to fulfill their role as a strategy for system-wide improvement.

This funding request is not for the construction or purchase of charter facilities, rather this request would cover the rental or lease payments of currently operating charter schools. The per-pupil funding structure is intended to provide equity in public school funding in the State by providing a proportionate share of the public school system funding to charters for similar expenses and functions. However, since DOE schools do not pay rent for the use of their facilities while the majority of charters do, funding for this expense is not provided for in the per-pupil funding structure. The Commission believes that funding for charter school facilities (which exists primarily as rent and lease payments) is vital to achieving equity for charters in the public school system.

Although this requested funding has not been included as part of the Commission's budget, we are deeply grateful for the Committee and the House's support of HB533 HD1 and continue to

urge our legislators in both houses to support our schools with this much needed funding. The Commission has convened the Facilities Work Group as provided for in Act 234 of 2015 and hopes to have recommendations to the Commission in hand before the end of the legislative session.

2. **Hard-to-fill incentive pay (\$579,000):** The Commission requests a separate appropriation for this collectively-bargained mandate. According to B&F, funding for collective bargaining items, including Hard-to-staff bonuses, is provided to charter schools through the per-pupil funding structure as it is the only existing funding mechanism for charter schools. However, this funding structure is based strictly on student enrollment and does not account for specific expenses that may affect a limited number of charter schools.

Specifically, for the HSTA Hard-to-Staff bonuses, only nine charter schools are in areas that have been deemed hard-to-staff. However, due to the per-pupil funding structure, all 34 charter schools receive the funding provided for these bonuses. The effect of this is that charter schools that are required to pay these bonuses do not receive the full funding needed to pay these bonuses and must account for the difference on their own.

A budget proviso in the 2015 Executive Budget attempted to address this issue by separating the funds from the per-pupil funding by directing it to the schools that have to make these payments. However, the amount budgeted was based on the costs for DOE teachers only (even that budgeted amount was determined to be insufficient for DOE purposes). As a result, this proviso did not help charters as intended and charter schools that were required to pay this bonus had to cover these bonuses with their existing per-pupil funds. A separate appropriation would also ensure that this issue is permanently addressed and not dependent on recurring budget provisos.

3. **National Board Certified Teacher awards (\$90,000):** Statutorily mandated bonuses of up to \$10,000 for teachers who have earned National Board Certification present the same problem for public charter schools as does the hard-to-fill incentive pay. Those charter schools that employ these teachers presently must pay this incentive from out of their per-pupil funding. But, as with hard-to-fill incentive pay, the funding that charter schools receive is based on the DOE budget, not on the true cost of providing the bonuses, and these per-pupil funds are spread across all charter schools, not just those that employ National Board certified faculty members.

The relevant statutory provision is as follows:

§302A-706 Teacher national board certification incentive program.

(a) There is established within the department the teacher national board certification incentive program to recognize and support exemplary teaching practice by supporting public school teachers who have achieved national board certification under the certification program of the National Board for Professional Teaching Standards. The teacher national board certification incentive program shall provide:

- 1) A \$5,000 bonus per year for each public school teacher who maintains current national board certification;

- 2) \$1,500 upon completing all components of the certification program of the National Board for Professional Teaching Standards;
- 3) A reimbursement of the remainder of the national board certification application fee upon achievement of national board certification; and
- 4) An additional \$5,000 bonus per year for each public school teacher who maintains current national board certification and who teaches at:
 - a) A school in a focus, priority, or superintendent's zone, or other similar designation, as determined by the department;
 - b) A school with a high turnover rate, as determined by the department; or
 - c) A hard-to-fill school, as determined by the department.

(b) The incentive program shall include a mentoring component that encourages and enables national board-certified teachers to assist other teachers and share their teaching expertise. [L 2004, c 51, §38; am L 2007, c 228, §1; am L 2015, c 107, §1]

As with hard-to-fill incentives, the Commission is requesting a separate allocation of funds for this award, to be made to EDN 612 to enable the discrete distribution of these funds to those schools with teachers who have earned this distinction.

The Commission again thanks the Committee and the House for supporting and passing HB936 that would resolve this on-going issue for both Hard to Staff and National Board Certified Teacher bonuses. We hope that our legislators in the Senate will also approve the companion bill and then work with the House to pass it through to the Governor.

4. **New charter school start-up (\$200,000):** Start-up funding for newly-created pre-opening charter schools could provide important support to these schools in their start-up year before they become fully operational and are able to draw per-pupil and other state funding. This start-up funding would be provided to new charter schools through grants provided by the Commission.

Although this request was not included in the Committee's request, we urge the committee to consider the Senate's companion bill SB197, which we hope will pass over to the House.

Commission Operational Expenses

The Commission has also requested funding of \$112,000 for Commission staff salary adjustments that were excluded from the Governor's biennial budget package. The hiring of the Commission's staff commenced in February of 2013 and was complete by October of that year. The budget appropriation for the Commission, as with all state departments and agencies, is made on an incremental basis. The salary funding level for this agency has not been incrementally increased, since staffing level and positions have not changed since the Commission was first created in the 2013-2015 biennium budget. Further, it has come to the Commission's attention that the Commission's predecessor administration office, the Charter Schools Administration Office (CSAO), never provided salary information for consideration whenever HGEA contracts were up for collective bargaining renegotiations. As a result, since July of 2013 the Commission has not received additional funds for its staff salaries with the budget appropriations as have other state agencies.

The funding will cover salary adjustments to be equitable to collective bargaining appropriations had the staff information been provided for consideration when the HGEA contract was up for renegotiation.

This will also help address the need for reasonably equitable compensation for positions of similar complexity and responsibility across the State. As a result of staff transfers to and from the Commission from other agencies, the Commission has learned that working for the Commission always entails greater responsibility, less pay, or both, when compared to like positions in other agencies. This correction represents a step toward addressing that problem and is one of basic fairness for all state employees.

CONCLUSION

The State Public Charter School Commission again deeply appreciates the opportunity to discuss this year's budget with your Committee and thanks the Chair, Vice Chair, and Members of the Committee for your continued support of the Commission's work and ultimately our 34 public charter schools and their 10,792 students. We urge you to consider funding for charter school facilities either through our budget or through HB533 HD1. Facilities Funding is one of the greatest unaddressed challenges for Hawaii's chartering system and has been a long standing issue for charter schools. Facilities funding would significantly benefit charter schools to acquire, repair, maintain and rent school facilities. The Commission remains prepared to work with the Legislature and other stakeholders to find additional innovative ways to improve learning options and opportunities for Hawai'i's students.

Bernard P. Carvalho, Jr.
Mayor

Wallace G. Rezentes, Jr.
Managing Director



Ludvina K. Takahashi
Executive on Aging



AGENCY ON ELDERLY AFFAIRS
County of Kaua'i, State of Hawai'i
4444 Rice Street, Suite 330, Lihu'e, Hawai'i 96766
TEL (808) 241-4470 FAX (808) 241-5113

LATE

March 7, 2017

TO: Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair
Committee on Finance

FROM: Kealoha Takahashi
Executive on Aging

SUBJECT: HB100 Relating to the State Budget

HEARING: Wednesday, March 8, 2017, 9:00 am
Conference Room 308

POSITION: Agency on Elderly Affairs **strongly supports** HB 100, Item No. 25, making appropriations for the Executive Office on Aging (HTH904).

The budget bill HB 100 includes EOA's annual operating budget of \$13,440,783 (general fund) for FY18 and FY19 (item no. 25). This testimony focuses on \$6 million out of the total that is not already in the base budget:

- Kūpuna Care: adding \$4.15 million to the base amount of \$4.85 million for a total of \$9 million.
- ADRC (Aging and Disability Resource Center): adding \$1.7 million to the base amount of \$1.4 million for a total of \$3.1 million.
- Long-term care ombudsman program: \$100,000.

Kūpuna Care helps older adults continue living at home at a small fraction of the costs of nursing home care. Kūpuna Care funds are contracted to the County Area Agencies on Aging to provide services such as transportation, attendant care, case management, home-delivered meals, homemaker, and personal care services. The demand for home - and community-based supportive services has continued to rise. We do need the additional funding to continue services to frail and vulnerable seniors.

The ADRC (Aging and Disability Resource Center) is a statewide single -access point for information on long-term support options and benefits. The EOA has delegated the Area Agencies on Aging to develop and operate the ADRC in our respective counties, using specific standardized tools and processes. Statewide data show that the ADRCs received an average

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of 159 contacts per day through walk-ins, and inquiries by telephone and website. Of these contacts, about 5% (or 9 older adults per day) were assessed to need a Kūpuna Care service(s) for the first time. Over ninety percent of ADRC consumers were satisfied with their ADRC experience. We ask for your support to continue funding ADRC.

The Older Americans Act's Long-Term Care Ombudsman (LTCO) program is a consumer advocacy model intended to improve the quality of care of residents in nursing homes and residential care facilities by helping them resolve complaints about their care and protect their rights. Currently Hawai'i's LTCO office, with one ombudsman and one volunteer coordinator, is tasked with serving 12,000 long-term care residents statewide, resulting in an ombudsman to resident ratio that is six times the recommended ratio (1 to 2,000) by the Institute of Medicine. The requested \$100,000 appropriation will provide for three neighbor island contracts, at \$25,000 each, to conduct visits, provide counseling, investigate complaints, and coordinate volunteer activities and training; and the remaining \$25,000 will be for program operating expenses.

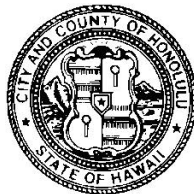
I ask the Committee Members to please support the appropriations for these three essential programs.

Thank you for the opportunity to testify.

LATE

DEPARTMENT OF COMMUNITY SERVICES
CITY AND COUNTY OF HONOLULU

715 SOUTH KING STREET, SUITE 311 • HONOLULU, HAWAII 96813
PHONE: (808) 768-7762 • FAX: (808) 768-7792



KIRK CALDWELL
MAYOR

GARY K. NAKATA
DIRECTOR

SUSAN L. FERNANDEZ
DEPUTY DIRECTOR

March 7, 2017

TO: THE HONORABLE SYLVIA LUKE , CHAIR
THE HONORABLE TY J. K. CULLEN , VICE CHAIR
AND MEMBERS OF THE COMMITTEE ON FINANCE

FROM: NALANI AKI, COUNTY EXECUTIVE ON AGING
DEPARTMENT OF COMMUNITY SERVICES

SUBJECT: SUPPORT FOR HTH904 FUNDING IN HB 100

The Elderly Affairs Division (EAD) is Honolulu's designated Area Agency on Aging and operates in accordance with the Older Americans Act of 1965 to coordinate, advocate, and improve services to assist older persons in leading independent, meaningful, and dignified lives in their own homes and communities for as long as possible. We also serve as the designated Aging and Disability Resource Center (ADRC) for Honolulu.

HTH904 includes funding for important services that are essential to maintaining the health and welfare of our most vulnerable seniors and their caregivers.

The Kupuna Care program provides services that support the needs of the increasing older adult population in Hawaii. EAD coordinates advocacy efforts on behalf of elders, encourages partnerships to improve and expand services, and contracts with agencies to provide services to seniors and their caregivers. These services assist frail older adults who cannot live at home without adequate help from family or formal services. Services include adult day care, attendant care, case management, chore, home-delivered meals, homemaker, personal care, and transportation.

Annually, EAD serves an estimated total of 2,600 seniors, with at least one Kupuna Care service. We have been able to do this with the support of the State Legislature allocating funds for services each year both through the base budget and through supplemental funds.

There are approximately 208,000 older adults age 60 years and older residing on Oahu, representing 21.1% of the population. From 2009 to 2015, Oahu's older adult population grew 18.5%, with an annual growth rate of 2.32%. Further, 27,000 older adults are 85 years and older, with 55% reportedly having 2-4 health conditions. By 2030, the State's Department of Business,

THE HONORABLE SYLVIA LUKE , CHAIR
THE HONORABLE TY J. K. CULLEN , VICE CHAIR
AND MEMBERS OF THE COMMITTEE ON FINANCE

March 8, 2017

Page 2

Economic Development, and Tourism projects that the population of 85 years or older, which has the highest rate of debilitating medical conditions, will increase by 35.6% to 40,000.

The supplemental State funds EAD has received has not kept pace with the growing population of frail elders residing on Oahu. Although we are grateful for the support provided by the Legislature, we are equally concerned with the growing need of our seniors and the significant decreases in funding allotments.

Currently, there are 310 seniors waiting for meals, 188 waiting for homemaker assistance, and 51 waiting for personal care services. In order to meet these gaps in services, for one year the cost would be close to \$700,000 for home delivered meals, \$240,000 for homemaker services, and \$230,000 for personal care services. This would be a total of \$1,170,000 above what we currently receive. Although the funds contained in this bill will allow EAD to maintain these much needed services, because the amounts have not increased over the years, our wait lists will likely continue to grow and prevent us from serving hundreds who desperately need assistance. Help for our Kupuna is needed now more than ever.

This bill under HTH904 also includes funding for the Aging and Disability Resource Center (ADRC), a program that provides older adults, their caregivers, and persons with disabilities with a single access point to information, and improves access to and the utilization of community-based long term services and supports. The funding included in this bill is essential to maintain the health and welfare of our most vulnerable seniors and their caregivers, and provides a streamlined process for those we serve.

The ADRC is outlined in the Federal Older Americans Act (OAA) as amended in 2006. Its vision is “to have Aging and Disability Resource Centers in every community...where people of all incomes and ages can turn for information on the full range of long-term support options and a single point of entry for access to public long-term support programs and benefits.” EAD operationalized the ADRC model on July 1, 2015, and has provided over 17,000 options counseling sessions to older adults, caregivers, their family members and the general public and completed more than 5000 assessments and support plans.

Last year, concerns were raised regarding the implementation and readiness of the Honolulu ADRC, the timeliness of assessments being completed and consumer satisfaction. Therefore, in response to a requirement by the Legislature, the State Executive Office on Aging conducted an independent review of each County, a total of four ADRCs.

In regards to the implementation and readiness assessment, Honolulu met 9 of the 10 criteria evaluated. EAD, in partnership with our service provider agencies, accomplished this level of compliance within our first year of implementation.

During the period of EOA’s review (August 15 - October 25, 2016), EAD conducted 387

THE HONORABLE SYLVIA LUKE , CHAIR
THE HONORABLE TY J. K. CULLEN , VICE CHAIR
AND MEMBERS OF THE COMMITTEE ON FINANCE

March 8, 2017

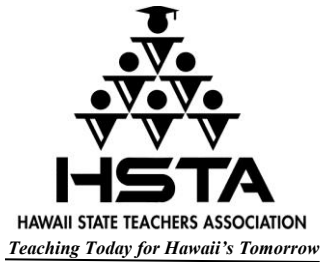
Page 3

assessments for new consumers. Of those assessments, 97 were completed within one day of contacting EAD and 50% or 194 consumers within 6 days.

In addition, over ninety percent of Honolulu ADRC consumers agreed or strongly agreed that they were satisfied with their ADRC experience. The comments and feedback received will assist in improving our ADRC operations.

The funding provided by this bill will allow EAD to continue to serve as the single access point for information on long term services and support. EAD supports the allocation of funds for the ADRC for Fiscal Year 2017-2018.

We ask the Committee on Finance to support funding of these vital programs. Thank you for the opportunity to provide this testimony.



LATE

1200 Ala Kapuna Street ♦ Honolulu, Hawaii 96819
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Corey Rosenlee
President

Justin Hughey
Vice President

Amy Perruso
Secretary-Treasurer

Wilbert Holck
Executive Director

TESTIMONY BEFORE THE HOUSE COMMITTEE ON
FINANCE

RE: HB 100 - RELATING TO THE STATE BUDGET

WEDNESDAY, MARCH 8, 2017

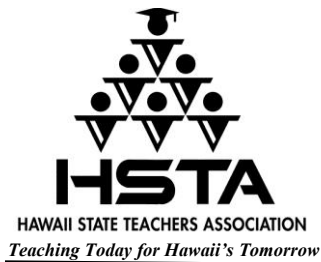
COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Luke and Members of the Committee:

The Hawaii State Teachers Association **supports and requests the following items for HB 100**, relating to the state budget.

To begin, we ask you to include the full \$800 million requested by Gov. David Ige for public school capital improvement projects in the state's CIP budget. Hawaii's public school buildings are approximately 65-years-old on average. Facilities are damaged, restrooms and water foundations are in disrepair, classroom windows are broken, and campuses are plagued by rat and insect infestations. Our students, especially those with special needs, are subjected to decrepit infrastructure. Though our state's repair and maintenance backlog has declined, the total cost of lingering projects runs into the hundreds of millions of dollars. Moreover, high-growth areas need new schools, as current facilities surpass their capacity. Campbell High School, for example, now exceeds 3,000 students. The governor's \$800 million CIP request contains \$373.6 million to address classroom capacity issues, \$264.7 million of which is for new schools, including a new secondary school in Kapolei.

Furthermore, we wholeheartedly support Gov. Ige's requested \$61.7 million in bond revenue for heat abatement. Last year, lawmakers answered the governor's call to cool 1,000 classrooms by appropriating \$100 million for heat abatement. While we had hoped that the \$100 million would extend cooling technology to thousands of classrooms, unexpectedly high procurement bids have limited the reach of the appropriation. As the construction boom contracts and renewable technology is



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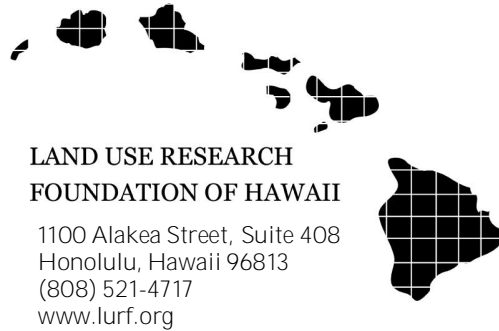
Corey Rosenlee
President
Justin Hughey
Vice President
Amy Perruso
Secretary-Treasurer
Wilbert Holck
Executive Director

advanced, however, we continue to believe that installations can be performed at well below the current cost of \$93,000 per classroom. Nearly 6,000 classrooms will still need heat abatement after the \$100 million is spent. We must not allow students to suffer from unsatisfactory learning conditions and heat-related illness.

Finally, we ask you to restore the \$18 million in per-pupil funding cut from the executive's revised budget request. In its original budget proposal, Ige administration requested \$28 million in additional weighted student formula funds, which the governor called “the largest investment at the school level ever.” Since the passage of Act 51 in 2004, Hawai'i has experimented with a weighted student formula to equalize school funding. Intended to make funding for public education more equitable, transparent, and decentralized, WSF had the unintended consequence of limiting academic programming for children in small and rural schools. A recent report commissioned by the Hawai'i Department of Education and completed by the American Institutes of Research suggested that “extra support” be provided to schools that are small or isolated to account for the “differential costs of providing an equal opportunity for all students to achieve, regardless of their individual needs or circumstances (such as geographic location).”

WSF funds also cover staffing shortages for classroom teachers and non-classroom positions, like curriculum coordinators and librarians. Additional money could also be spent supporting charter schools, which receive \$7,080 per-pupil for facilities and operational expenses. Inadequate funding often leaves charters to rely on private donations to fund facilities and rent, as operating funds must cover salaries, collective bargaining costs, curricula, school supplies, equipment, and utilities, according to the Hawai'i Public Charter Schools Network. Since facilities and rent comprise approximately 10 percent of charter school budgets, we invite you to allocate additional funds for facilities via the state budget or SB 533, ensuring our charter school students—who often partake of immersive Native Hawaiian cultural learning—are given a chance to succeed.

To give our children the a brighter future, we must better fund public education. The Hawaii State Teachers Association asks your committees to support public education in the biennium budget bill.



LATE

March 7, 2017

Representative Sylvia Luke, Chair
Representative Ty T.K. Cullen, Vice Chair
House Committee on Finance

Support of HB 100 Relating to the State Budget (Appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2017 2018 and 2018 2019)

FIN Hrg: Wednesday, March 8, 2017, 9:00 a.m., in Conference Room 308

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. LURF's mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

LURF supports HB 100, which appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2017 2018 and 2018 2019 (the Executive Biennium Budget request). In particular, LURF strongly supports the Governor's Supplemental Capital Improvement Project (CIP) request for FY2018, which proposes to provide funding to the Hawaii Housing Finance and Development Corporation (HHFDC) for development of affordable housing, as follows:

- 902 Alder Street, Honolulu, Oahu (BED 160/HD) \$15,000,000 (C) LURF understands that HHFDC intends to use the \$15 million appropriation to finance Phase 1 of the juvenile shelter/services component of this mixed-use residential project located at the site of the old Detention Home. While HHFDC is able to finance the residential component of the mixed-use project, however, in order for the entire project to proceed, this CIP appropriation is needed for the non-housing component of the project.
- Rental Housing Revolving Fund Infusion, Statewide (BED 160/HF) \$50,000,000 (C) LURF understands that the \$50 million infusion into the RHRF will help finance the development, or the acquisition and rehabilitation, of rental housing. The RHRF provides loans to projects that set aside rental units affordable to extreme and very low-income families; and the RHRF loans fill the financing gap to develop an affordable rental housing project.

- Dwelling Unit Revolving Fund Infusion, Statewide (BED 160/HD) \$50,000,000 (C) LURF understands that this DURF appropriation for the Dwelling Unit Revolving Fund (DURF) is to implement Act 132, SLH 2016, which broadened the uses of DURF to include regional state infrastructure construction in conjunction with housing and mixed-use transit-oriented development projects. This funding will enable the state to address a significant barrier to housing development - the lack of roads, water, sewer, drainage, and utilities.
- Low Income Housing Tax Credit Loans, Statewide (BED 160/HF) \$8,400,000 (C) Projects which have been awarded State LIHTCs that are unable to find investors for their State tax credits may exchange their credits for a LIHTC loan instead. The LIHTC Loan Program encourages the development and preservation of rental housing for lower income households by providing a cost-effective financing mechanism for projects that are awarded State LIHTCs.

Conclusion. For the above reasons, LURF strongly supports HB 100 and respectfully urges your favorable consideration of the above-referenced HHFDC's funding in this measure.

Thank you for the opportunity to present testimony regarding this matter.

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LATE



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Communities
Kauai United Way
Maui United Way
Hawaii Island United Way



March 7, 2017

TO: Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice-Chair
House Finance Committee Members

FROM: Karen Tan, LCSW, Chief Program Officer

RE: In Support of HB 100 Relating to the State Budget
House Committee on Finance
Wednesday, March 8, 2017, 9:00 a.m., State Capitol, Conference Room 308

Aloha, Rep. Luke, Rep. Cullen, and members of the House Finance Committee. I am Karen Tan, Chief Program Officer of Child & Family Service (CFS), Hawaii's oldest and most comprehensive human services organization. We serve keiki to kupuna and touch the lives of over 40,000 Hawaii residents each year with services that range from child abuse prevention and treatment, early childhood programs, child welfare programs, domestic violence programs, services for troubled youth, and kupuna services.

I would like to share our support of the following items in the Governor's budget:

1. CFS supports a budgeted rate increase for providers of Intensive-In-Home Services and Community Based Residential Treatment services through the Child and Adolescent Mental Health Division of the Department of Health. It has been at least ten years since there has been a rate increase for these services. At the same time, the challenges and costs of managing the complexities of Medicaid billing and other cost of care requirements have continued to rise. The proposed rate increase will help to ensure these services are maintained for youth and their families in our community. Without this increase, there is a high likelihood that providers will have no choice but to walk away from these contracts as the current funding simply doesn't pay for the cost to run these programs.
2. CFS supports the budgeted amount of 3 million dollars for Home Visiting services. These funds help to provide home visitation services to families at risk of child abuse and neglect. The funds also leverage federal funding, that might not otherwise be available to Hawaii for these services.
3. CFS supports the Governor's budgeted amount for Kupuna Care. This funding is essential to meet the growing number of seniors, our "kupuna", in Hawaii to "age in place" in their own communities. Our services help prevent institutional care that is not only more expensive, but is not what most seniors want. CFS's Kupuna Care services are specifically designed to help kupuna stay either in their own homes or in the homes of a loved one for as long as possible.

If the Committee has any questions about either of these two budget items, please feel free to contact me at ktan@cfs-hawaii.org or by calling me at 681-1460.

Mahalo for the opportunity to submit testimony.

"We're all about FAMILY"

Mission: Strengthening Families and Fostering the Healthy Development of Children

LATE

The Twenty-Ninth Legislature
Regular Session of 2017

HOUSE OF REPRESENTATIVES
Committee on Finance
Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair
State Capitol, Conference Room 308
Wednesday, March 8, 2017; 9:00 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 100
RELATING TO THE STATE BUDGET**

The ILWU Local 142 **supports** H.B. 100, which appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal year 2017-2018 and 2018-2019. In particular, the ILWU supports funding for:

1. **Kupuna Care** – an additional \$4.2 million to the \$4.8 million base amount for a total of \$9 million;
2. **Aging and Disability Resource Center (ADRC)** – an additional \$1.7 million to the base amount of \$3.3 million for a total of \$5 million; and
3. **Long-Term Care Ombudsman** -- \$100,000.

These three programs are vital to the well-being of elderly and disabled individuals in our community.

Kupuna Care is widely recognized as an effective program to keep seniors living at home (as most prefer) for as long as possible. By providing Kupuna Care services, such as personal care, homemaking, chore, home-delivered meals, adult day care, case management, assisted transportation, regular transportation, and attendant care, the State is able to assist kupuna to remain in the community and avoid institutionalization, which can be costly for the elderly person, his/her family, and the State, which is responsible for half the Medicaid dollars that support many in long-term care.

The **ADRCs** in each county are “one-stop shops” to assist caregivers and the elderly and disabled themselves to navigate and access needed services and resources, allowing them to continue to live in their own homes

The **Long-Term Care Ombudsman** program is tasked with visiting 1,702 long-term care facilities statewide and addressing concerns raised by patients and their families. However, the program now has only one staff person. The nominal appropriation would increase staffing to provide one person for each island to ensure that more vulnerable adults in long-term care facilities will have their voices heard and their needs addressed.

The ILWU urges passage of H.B. 100. Thank you for the opportunity to offer testimony on this important issue.



PARTNERS IN CARE Oahu Continuum of Care

LATE

Partners in Care is a coalition of Oahu's homeless service providers, government representatives and community stakeholders working together in partnership to end homelessness.

TESTIMONY ON HB 100: RELATING TO THE STATE BUDGET

TO: Rep. Sylvia Luke, Chair; Rep. Ty J.K. Cullen, Vice Chair; and Members,
Committee on Finance
RE: **HB 100 IN STRONG SUPPORT**
FROM: Marya Grambs, Secretary of the Advocacy Committee, Partners in Care
Hearing: **Wednesday, 3/8/17; 9:00 am; Room 308**

Chair Luke, Vice Chair Cullen, and Members, Committee on Finance:

Thank you for the opportunity to provide testimony **in strong support** of multiple items in HB 100. I am Marya Grambs, Secretary of the Advocacy Committee of Partners in Care (PIC).

Partners in Care is a coalition of homeless service providers and many others in the community on Oahu dedicated to ending homelessness. HB 100 would create the most needed next steps: enhanced **Outreach**, including **diversion** of homeless from the criminal justice system; **Housing First** as well as **rental subsidies for Rapid Rehousing** to prevent homelessness, and ongoing rental subsidies for working homeless and others to achieve self-sufficiency. Lastly, significant funding for the creation/maintenance of **affordable rental units** that are safe and decent are critical to successfully end homelessness.

PIC strongly supports the following funding which will create a range of options to significantly reduced homelessness in our state:

- **HMS 222, 100-001**: Funds for ongoing rental subsidies for the homeless in the State Rent Supplement Program at the Hawaii Public Housing Authority; adds 7 permanent positions for State Rent Supplement Program: \$7,000,000
- **HMS 224, 100-001**: Funds for Housing First Program: \$3,000,000
- **HMS 224, 101-001**: Funds for homeless outreach: \$1,500,000
 - Including \$300,000 for youth outreach
- **HMS 224, 102-001**: Funds for Rapid Rehousing: \$2,500,000
- **HMS 224, 151-001**: Funds for legal services to homeless: \$ 500,000
- **HTH 420, 100-001**: Funds for homeless individuals with serious and persistent mental health challenges: \$1,000,000
- **HTH 440, 105-001**: Funds for outreach and counseling services for chronically homeless individuals and families with severe substance use disorders: \$ 800,000
 - Includes \$200,000 for a LEAD pilot project
- **BED 160**: Rental Housing Revolving Fund infusion: \$50,000,000 (CIP)
- **BED 160**: 902 Alder Street, Honolulu, Oahu Project: \$15,000,000 (CIP)
- **HMS 220**: Hawaii Public Housing Authority for housing development, improvements, renovations, statewide: \$50,000,000 (CIP)



PARTNERS IN CARE Oahu Continuum of Care

Partners in Care is a coalition of Oahu's homeless service providers, government representatives and community stakeholders working together in partnership to end homelessness.

- **HMS 220:** Public housing vacant unit repairs/renovations, statewide: \$4 million (CIP)
- **HMS 220:** Public housing security improvements, statewide: \$5 million (CIP)

Partners in Care urges you to support the above funding, including putting the \$3 million for Housing First in the base budget of the Department of Human Services. After more than a decade, chronically homeless people are finally successfully entering permanent housing with Housing First. This program not only addresses the most visible homeless on our streets, it can save millions in public costs. The 2016 UH Center on the Family study found a 43% drop in healthcare costs after just 6 months for homeless people in a state Housing First program, resulting in savings of about \$4,590 per person per month. If extrapolated out to the 500 people estimated to be serviced by City/State HF programs this year, this **saves nearly \$2.3 million per month in public costs**.

Partners in Care also wants to highlight the importance of **Youth Outreach and the Alder Street Project**: Children living alone on the streets is a tragedy. Outreach to unaccompanied homeless youth is essential to help these often “hidden homeless” kids who are living in perilous and life threatening situations. A shelter is desperately needed to house runaways and homeless kids who are minors. The \$15 million for the **Alder Street** project would provide the juvenile service center and shelter that is essential to help turn around the lives of these children. Additionally, with this funding in place, the State could proceed with a 180 unit affordable family rental project. Family rentals in the urban core would help the State reach its goal to produce 22,500 affordable rental units in the next 10 years.

Partners in Care further highlights the strategic importance of funding for **Rapid Rehousing and ongoing shallow rent subsidies** to the homeless through the State Rent Supplement Program (HPHA). Short term help with rent can prevent families from falling into homelessness. Since Aloha United Way and its partner service providers began offering this help in April 2016, **court cases for evictions on Oahu have decreased by 25%!** We must stop the flow INTO homelessness.

Ongoing **rent subsidies** are also essential to rapidly house homeless who linger on the streets simply due to their low incomes. Almost 20% of homeless families are working. Seniors and disabled have stable incomes but homeless like these are priced out of the housing market. They are ready to rent, without need for intensive services, but need an ongoing shallow rent subsidy to fill the gap between their incomes and Hawaii's rents. The **State Rent Supplement Program** can provide this rental assistance to quickly move these homeless into permanent housing. Besides funding for subsidies, HPHA needs the additional seven positions requested in the budget to serve the influx of homeless and quickly enable the subsidies to flow to landlords to house the homeless.

We thank you for your ongoing support and dedication to ending homelessness.



LATE

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www.hawaiiireengrowth.org

Hawai'i Green Growth is a public-private partnership that catalyzes action across government, private sector and civil society to achieve Hawai'i's Aloha+ Challenge 2030 sustainability goals and serve as a model for integrated green growth

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Testimony of Hawai'i Green Growth In Support of HB100 Relating to the State Budget House Committee on Finance 08 March 2017, 9:00 am, Room 308

Aloha Chair Luke, Vice Chair Cullen, and Members of the Committee:

Hawai'i Green Growth strongly supports four critical items in HB100 that will significantly advance action on the Aloha+ Challenge – a joint leadership commitment to six sustainability 2030 goals unanimously endorsed by the State Legislature (SCR 69) and signed by Hawai'i's Governor, Mayors and Office of Hawaiian Affairs. The *Aloha+ Challenge* outlines ambitious statewide goals in clean energy, local food, natural resource management, solid waste, smart sustainable communities, and green workforce and education, and has been recognized internationally as model that can be scaled to support the implementation of the United Nations 2030 Sustainable Development Goals and Paris Climate Agreement.

As a diverse public-private partnership, Hawai'i Green Growth partners agreed the following State Budget items across diverse agencies are top priority investments for Hawai'i's people, environment and economy:

- **Vector Control:** Restore 12 positions to the Department of Health for vector control on the spread of animals like mosquitoes and rodents that have the potential to carry diseases such as Zika, Dengue, and other public health risks. The outbreak of Dengue on Hawai'i Island and increased threats from Zika and other mosquito vector diseases have highlighted the critical need to restore the state's capacity to adequately respond to current and new threats that impact community health and safety.
- **Watershed Protection & Recharge:** \$8M for the Department of Land and Natural Resources to protect forests that recharge freshwater supplies, reduce climate change impacts such as flooding and other disasters, and provide cultural, recreational and economic benefits to the health of Hawai'i's people and economy. This includes \$7.5M annually for watershed protection, in addition to \$500K for operational funding to maintain newly protected watershed forests.
- **Rapid 'Ōhia Death:** Funding for the Department of Land and Natural Resources to support critical research and action on the devastating new fungal disease impacting native 'ōhi'a forests, priority watershed areas and cultural resources. Surveys conducted in 2016 estimate that 50,000 acres have been infected. The partnership supports funding, research and a coordinated response effort to address this urgent threat, as part of the broader Hawai'i Interagency Biosecurity Plan.
- **Agricultural Loan Program:** \$5M for the Department of Agriculture's Agricultural Loan Program to provide opportunities for local growers and decrease reliance on imported food.

LATE

**The Trust For Public Land's Testimony In Support of HB 100
Relating To The State Budget**

House Committee on Finance, Conf. Room 308
Wednesday, March 8, 2017, 9:00 a.m.



HAWAII

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Jon Wallenstrom
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Carol Wilcox
Author

Aloha Chair Luke, Vice Chair Cullen, and Committee Members:

The Trust for Public Land strongly supports increased funding for the Department of Land and Natural Resources to manage watersheds that produce our clean drinking water, recover rare and endangered plant and animal species found nowhere else in the world, and provide outdoor recreation experiences for residents and visits, and other DLNR programs.

Specifically, we support the Governor's request for a one time increase of the Legacy Land Conservation Program (LNR 101) spending ceiling of \$2,228,250 for FY18 to restore FY15 funds that are currently unappropriated but were not encumbered due to staff vacancies, and a permanent increase of the spending ceiling of \$1.7 million in the spending ceiling for the Legacy Land Conservation Program.

FY18 \$9,028,250 spending ceiling (\$5.1 million existing spending ceiling limit + \$2,228,250 FY15 restoration + \$1.7 million permanent increase)

FY19 & later \$6.8 million spending ceiling (\$5.1 existing spending ceiling limit + \$1.7 million permanent increase)

One time increase needed. In the last few years, the Legislature has imposed a \$5.1 million annual spending ceiling on the up to 10% conveyance tax allocation allowed for the Legacy Land Conservation Program. Multiple DLNR program vacancies inadvertently resulted in a failure to timely encumber FY15 funds for approved projects (also approved by the Senate President and Speaker of the House) -- a total of \$2,228,250. These monies remain in the Legacy Land Conservation Fund, but are unspent and are not appropriated for other purposes. To restore the FY15 funds so that FY15 projects and pending FY17 applications are not affected, DLNR is requesting (and the Governor's budget includes) a one-time spending ceiling increase in FY18 of \$2,228,250 -- restoring the unencumbered and previously approved FY15 funds. If these funds are not restored through this one-time spending ceiling increase, **EITHER** FY15 projects from Kaua'i, Hawai'i Island, Moloka'i, and O'ahu **OR** the projects that have applied for funding for FY17 (Hawai'i Island and Maui) could be adversely affected. DLNR has notified current applicants that FY17 funds may be used to pay FY15 grants, leaving as little as \$771,750 available to the five FY17 proposed projects from Hawai'i Island and Maui seeking a total of \$6,596,860.



Permanent increase needed. In addition, the Governor/DLNR is requesting a permanent spending ceiling increase of \$1.7 million for FY18 and subsequent years. The permanent increase is needed because: (1) there are many more worthy projects (the majority from the neighbor islands) that apply for funding than there is funding available, (2) delays in securing Legacy funding are jeopardizing substantial matching federal and private funds, and (3) neighbor island projects are the most affected by the lack of additional funding.

Applicants for FY17 funds illustrate how there are many more worthy projects that apply for funding than there is funding available. Land in Hawai'i is expensive. In FY17, five projects (not including Turtle Bay Makai) from Hawai'i Island and Maui requested a total of \$6,596,860 funds – these projects are all compelling and propose conserving coastal landscapes, cultural sites, native sandalwood, koa, and mamane forests, historically important taro lo'i, and threatened agricultural land that could be used for community building and rehabilitative programs. There are many more worthy projects, the majority from the neighbor islands, than funds available. The attached chart summarizes past Legacy project sand the benefits to neighbor islands.

In addition, the limited funding means that projects take longer to secure state/local funds – jeopardizing federal and private grants that are expiring. For example, a State DLNR Hawai'i Island project in Hāmakua at Kūka'au Ranch that has secured federal funding from the U.S. Fish and Wildlife Service and the National Wildlife Federation totaling \$1.7 million is in jeopardy of losing those funds because the grants and extensions are expiring in June 2017, and Legacy funding is insufficient to fund this project in FY17 (if the spending ceiling is not raised).

Mahalo for this opportunity to testify. I regret that I cannot make attend the hearing in person due to a prior commitment.

Me ke aloha,


Lea Hong
Hawaiian Islands State Director
Edmund C. Olson Trust Fellow

LEGACY LAND CONSERVATION PROGRAM

O'AHU	MAUI, MOLOKA'I, LĀNA'I, KAHŌ'OLAWĒ	KAUA'I	HAWAI'I ISLAND
1) Ka Iwi Coast Mauka Lands Acres: 181.14 Grant Amount: \$1,000,000	1) Pua'ahala Watershed Acquisition Acres: 800 Grant Amount: \$855,625	1) Kaluanono at Waipa Acres: 1.8 Grant Amount: \$398,250	1) Wai'opae Acres: 322.167 Grant Amount: \$1,330,000
2) Pūpūkea Mauka Acres: 3,716 Grant Amount: \$416,125	2) Kaluaaha Ranch Conservation Easement Acres: 969 Grant Amount: \$500,000	2) Black Pot Acres: 0.738452 Grant Amount: \$800,000	2) Kuamo'o Acres: 47 Grant Amount: \$3,000,000
3) Helemano Acres: 1,613 Grant Amount: \$350,000	3) Kainalu Acres: 614 Grant Amount: \$500,000	3) Kahili Beach Acres: 20.532 Grant Amount: \$700,000	3) Acquisition of Buffer for Ulupo Heiau Acres: 3.44 Grant Amount: \$1,000,000
4) Ho'oulu Ola Acres: 11.44 Grant Amount: \$900,000	4) Kawaikapu Acres: 196.4 Grant Amount: \$767,976	4) Kainalu Acres: 167 Grant Amount: \$1,100,000	4) Kahuku Coastal Property Acres: 3,127.95 Grant Amount: \$621,245
5) Hakipu'u Lo'i Kalo Acres: 1.5 Grant Amount: \$350,000	5) Nu'u Acres: 81.447 Grant Amount: \$994,724		5) Kaiholena South Acres: 34.63 Grant Amount: \$1,449,555
6) Ka'ena Point NAR Cove Extension Acres: 0.75 Grant Amount: \$86,450	6) Kahanu Acres: 169.87 Grant Amount: \$1,500,000		6) Kuka'iau Ranch Forest Legacy CE Project Extension Acres: 3,688 Grant Amount: \$600,000
7) Maunawila Heiau Acres: 9.08 Grant Amount: \$650,000			7) Maka'i Kamakani O Kohala Acres: 27.546 Grant Amount: \$975,000
8) Kalauo Valley Acres: 635 Grant Amount: \$192,750			8) Kaiholena Acres: 2.107 Grant Amount: \$1,432,000
9) Turtle Bay Mauka Acres: 469 Grant Amount: \$1,500,000			9) KHS II Acres: 469 Grant Amount: \$255,592
10) Hāwea Acres: 5 Grant Amount: \$325,000			10) Pao'o Acres: 10.61 Grant Amount: \$945,000
11) Turtle Bay Makai Acres: 630 Grant Amount: \$1,500,000 per year			11) Lapakahi Acres: 17.05 Grant Amount: \$1,250,000
			12) Kukuipahu Acres: 7 Grant Amount: \$7,000
			13) Hamakua Acres: 65.56 Grant Amount: \$450,000
			14) Kawa II Acres: 550.871 Grant Amount: \$1,500,000
			15) Kawa I Acres: 234.293 Grant Amount: \$1,214,750
			16) Uchida Farm Acres: 5.536 Grant Amount: \$287,250
			17) Kipuka Kanohina Acres: 3 Grant Amount: \$45,375
			18) Hilo Forest Reserve Acres: 1,336.25 Grant Amount: \$380,000
TOTAL # OF PROJECTS: 11 TOTAL ACRES: 7271.91 TOTAL \$: \$7,270,325	TOTAL # OF PROJECTS: 6 TOTAL ACRES: 2830.72 TOTAL \$: \$5,118,325	TOTAL # OF PROJECTS: 4 TOTAL ACRES: 190.07 TOTAL \$: \$2,998,250	TOTAL # OF PROJECTS: 18 TOTAL ACRES: 9952.01 TOTAL \$: \$16,742,767

* DOES NOT INCLUDE LAPSED FUNDING

LEGACY LAND CONSERVATION PROGRAM
O'AHU/ NEIGHBOR ISLAND COMPARISON

O'AHU		NEIGHBOR ISLANDS	
TOTAL # OF PROJECTS:	11	TOTAL # OF PROJECTS:	28
TOTAL ACRES:	7271.91	TOTAL ACRES:	12972.8
TOTAL \$:	\$7,270,325	TOTAL \$:	\$24,859,342



HPCCA

HAWAII PRIMARY CARE ASSOCIATION

LATE

TESTIMONY TO THE HOUSE COMMITTEE ON FINANCE

Wednesday, March 8, 2017, 9:00 a.m.

State Capitol, Conf. Room 308

RE: SUPPORT FOR HOUSE BILL NO. 0100, RELATING TO THE STATE BUDGET (REINSTATEMENT OF ADULT DENTAL COVERAGE FOR MEDICAID ENROLLEES -- HMS401)

Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Robert Hirokawa and I am the Chief Executive Officer of the Hawaii Primary Care Association (HPCCA), 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 (Federally Qualified Health Center) throughout the State of Hawaii. The HPCCA urges the reinstatement of adult dental coverage for Medicaid enrollees by funding the Governor's request under Line Item HMS401 of House Bill No. 100.

The reinstatement of adult dental benefits to Medicaid enrollees is a priority of the Ige Administration, and as such, general fund appropriations in the amounts of \$4,704,480 for fiscal year 2017-2018, and \$9,408,960 for fiscal year 2018-2019, have been requested in House Bill No. 100, Line Item HMS401. Staying consistent with our position from last year, the HPCCA supports funding in these amounts.

However, recent circumstances have prompted the HPCCA to further clarify its position concerning the reinstatement of adult dental benefits for Medicaid enrollees. In 2013, the Ninth Circuit Court of Appeals opined in *California Association of Rural Health Clinics v. Toby Douglas, Director of the California Department of Health Care Services*, (2013 WL 5184355 (Ninth Cir. 2013)), that California legislation eliminating coverage for certain healthcare services, including adult dental, podiatry, optometry, and chiropractic services, conflicted with the Medicaid Act and was therefore invalid.

As in *Douglas*, we contend that the provision of adult dental services at a FQHC is an entitlement that necessitates coverage under Hawaii's Medicaid Program. To initiate discussions that would address the entitlement recognized by the Ninth Circuit in *Douglas* while staying consistent with our position to reinstate the level of benefits provided prior to 2009, we suggest as a starting point the amount requested by Governor Ige in House Bill No. 100 (HMS401), be reduced to the percentage of adult Medicaid patients served in Hawaii's FQHCs, or approximately

Testimony on House Bill No. 100
March 8, 2017
Page 2

33 percent. While this does not address claims that may result from the denial of benefits since 2009, at the very minimum, it would seek to address the situation moving forward. And should the Legislature in its wisdom agree to fund adult dental services at 2009 benefit levels at FQHCs, benefit levels or expansion of coverage could be a matter of discussion at a later time.

However, the reduced amount proposed should be construed solely as a potential “floor” of the benefits entitled under the *Douglas* decision. HPCA continues to support full reinstatement of adult dental coverage to all Medicaid enrollees and not just those who utilize services provided at FQHCs.

In addition, please note that we expect that the reinstatement of these much-needed benefits will result in an increase in utilization. There are many people in urgent need of dental services right now who are probably not coming to FQHCs because of the limited dental services that FQHCs can presently afford to offer.

For these reasons we **SUPPORT** House Bill No. 0100 and urge your favorable consideration of our request.

Thank you for the opportunity to testify. I'd be happy to answer any questions you may have.

LĀNA'Ī COMMUNITY HEALTH CENTER

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Lāna'ī City, HI 96763-0142



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dshaw@lanaicommunityhealthcenter.org

The Community is our Patient -- men, women, children, uninsured, insured!

The Hon. Sylvia Luke, Chair
The Hon. Ty Cullen, Vice Chair

LATE

**Testimony on House Bill No. 0100
RELATING TO THE STATE BUDGET.
Wednesday, March 8, 2017, 9:00 a.m.
State Capitol, Conf. Room 308**

Chair Luke, Vice Chair Cullen, and Members of the Committee:

I am writing in strong support of HB0100. I am requesting that funding be provided for House Bill No. 0100 to reinstate adult dental services for Medicaid enrollees in the State of Hawaii by funding the Governor's request for Line Item HMS401.

In 2015, the Department of Health (DOH) released a report entitled *Hawaii Oral Health: Key Findings*, which revealed that Hawaii has an enormous shortfall in the area of dental benefits. Among other things, DOH found that:

- (1) From 2009 to 2011, only 41% of pregnant women, 29% of pregnant low-income women, and 27% of women in Medicaid or QUEST visited a dentist during their pregnancy;
- (2) In 2012, 52% of low-income adults saw a dentist as compared to 82% of higher income adults;
- (3) In that same year, 51% of low-income adults lost teeth due to dental disease, while only 32% of high-income adults did; and
- (4) From 2006 to 2012, there was a 67% increase in emergency room visits for dental problems, accounting for a \$4.5 million increase, bringing total expenditures for such visits alone to \$8.5 million.

Further, the DOH outlined a number of measures that could greatly improve the oral health status of Hawaii's residents. Foremost among them was the continued support and expansion of preventative dental care to low-income populations, best achieved through the restoration of adult dental services in Medicaid.

E Ola nō Lāna'ī
LIFE, HEALTH, and WELL-BEING FOR LĀNA'Ī

This issue is of special importance to all community health centers because a majority provide dental services. Between 2007 and 2015, the number of patients receiving dental care at community health centers more than doubled, rising from 20,000 patients to over 40,000. As 57% of community health center patients are enrolled in either Medicaid or CHIP Programs, this bill will provide much needed funding and sustainability for services to the most needy in the State.

Additionally, Lāna'i Community Health Center is a staunch believer in the social determinants of health, those economic and social conditions that influence an individual and a community's health status. The inclusion of funding to Line Item HMS401 for adult dental services would provide additional benefits to both individuals and the community as a whole by making it easier for individuals to obtain employment, reduce absenteeism to school or work, and improving social standing.

Thank you for the opportunity to testify. I'd be happy to answer any questions you might have.

A handwritten signature in dark ink, appearing to read 'D.V. Shaw', with a long, sweeping flourish extending to the right.

D. V. Shaw, PhD, MPH, MBA, FACMPE
Executive Director

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March 8, 2017

The Honorable Sylvia Luke, Chair
House Committee on Finance
Twenty-Ninth Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

LATE

Dear Representative Luke and Members of the Committee:

SUBJECT: HB 100 - RELATING TO THE STATE BUDGET

The Hawaii Self-Advocacy Advisory Council (SAAC) **STRONGLY SUPPORTS HB 100** relating to the specific budget items noted below. The purpose of this measure is to appropriate funds for the operating and capital improvement budget of the Executive Branch for fiscal years (FY) 2017-2018 and 2018-2019.

- HTH 905 – Developmental Disabilities Council, Page 31, Item No. 23. The reason we support the DD Council is they have supported us to do self-advocacy activities. By helping us learn new skills and giving us the confidence to take risks, we are becoming contributing members of our communities. We have learned how to support each other and have become less dependent upon needing a 1:1 worker. Also, within the budget worksheet on Page 529 of 1018, SEQ# 80-001 to convert the Program Specialist IV – Developmental Disabilities position from temporary to permanent for self-advocacy activities. This position helps self-advocates and is important to us because it has helped us grow from a dozen of us to 189, statewide. We have learned to have control over our own lives by learning how to make informed choices and decisions. We have also learned leadership skills and trained other self-advocates on how to provide informational sessions, trainings, workshops, learning workbooks to transition teachers, students, agencies who support individuals with disabilities and state case managers/social workers.
- HTH 501-Developmental Disabilities, Page 29, Item No.16. We support funding for the DD Division because they have closed the institution and allow us to live in our communities and receive the right amount of supports to build our independence. It is also important to add funds for the rebased provider payment rates as outlined in the budget worksheet on Page 463 of 1018, SEQ# 101-001. The provider agencies need this rate increase to assure their workers are paid a salary they can live off of. Several of the self-advocates get stuck in day programs because there are not enough workers to provide 1:1 services in their community. By giving a person a chance to learn new skills and to have a goal to get a job, they will no longer be dependent upon a system. Hopefully with the higher rates there will be more workers to support us.

Thank you for the opportunity to submit testimony in **strong support of HB100.**

Sincerely, *Renee Manfredi*

Renee Manfredi
President

HAWAII ACTION ACADEMY



310.962.8081

actionspecialist@gmail.com

73-4855 Kanalani Street
Kailua-Kona, HI
96740

LATE

February 22, 2017

To whom it may concern,

Hawaii Action Academy would not have been built without the funding and existence of the GVS Accelerator and Honua Studios.

For fifteen years I've been working as a professional stuntman in the film and television industry. My most recent work was doubling Ryan Reynolds as Deadpool, Chris Evans as Captain America: Civil War and playing 'Bagheera' (the panther) in The Jungle Book. All of which were three of the five top grossing films in 2016. Inspired by the vision to build up the film industry on the Big Island of Hawaii spearheaded by David Cunningham out of Honua Studios and GVS Accelerator, I moved to Kona with my family in 2013. Since then, I have been pursuing to help train up the Talent on the Big Island of Hawaii which include actors, extras and aspiring stunt performers. In 2015 as stunt coordinator of the feature film 'Hearts of Men' filmed on the Big Island, it confirmed to me that if we want to keep our Talent safe and create exciting action sequences, we would need to ship over a large amount of stunt equipment. I spent over \$100,000 of my own money in just stunt equipment in 2016 and opened up Hawaii Action Academy in January 2017 located next door to Honua Studios. Hawaii Action Academy has been received well in the Kona community and the youth are learning incredibly quickly because of our quality equipment, instructors and unique training program. Our vision is to provide an ongoing training curriculum for aspiring action performers in the film & television industry. This self funded vision to train up Talent for the film industry compliments the vision of Honua Studios and GVS Accelerator to make movies in Hawaii for the world. I have personally invested close to \$200,000 of my own money in the last two years to make this vision happen and I wouldn't have started without the attraction of the Accelerator program. We currently have two employees and actively looking to hire another handful of instructors and assistant managers to expand our hours of operation and to meet the growing demand of our clients.

As a Kailua-Kona entrepreneur I am in support for continuing funding towards the GVS Accelerator program as it directly affects my business. Thank you for your consideration and please call me at 310-962-8081 if you have any further questions.

Sincerely,

Adrian Hein

This article published on the front cover of Monday's **WEST HAWAII TODAY** does a good job explaining **THE WORKING RELATIONSHIP OF HAWAII ACTION ACADEMY AND HONUA STUDIOS.**

Please go to:

<http://westhawaii.com/news/local-news/hollywood-stuntman-opens-academy-teaches-high-flying-acrobatic-skills>

LATE

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Testimony of the Big Island Invasive Species Committee
Supporting Invasive Species Programs and Natural Resource Protection in
H.B. 100: Relating to the State Budget
House Committee on Finance
Wednesday, March 5, 2017, 9:00AM, Room 308

Aloha,

BIISC would like to express our support for H.B. 100, which includes continued funding to the Hawaii Invasive Species Council (HISC) to support invasive species prevention, control, research, and education programs statewide. We ask for your strong support for this and other items to fund the implementation of Hawaii's Interagency Biosecurity Plan.

Over the last 20 years on the Big Island, we have seen the extreme impacts on our residential life, our agriculture, and our economy from invasive species. It is past time for Hawaii to implement strong biosecurity protections for our state. Strong, stable funding at state agencies is critical to the success of any invasive species prevention or response plan. Stronger funding for DLNR, HDOA, and the HISC, will allow for stronger collaboration within the state, with local partners like the Watershed Partnerships, the Invasive Species Committees, and the Hawaii Ant Lab, and with our county, federal, and NGO partners.

If one thing is clear from the economic research on invasive species, it is that dollars spent on prevention, early detection, and rapid response are worth hundreds and even thousands more in savings down the line. Imagine, the tiny seedling that in ten short years grows into a giant albizia tree, surrounded by two generations of offspring. Imagine the future costs that can still be avoided by preventing the "next albizia," the next aggressive invader, from arriving in Hawaii. In addition to significant avoided costs, invasive species partnerships leverage state funds to bring in millions of dollars each year from private and federal sources, and have used those dollars to create good jobs in rural areas including Hilo, Volcano, Ka'u, Kamuela, Lihue, Makawao, and Kaunakakai.

We encourage this legislature to signal the state's commitment to strong biosecurity that will protect our critical natural resources and the plants, animals, forests and waters, locally grown produce, and outdoor lifestyle that make Hawaii such a special place to live.

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

Springer Kaye
Manager

LATE

Friends of Hakalau Forest National Wildlife Refuge

P.O. Box 6065

Hilo, HI 96720

Website: FriendsofHakalauForest.org

Email: FriendsofHakalauForest@gmail.com



March 7, 2017

Testimony of the Friends of Hakalau Forest National Wildlife Refuge

Supporting DLNR Watershed and Invasive Species Programs in H.B.100

House Committee on Finance

Wednesday, March 8, 2017, 9:00 am, Room 308

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The Friends of Hakalau Forest National Wildlife Refuge is a nonprofit organization that was formed to promote and support conservation of native forest ecosystems in Hawaii. To be most effective, we work closely with private and public landowners at the statewide level. In this regard, the role played by the State of Hawaii is critically important.

The Friends of Hakalau Forest National Wildlife Refuge strongly supports the priority budget requests of the Department of Land and Natural Resources included within the General Budget Bill HB100. This funding will make possible more effective control of invasive species and ensure continuity of highly successful watershed management programs.

Thank you for the opportunity to comment.

Aloha, Layne Yoshida

President

LATE

Kaua`i Watershed Alliance



Ben A. Dyre Limited Family Partnership, Department of Hawaiian Homelands, Department of Water County of Kaua`i, DLNR – Division of Forestry and Wildlife & Land Management Division, Grove Farm Company, Inc., Jurassic Kahili Ranch, Kamehameha Schools, Kaua`i Ranch LLC, Lihu`e Land Company, McBryde Sugar Company, Ltd., National Tropical Botanical Garden, Princeville Development, LLC

“The Mission of the Kaua`i Watershed Alliance is to PROTECT, PRESERVE and MANAGE our valuable watershed resources for the benefit of our residents, communities and all future generations through the

Testimony of Kauai Watershed Alliance
Supporting DLNR Watershed and Invasive Species Programs in
H.B. 100 Relating to the State Budget
House Committee on Finance
Wednesday, March 8, 2017, 9:00AM, Room 308

The members of the Kauai Watershed Alliance (KWA) strongly support H.B. 100, particularly the proposed funding to the Department of Land and Natural Resources for watershed management, CIP fencing work, and invasive species prevention, control, research, and education programs and activities.

The Mission of KWA is clearly stated and its members recognize the necessity of natural resource stewardship. We understand that the source of our pure water is a system of healthy native forested watersheds which capture rain and cloud moisture and deliver it efficiently to aquifers and surface sources for subsequent consumption in our daily lives and for the benefit of our island economy.

Current Projects:

- East Alakai (summit) Management Unit – 2000 ac. State & Private land - Area is ungulate free and now being monitored with game cameras, transects and area swept bi-annually w/ dogs
- Wainiha Valley Management Unit – 4,000 ac. Private land – last feral pigs removed in 2017
- Halehaha Management Unit 1,350 ac. State land – A protective fence was completed in February 2017
- Alakai Plateau ongoing invasive weed control - Over 10,000 acres are being managed to suppress or eliminate Australian Tree Fern, Strawberry Guava, **Himalayan Ginger & Clydemia (Kostner’s Curse)**.

The KWA has several projects in need of funding for continued Watershed protection. Watershed Partnerships work hard to secure private, county and federal funds in addition to the State of Hawaii's critical role in helping to fund these important projects. Our natural resources and water resources (native forested watersheds) can be taken for granted, however these resources require all of our foresight and support!

Thank you for consideration.

Sincerely,

Arryl Kaneshiro, Chairman



Kaua`i Watershed Alliance

Ben A. Dyre Limited Family Partnership, Department of Hawaiian Homelands, Department of Water County of Kaua`i, DLNR – Division of Forestry and Wildlife & Land Management Division, Grove Farm Company, Inc., Jurassic Kahili Ranch, Kamehameha Schools, Kaua`i Ranch LLC, Lihu`e Land Company, McBryde Sugar Company, Ltd., National Tropical Botanical Garden, Princeville Development, LLC

“The Mission of the Kaua`i Watershed Alliance is to PROTECT, PRESERVE and MANAGE our valuable watershed resources for the benefit of our residents, communities and all future generations through the



1110 Nuuanu Avenue | Honolulu, Hawaii 96817 | (808) 497-7466

LATE

March 7, 2017

Chair Luke, Vice Chair Cullen and Members of the Committee on Finance:

Reef Capital Ventures would like to express our **strong support** for increased funding for the **HI Growth Initiative via BED 145 Sequence #100-001**, as proposed in Governor Ige's budget.

The HI Growth Initiative has been instrumental in jumpstarting Hawaii's entrepreneurial ecosystem and supporting its development into the vibrant community it is today. All of these activities were catalyzed by the strategic investments of the HI Growth Initiative. The entrepreneurial ecosystem has experienced immense growth thanks to these investments, as well as others in the development of workforce and infrastructure for an innovation economy. These distinct, but complementary efforts include the 80/80 Initiative as well as University of Hawaii's slate of technical and entrepreneurial programs. The growth and development of Hawaii's innovation economy are further supported and championed by the Hawaii Business Roundtable and Chamber of Commerce of Hawaii, as evidenced by their respective reports over the last couple of years.

As a Hawaii-based fund and member of the Startup Paradise community, Reef Capital Ventures is committed to investing in and helping to keep innovative startup businesses growing and profitable here in Hawaii.

Continued funding of the HI Growth Initiative is paramount to the expansion of Hawaii's innovation economy. Venture capital is a necessary source of capital for innovative startups, allowing them to grow and scale. The HI Growth Initiative will continue to help make more of this type of capital available to Hawaii startups, as well as continue to invest in the critical components necessary for our innovation economy.

We humbly ask for your continued support of the HI Growth Initiative. Thank you for the opportunity to provide testimony on this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Lauren Primiano", written in a cursive style.

Lauren Primiano
Managing Partner
Reef Capital Ventures



West Maui Mountains Watershed Partnership

February 27, 2017

LATE

West Maui Mountains
Watershed Partnership
P.O. Box 13240
Lahaina, Hawai'i
96761
Phone (808) 661-6600
Fax: (808) 661-6604

Watershed Partners

County of Maui

Dept. of Land &
Natural Resources

Kahoma Land
Holdings, LLC

Ka'anapali Land
Company, LLC

Kahoma Land, LLC

Kamehameha Schools

Makila Land Co., LLC

Maui County
Department of Water
Supply

Maui Land &
Pineapple
Company Inc

Wailuku Water Co.
LLC

The Nature
Conservancy

Supporting H.B. 100/S.B. 192 Relating to the State Budgets for Watershed and Invasive Species Work

Aloha Legislators,

The West Maui Mountains Watershed Partnership supports H.B. 100/S.B. 192, particularly the proposed funding to the Department of Land & Natural Resources for watershed management, CIP fencing work, and invasive species prevention, control, research, and education programs and activities. Please also see testimony submitted in support of provisions within this bill by Department of Land and Natural Resources Chairperson, Suzanne Case.

Our partnership has been in existence since 1998 and recognizes the necessity of natural resource stewardship. We understand that the source of our pure water is a system of healthy forested watersheds. These lands and their native cover capture rain and cloud moisture and deliver it efficiently to aquifers and surface sources. Subsequent consumption enhances every aspect of our daily lives and benefits all sectors of our island economy.

Since our beginning, we have constructed over 22 miles of fence which protects over 29,000 acres of prime source water recharge areas. We have seen firsthand how our work is allowing the forest to recover. In the past two years alone we have increased our management footprint by 11%. Moving forward, we need support to fence and prevent further degradation to the remaining 39% of prime watershed lands. Your support is also needed to sustain current management and remove water thirsty invasive weeds. All this work is performed by technically trained residents who believe it is their privilege and kuleana to safeguard this land and its resources for future generations. We can attest to the difference they make every day.

The DLNR Division of Forestry and Wildlife's budget request seeks base operating and CIP funding for the protection of not only our native forests, but the source of nearly all the islands' fresh water. The watershed protection and invasive species programs supported with State funds are leveraged at least 3 times over with county, federal and private sources. Please help us ensure our further success and the perpetuation of natural resources that are critical to our islands.



House Committee on Finance
The Hon. Sylvia Luke, Chair
The Hon. Ty Cullen, Vice Chair

LATE

**Testimony on House Bill No. 0100
RELATING TO THE STATE BUDGET.
Wednesday, March 8, 2017, 9:00 a.m.
State Capitol, Conf. Room 308**

Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Mary Frances Oneha and I am the Chief Executive Officer of Waimānalo Health Center. I am requesting that funding be provided in House Bill No. 0100 to reinstate adult dental services for Medicaid enrollees in the State of Hawaii by funding the Governor's request for Line Item HMS401.

The Waimānalo Health Center has consistently supported and continues to provide strong support to restore basic adult dental benefits to Medicaid enrollees. Waimanalo Health Center's Dental Clinic continues to see a high percent of uninsured adults and an increase in dental emergencies.

In 2015, the Department of Health (DOH) released a report entitled "Hawaii Oral Health: Key Findings", which revealed that Hawaii has an enormous shortfall in the area of dental benefits. Among other things, DOH found that:

- (1) From 2009 to 2011, only 41% of pregnant women, 29% of pregnant low-income women, and 27% of women in Medicaid or QUEST visited a dentist during their pregnancy;
- (2) In 2012, 52% of low-income adults saw a dentist as compared to 82% of higher income adults;
- (3) In that same year, 51% of low-income adults lost teeth due to dental disease, while only 32% of high-income adults did; and
- (4) From 2006 to 2012, there was a 67% increase in emergency room visits for dental problems, accounting for a \$4.5 million increase, bringing total expenditures for such visits alone to \$8.5 million.

Further, the DOH outlined a number of measures that could greatly improve the oral health status of Hawaii's residents. Foremost among them was the continued support and expansion of preventative dental care to low-income populations, best achieved through the restoration of adult dental services in Medicaid.

This issue is of special importance to all community health centers because a majority provide dental services. Between 2007 and 2015, the number of patients receiving dental care at community health centers more than doubled, rising from 20,000 patients to over 40,000. As 57% of community health center patients are enrolled in either Medicaid or CHIP Programs, this bill will provide much needed funding and sustainability for services to the most needy in the State.

Additionally, Waimānalo Health Center is a staunch believer in the social determinants of health, those economic and social conditions that influence an individual and a community's health status. The inclusion of funding to Line Item HMS401 for adult dental services would provide additional benefits to both individuals and the community as a whole by making it easier for individuals to obtain employment, reduce absenteeism to school or work, and improve social standing.

Thank you for the opportunity to testify.



Wai Maoli

HAWAI'I FRESH WATER INITIATIVE

827 Fort Street Mall | Honolulu, HI 96813 | (808) 537-6333

HawaiiCommunityFoundation.org

LATE

Fresh Water Council Members

William Aila

Stephen Anthony*

Michael Buck

Suzanne Case

Reginald Castanares

Meredith Ching

Derek Chow

Ka'eo Duarte

Sumner Erdman

Mark Fox

Thomas Giambelluca

Timothy Johns

Howard Killian

Patrick Kobayashi

Ernest Lau

Keith Okamoto

Jerry Ornellas

Monty Richards

Kapua Sproat

David Taylor

Dennis Teranishi

Barry Usagawa

*US Geological Survey
Liaison/Scientific Advisor to HCF

Testimony of the Hawai'i Fresh Water Council Supporting DLNR Watershed Programs in H.B. 100 Relating to the State Budget House Committee on Finance Wednesday, March 8, 2017 9:00 A.M. Conference Room 308

The Hawaii Fresh Water Initiative strongly supports the current budget allocations of \$2.4M for Watershed Partnerships Programs, the additional request of \$500,000 for watershed protection, and \$7.5M CIP funds for watershed fences to protect and maintain Hawai'i's watershed areas that are the source of our drinking water supply.

The Hawaii Fresh Water Initiative was launched in 2013 and assembled a diverse Fresh Water Council to develop a forward-thinking and consensus-based strategy to increase water security for Hawaii. Our Council jointly and unanimously recommended key strategies and policies with an ultimate goal of creating 100 million gallons per day (mgd) in additional, reliable fresh water capacity by 2030. One of the key strategies to achieve this statewide water goal is to increase water recharge by 30 mgd over the next 15 years by doubling the area of critical protected watersheds to 211,000 acres by 2030.

Protecting healthy native forests and intact watersheds are a good investment:

- Rainfall in Hawai'i has decreased by 18% over the past 30 years—intact forests help us capture more moisture from precipitation and fog drip.
- Half of Hawai'i's original watershed forests have been destroyed, and only 13% of those that remain are currently in active protection.
- UHERO estimated that investing \$43.2M in watershed restoration work in the Ko'olau mountains could result in over \$900M of actual realized water value for O'ahu.

The funding levels currently provided for watershed protection in HB 100 are essential to maintaining progress toward the goal of increasing recharge for the state, and a critical component of a multi-pronged strategy to improve Hawaii's long-term water security.

For these reasons, we strongly support the allocations of \$2.4M for Watershed Partnerships Programs, the additional request of \$500,000 for watershed protection, and \$7.5M CIP funds for watershed fences in H.B. 100, and respectfully request that the Finance Committee maintain or increase these levels in the budget bill.



PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

March 8, 2017

TO: Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair
Members of the Committee on Finance

FROM: Natalie Okeson, Interim Executive Director

SUBJECT: Testimony in Support of HB 100, RELATING TO THE STATE BUDGET

Hearing: March 8, 2017 at 9:00am
Conference Room 308

Chair Luke, Vice Chair Cullen, and Member of the Committee on Finance:

Thank you for the opportunity to provide testimony in strong support of several items included in HB100. I am Natalie Okeson, the Interim Director of PHOCUSED.

PHOCUSED is a nonprofit, nonpartisan organization dedicated to increasing the safety for, visibility of, and investment in the children and adults in Hawaii who are marginalized, impoverished, and under-served. Our organization has been a leading voice in advocating for our state's vulnerable populations since our formation, as the membership of PHOCUSED and our Board of Directors represent many of the major providers of human services across our state. In addition, our organization is a member of Partners in Care and plays a role in the coordinated entry system that many in our community have worked so hard to design and implement.



PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

Our organization believes that, although many strides have been made, Hawaii's ranking as the nation's leader in per capita homelessness demands major, but targeted, investment, as well as action on the part of all community members.

We firmly believe that the priorities identified in HB100 will allow our state to move forward in tackling this critical problem by making those targeted investments towards the three levers of change described in the state's framework to address homelessness.

PHOCUSED strongly supports the following funding, which, when combined, will significantly reduce homelessness in our state:

HMS 222, 100-001: Funds for ongoing rental subsidies for the homeless in the State Rent Supplement Program at the Hawaii Public Housing Authority; adds 7 permanent positions for State Rent Supplement Program:	\$7,000,000
HMS 224, 100-001: Funds for Housing First Program:	\$3,000,000
HMS 224, 101-001: Funds for homeless outreach, including youth outreach:	\$1,500,000
HMS 224, 102-001: Funds for Rapid Rehousing:	\$2,500,000
HMS 224, 151-001: Funds for legal services to homeless:	\$500,000
HTH 420, 100-001: Funds for homeless individuals with serious and persistent mental health challenges:	\$1,000,000
HTH 440, 105-001: Funds for outreach and counseling services for chronically homeless individuals and families with severe substance use disorders:	\$800,000
<ul style="list-style-type: none">Includes \$200,000 for a LEAD pilot project	



PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

BED 160: Rental Housing Revolving Fund infusion:	\$50,000,000 (CIP)
BED 160: 902 Alder Street, Honolulu, Oahu Project:	\$15,000,000 (CIP)
HMS 220: Public Housing Authority for housing development, improvements, renovations, statewide:	\$50,000,000 (CIP)
HMS 220: Public housing vacant unit repairs/renovations, statewide:	\$4 million (CIP)
HMS 220: Public housing security improvements, statewide:	\$5 million (CIP)

These funds are crucial to the successful programs that have been initiated and have begun to make the impactful changes our state is seeking.

Housing First is an incredibly successful and cost-effective approach in finally housing Hawaii's chronically homeless individuals. PHOCUSED respectfully urges you to add the requested \$3 million for Housing First into the Department of Human Services base budget. Our organization must also highlight the importance of the Rapid Rehousing Program, as well as shallow rent subsidies, which our community has seen can have a tremendous impact in preventing people from falling into homelessness.

The State Rent Supplement Program can provide ongoing rental assistance to quickly move Hawaii's homeless into permanent housing for those who are homeless due to the massive gap between wages and rental prices. Over 20% of Hawaii's homeless population is working. Senior citizens and the working poor do not need intensive services in many cases; rather, they need a helping hand in reconciling their low income and skyrocketing rents to avoid homelessness.



PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

In addition, we would like to highlight that outreach is a crucial component of working to house those persons living unsheltered. Without the first contact made through outreach, none of the services related to housing and treatment can be offered. Within HTH 440, 105-001 are funds for outreach and counseling services, as well as for the Law Enforcement Assisted Diversion program. We fully support this program, which is gaining traction and changing lives in our nation's most innovative cities. The critical nature of outreach to the homeless youth population also cannot be overstated, as sixty seven percent of runaway youth are fleeing physical or sexual abuse at home and that one third of those children will find themselves sexually trafficked within 48hours. Coupled with the crucial funding for the Alder Street project, our state can be confident in its efforts to protect these vulnerable adolescents.

As you may have gathered, PHOCUSED encourages the passage of the proposed funding on many grounds, not least of which is the appropriation to the Rental Housing Revolving Fund, as developers have continued to indicate that the RHRF is key to getting projects completed, in order to meet the growing demand for rental units, which has pushed rental prices out of the reach of too many of our community members.

We understand that your committee is heavily burdened with the complex decisions regarding which projects are in need of funding. These are not decision you take lightly. However, we hope that as you deliberate on the funding priorities for the state, that you remain steadfast in your dedication to addressing homelessness in Hawaii. I thank you for the opportunity to submit testimony in support of HB100.

LATE

House Committee on Finance
The Hon. Sylvia Luke, Chair
The Hon. Ty Cullen, Vice Chair

Testimony on House Bill No. 0100
RELATING TO THE STATE BUDGET.
Wednesday, March 8, 2017, 9:00 a.m.
State Capitol, Conf. Room 308

Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is B.J. Ott and I am the Acting CEO of Community Clinic of Maui, Inc. dba Mālama I Ke Ola Health Center. I am requesting that funding be provided in House Bill No. 0100 to reinstate adult dental services for Medicaid enrollees in the State of Hawaii by funding the Governor's request for Line Item HMS401.

In 2015, the Department of Health (DOH) released a report entitled "*Hawaii Oral Health: Key Findings*", which revealed that Hawaii has an enormous shortfall in the area of dental benefits. Among other things, DOH found that:

- (1) From 2009 to 2011, only 41% of pregnant women, 29% of pregnant low-income women, and 27% of women in Medicaid or QUEST visited a dentist during their pregnancy;
- (2) In 2012, 52% of low-income adults saw a dentist as compared to 82% of higher income adults;
- (3) In that same year, 51% of low-income adults lost teeth due to dental disease, while only 32% of high-income adults did; and
- (4) From 2006 to 2012, there was a 67% increase in emergency room visits for dental problems, accounting for a \$4.5 million increase, bringing total expenditures for such visits alone to \$8.5 million.

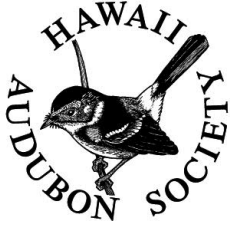
Further, the DOH outlined a number of measures that could greatly improve the oral health status of Hawaii's residents. Foremost among them was the continued support and expansion of preventative dental care to low-income populations, best achieved through the restoration of adult dental services in Medicaid.

This issue is of special importance to all community health centers because a majority provide dental services. Between 2007 and 2015, the number of patients receiving dental care at community health centers more than doubled, rising from 20,000 patients to over 40,000. As 57% of community health center patients are enrolled in either Medicaid or CHIP Programs, this bill will provide much needed funding and sustainability for services to the most needy in the State.

Additionally, [ORGANIZATION] is a staunch believer in the social determinants of health, those economic and social conditions that influence an individual and a community's health status. The inclusion of funding to Line Item HMS401 for adult dental services would provide additional benefits to both individuals and the community as a whole by making it easier for individuals to obtain employment reduce absenteeism to school or work, and improving social standing.

Thank you for the opportunity to testify. I'd be happy to answer any questions you might have.

B.J. Ott, Acting CEO
Community Clinic of Maui, Inc.
Mālama I Ke Ola Health Center
1881 Nani Street
Wailuku, HI 96793
808-872-4018



For the Protection of Hawaii's Native Wildlife
HAWAII AUDUBON SOCIETY

850 Richards Street, Suite 505, Honolulu, HI 96813-4709
Phone/Fax: (808) 528-1432; hiaudsoc@pixi.com
www.hawaiiadubon.org

LATE

THE SENATE
TWENTY-EIGHTH LEGISLATURE
REGULAR SESSION OF 2017

COMMITTEE ON FINANCE
Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair

Wednesday, March 18, 2017
9:00 a.m., Conference Room 308, State Capitol

H.B. No. 100
Relating to the State Budget

Chairperson Luke, Vice Chairperson Cullen, and members of the committee, my name is Linda Paul and I am testifying in favor of H.B. 100 as a volunteer, President of and in behalf of the approximately 2000 members of the Hawaii Audubon Society. Among other expenditures HB 100 authorizes a one-time spending ceiling increase in FY18 to restore the unencumbered and previously-approved FY15 funds for the Legacy Lands Conservation Program that remain in the LLC Fund that were not spent and are not appropriated for other purposes.

The Society also supports the Governor's and DLNR's request for a permanent spending ceiling increase of \$1.7 million for FY18 and subsequent years to support the important and chronically underfunded LLC program. Many of Hawaii's natural resources are lost when private lands are sold and developed. Frequently these lands are the last remnants of vanishing ecosystems and habitats of threatened and endangered species. The ground-nesting pueo on Oahu has been declared endangered because most of its habitat either has been lost to urban development or is about to be lost. The Society itself was the recipient of a private legacy land gift that was specifically purchased to restore and preserve a parcel of rare native dry land seabird habitat on the southern coast of Oahu. Because of that gift and the efforts of many volunteers a colony of wedge-tail shearwaters now thrive among the newly-planted native plants on that parcel. Please pass HB 100 and thank you for giving me the opportunity to testify.

Linda M. B. Paul
808-262-6859



S E A C
Special Education Advisory Council

919 Ala Moana Blvd., Room 101

Honolulu, HI 96814

Phone: 586-8126 Fax: 586-8129

email: spin@doh.hawaii.gov

March 8, 2017

LATE

**Special Education
Advisory Council**

Ms. Martha Guinan, *Chair*
Ms. Dale Matsuura, *Vice Chair*
Dr. Patricia Sheehy, *Vice
Chair*
Ms. Ivalee Sinclair, *Vice Chair*

Ms. Brendelyn Ancheta
Dr. Robert Campbell, *liaison
to the military*
Ms. Deborah Cheeseman
Ms. Annette Cooper
Ms. Gabriele Finn
Mr. Sage Goto
Ms. Valerie Johnson
Ms. Bernadette Lane
Ms. Kaili Murbach
Ms. Stacey Oshio
Ms. Kau'i Rezentos
Ms. Charlene Robles
Ms. Rosie Rowe
Mr. James Street
Dr. Todd Takahashi
Dr. Daniel Ulrich
Mr. Steven Vannatta
Mr. Gavin Villar
Dr. Amy Wiech
Ms. Jasmine Williams
Ms. Susan Wood

Amanda Kaahanui, Staff
Susan Rocco, Staff

Representative Sylvia Luke, Chair
Committee on Finance
State Capitol
Honolulu, HI 96813

RE: HB 100 - Relating to the State Budget

Dear Chair Luke and Members of the Committee,

The Special Education Advisory Council (SEAC), Hawaii's State Advisory Panel under the Individuals with Disabilities Education Act (IDEA), respectfully asks for your favorable consideration of restoring the following items that were removed from the Executive Request in the Governor's Message dated February 7, 2017:

1) **EDN 200 - Add Funds for Seclusion and Restraints Training and Certification (FY 18: \$385,000, FY 19: \$385,000)**

SEQ # 100-001, Budget Worksheet Page 292

This appropriation is vital to the implementation of Act 206. The law provides for all school staff to receive training in the proper use of physical restraints as well as non-violent crisis intervention, and to develop and maintain a database to document all incidents involving the use of restraints. In addition to restoring \$300,000 cut from the Executive Request, SEAC asks that you provide an additional \$85,000 to fund one full-time equivalent position to oversee the provision of training and data collection, and to complete the reporting requirements outlined ACT 206.


2) **EDN 700 - 20 Permanent Positions and Funds for Pre-K Programs (FY 19: \$1,040,593)**

SEQ # 101-001, Budget Worksheet Page 321

These funds will add 20 permanent positions to expand the Pre-Kindergarten Program. SEAC believes that increasing the availability of quality early learning programs will create more opportunities for young children with disabilities to have their school readiness needs met in inclusive settings.

Thank you for the opportunity to provide testimony on this important legislation. If you have questions or concerns, please contact us.

Respectfully,


Martha Guinan
Chair


Ivalee Sinclair
Legislative Committee Chair

LATE

**Testimony on House Bill No. 0100
RELATING TO THE STATE BUDGET.
Wednesday, March 8, 2017, 9:00 a.m.
State Capitol, Conf. Room 308**

Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Sheila Beckham and I am the CEO of Waikiki Health. I am requesting that funding be provided in House Bill No. 0100 to reinstate adult dental services for Medicaid enrollees in the State of Hawaii by funding the Governor's request for Line Item HMS401.

In 2015, the Department of Health (DOH) released a report entitled "*Hawaii Oral Health: Key Findings*", which revealed that Hawaii has an enormous shortfall in the area of dental benefits. Among other things, DOH found that:

- (1) In 2012, 52% of low-income adults saw a dentist as compared to 82% of higher income adults;
- (2) In that same year, 51% of low-income adults lost teeth due to dental disease, while only 32% of high-income adults did; and
- (3) From 2006 to 2012, there was a 67% increase in emergency room visits for dental problems, accounting for a \$4.5 million increase, bringing total expenditures for such visits alone to \$8.5 million.

Further, the DOH outlined a number of measures that could greatly improve the oral health status of Hawaii's residents. Foremost among them was the continued support and expansion of preventative dental care to low-income populations, best achieved through the restoration of adult dental services in Medicaid.

As Hawaii's only recipient of Ryan White HIV/AIDS funding, Waikiki Health knows only too well the impact of poor oral health on health status. Many of our HIV positive patients, are unable to take medication because they cannot eat due to severe loss of dentition. With tooth extraction the only option those on Medicaid are faced with, they have no choice but to have decayed teeth pulled resulting in the inability to chew.

Additionally, Waikiki Health is a staunch believer in the social determinants of health, those economic and social conditions that influence an individual and a community's health status. The inclusion of funding to Line Item HMS401 for adult dental services would provide additional benefits to both individuals and the community as a whole by making it easier for individuals to obtain employment, reduce absenteeism to school or work, and improving social standing.

Thank you for the opportunity to testify. I'd be happy to answer any questions you might have.



LATE

Dear Representative Luke, Representative Cullen and Members of the House Committee on Finance:

My name is James Kilgore and I am the Executive Director of Full Life. Full Life is a non-profit organization serving people with developmental disabilities and their families on Hawai'i Island for the nearly 17 years. I am writing to provide support to the following budget item in **HB 100 scheduled for hearing on March 8th, 2017 at 9:00AM:**

HTH 501 – Developmental Disabilities, Page 29, Item No. 16

I support funding for the DD Division because people with disabilities and their families deserve to have choice and high quality service providers who are consistent, well trained, and effective. The Medicaid 1915(c) waiver provides home and community based services for people with intellectual and developmental disabilities who would otherwise be served in institutions. This budget allows supports necessary for people with developmental disabilities to live, work, learn, and recreate in our communities.

It is important to add that funds for the rebased provider payment rates are outlined in the budget worksheet on page 463 of 1018, SEQ# 101-001. This begins to reflect the actual cost to provide services in Hawaii.

On page two is a table including examples of the impact of funding or not funding the Developmental Disabilities Division Budget for Waiver Rate adjustments.

Rates have not been adjusted in over ten years and the costs for providing services have increased. Additionally, the increased funding will bring an additional \$14.9 Million in revenue to the State of Hawaii in Federal FMAP matches. This rate adjustment is a small step toward funding the actual costs of necessary services that increase opportunities for inclusion in the life of the community and provide quality supports to many people with developmental disabilities and their families.

Thank you for your valuable time and consideration,

James Kilgore

Table 1: Examples of the possible impact of the Developmental Disabilities Budget

FUND DEVELOPMENTAL DISABILITIES BUDGET	DON'T FUND DEVELOPMENTAL DISABILITIES BUDGET
Higher quality services for people with developmental and intellectual disabilities and their families	Poorer quality services for people with developmental and intellectual disabilities and their families
More choice in types of services and service providers	Less choice in services and fewer service providers
Direct Support Professionals and caretakers paid fair wages for making a difference in the lives of community members every day	Direct Support Professionals and caretakers paid less than fast food workers
Help families by providing consistency and stability in services	Inconsistency and constant changes in services
Providers able to recruit and retain quality support staff	Caretaker turnover at rates between 21% and 38%
Bring in an additional \$14.9 Million in revenue to the State of Hawaii in Federal Matches	Inefficient use of tax payer's resources leaving federal funds on the table
Reimburse fair rates to providers as evidenced in an empirical rate study of Hawaii Waiver rates. Sustain providers who are considering ending service provisions	Continue to reimburse nonprofit and other providers less than the actual cost to provide services. How much longer can that last? Some providers may stop providing services due to the lack of funding.
Provide the services needed to the people who need services -Live, work, and play in our communities	Fewer people served who need services and those with services have less services than needed

LATE

Testimony of Brad Suizu, Princeville Utilities Company, Inc.
Supporting H.B. 100/S.B. 192 Relating to the State Budget
House Committee on Finance or Senate Committee on Ways & Means
Wednesday, March 8, 2017, 9:00 AM, Room 308

Honorable Sylvia Luke, Chair and Vice Chair, Ty JK Cullen, Finance Committee, Hawaii State Legislature,

Princeville Utilities Company, Inc. is in strong support of H.B. 100/S.B. 192, particularly the proposed funding to the Department of Land and Natural Resources' and Department of Agriculture's invasive species and watershed protection programs.

Invasive species affect everyone. Our water supply is at risk because our forests are at risk, our locally-grown crops are attacked by pests and diseases, our heritage trees like 'ōhi'a are threatened by disease, and our health and well-being can be harmed by stinging insects and mosquito-borne diseases. However, we recognize that together we can make a difference if we make it a high priority for our government and ourselves to prevent new introductions, control the worst pests already present, educate ourselves and others, and use good science to support our collective efforts.

We are a partner of the Kauai Invasive Species Committee that works in natural areas, agricultural lands and communities to prevent, detect, and control the establishment and spread of invasive species threats to the environment, economy, and quality of life in Hawai'i.

As an active participant in the Kauai Watershed Alliance, we support the work of DLNR and Department of Agriculture's invasive species and watershed protection programs. We need to continue to protect and preserve our natural area reserves. The forested Makua watersheds are essential to meeting the ever increasing demand for drinking water in Hawai'i. We humbly ask for your kind consideration in supporting the request of the Department of Land and Natural Resources.

The DLNR Division of Forestry and Wildlife's budget request seeks essential base operating and CIP funding for invasive species and watershed protection programs. We are pleased to work with the State to leverage these funds several times over with matching funds from county, federal and private sources help to help meet our collective goals.

Thank you for your support.

LATE

Testimony Presented Before the
House Committee(s) on Finance
Wednesday, March 8, 2017

By
Randall F. Holcombe, MD, MBA
Director, University of Hawaii Cancer Center
University of Hawai'i System/Campus

HB 100 – RELATING TO THE STATE BUDGET

Chair Luke, Vice Chair Cullen and members of the committee:

The University of Hawai'i Cancer Center strongly supports the appropriation for the UH Cancer Center in this bill.

The UH Cancer Center is one of only 69 institutions in the United States that hold the prestigious National Cancer Institute (NCI) designation, and is the only NCI-designated center in the Pacific. The NCI designation provides cancer researchers in Hawai'i with greater access to federal funding and research opportunities. More importantly, it gives the people of Hawai'i and the Pacific region access to many innovative and potentially life-saving clinical trials without the necessity of traveling to the mainland.

Each year more than 6,000 Hawaii residents are diagnosed with cancer, and more than 2,000 will die from the disease. Cancer is the second leading cause of death in Hawaii, and accounts for one of every five deaths statewide. Hawaii's racial/ethnic mixture makes us unique (as compared with national norms) in the types and incidents of cancer. As a NCI-designated cancer research center, the UH Cancer Center brings ground-breaking studies and new cancer-fighting drugs and treatment to our community, making it possible for Hawaii's people to receive the most advanced treatments for cancer without the need to travel to the mainland away from home and at great expense.

The UH Cancer Center works to reduce the burden of cancer through research and patient care. The UH Cancer Center annually enrolls more than 300 patients in new clinical trials. Currently there are about 100 ongoing clinical trials enrolling both adults and children. These clinical trials always guarantee the national standard of best care and the opportunity to benefit from a better treatment. The Cancer Center is actively following over 1,000 patients who have enrolled in clinical trials in the past. The Cancer Center is also working on identifying potential cancer drugs from Hawaii's natural resources, including compounds from plants, such as poha berry, noni and sea sponge, all of which have shown promise against cancer. Several patents are pending based on the UH Cancer Center's findings and research.

A number of Cancer Center researchers focus on key cancers that impact Hawaii.

Our work contributes to a global knowledge that leads to the development of new life-saving treatments and therapies. Ongoing research at the Center provides important insights on the use and impact of e-cigarettes and other tobacco products in Hawaii. For example, our research found Hawaii teens used e-cigarettes at nearly triple the rate of mainland teens. The Center has established a partnership with the state Department of Health to educate Hawaii residents on smoking cessation and the risks of tobacco use.

As the types and incidence of cancer among our local population varies significantly from populations on the mainland, the focus of our research has been to target our diverse ethnic groups. For instance, we have found that colon cancer in Native Hawaiian men is higher than in other ethnic groups. Our researchers are investigating ways to reduce the high rate of cancer deaths in this population.

The funds requested for the UH Cancer Center will be used to reduce the annual shortfall in current operations at the Cancer Center caused by a reduction in the cigarette tax revenue. Cigarette tax revenue is statutorily provided for debt service and (as available) for operations of the facility the Cancer Center occupies in Kaka'ako. Cigarette tax revenue has declined each year since 2009 from approximately \$20 million to approximately \$14.8 million currently. The legislative request will enable the Cancer Center to reduce and, with additional measures, eliminate the annual operating deficits. It will also enable the Cancer Center to facilitate recruitment of physicians scientists with the expertise to conduct early phase clinical trials. Currently most patients from Hawaii who may be eligible to participate in these trials have to travel to the mainland. Additionally, the funding will enable the expansion of the clinical trials infrastructure for cancer patients on Oahu and permit possible expansion to the neighbor islands.

In order to be successful so that it can continue to serve the needs of Hawaii's population, we must maintain the NCI designation of Hawaii's cancer center. The incidence of cancer is increasing significantly and may double during the next twenty years, according to recent estimates by the International Agency for Cancer. It is imperative that the UH Cancer Center maintain its NCI designation to foster research relevant to those in Hawai'i and to provide our state's residents with access to the most innovative clinical trials here in Hawai'i, in order to reduce the incidence of cancer in Hawai'i.

We respectfully urge this Committee to approve the appropriation for the UH Cancer Center in HB 100.

LATE

The House Committee on Finance
March 8, 2017
Room 308

HB 100
TESTIMONY IN SUPPORT OF THE APPROPRIATION FOR THE
UNIVERSITY OF HAWAII CANCER CENTER

Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Adelia C. Chung and I am writing in strong support of the appropriation for the UH Cancer Center in this bill. I serve as a member of the Friends of the University of Hawaii Cancer Center Board of Directors.

The UH Cancer Center is one of only 69 institutions in the United States that hold the prestigious National Cancer Institute (NCI) designation, and is the only NCI-designated center in the Pacific. The NCI designation provides cancer researchers in Hawai'i with greater access to federal funding and research opportunities. More importantly, it gives the people of Hawai'i and the Pacific region access to many innovative and potentially life-saving clinical trials without the necessity of traveling to the mainland.

Each year more than 6,000 Hawaii residents are diagnosed with cancer, and more than 2,000 will die from the disease. Cancer is the second leading cause of death in Hawaii, and accounts for one of every five deaths statewide. Hawaii's racial/ethnic mixture makes us unique (as compared with national norms) in the types and incidents of cancer. As a NCI-designated cancer research center, the UH Cancer Center brings ground-breaking studies and new cancer-fighting drugs and treatment to our community, making it possible for Hawaii's people to receive the most advanced treatments for cancer without the need to travel to the mainland away from home and at great expense.

The UH Cancer Center works to reduce the burden of cancer through research and patient care. In 2014, the UH Cancer Center, working with Hawaii's hospitals, gave Hawaii's adult and pediatric cancer patients approximately 100 different national clinical trials locally. Currently there are about 100 ongoing clinical trials enrolling both adults and children. These clinical trials always guarantee the national standard of best care and the opportunity to benefit from a better treatment. The Cancer Center is actively following over 1,000 patients who have enrolled in clinical trials in the past. The Cancer Center is also working on identifying potential cancer drugs from Hawaii's natural resources, including compounds from plants, such as poha berry, noni and sea sponge, all of which have shown promise against cancer. Several patents are pending based on the UH Cancer Center's findings and research.

A number of Cancer Center researchers focus on key cancers that impact Hawaii. Our work contributes to a global knowledge that leads to the development of new life-saving treatments and therapies. Ongoing research at the Center provides important

insights on the use and impact of e-cigarettes and other tobacco products in Hawaii. For example, our research found Hawaii teens used e-cigarettes at nearly triple the rate of mainland teens. The Center has established a partnership with the state Department of Health to educate Hawaii residents on smoking cessation and the risks of tobacco use.

As the types and incidence of cancer among our local population varies significantly from populations on the mainland, the focus of our research has been to target our diverse ethnic groups. For instance, we have found that colon cancer in Native Hawaiian men is higher than in other ethnic groups. Our researchers are investigating ways to reduce the high rate of cancer deaths in this population.

Key components of the Cancer Center's financial plan are: 1) ensure continued success and productivity in conducting cancer research that benefits the people of Hawai'i, 2) position UH Cancer Center for successful application for continued National Cancer Institute (NCI) designation and 3) attain zero deficit operations within three years. Successful implementation of the plan will reassure potential philanthropic donors, legislators, the Honolulu business community and community stakeholders of the long-term sustainability of the Cancer Center. The legislative request will enable the Cancer Center to reduce and with additional measures, eliminate the annual operating deficits. It will also enable the Cancer Center to facilitate recruitment of physicians scientists with the expertise to conduct early phase clinical trials. Currently most patients from Hawaii who may be eligible to participate in these trials have to travel to the mainland. Additionally, the funding will enable the expansion of the clinical trials infrastructure for cancer patients on Oahu and permit possible expansion to the neighbor islands.

Cigarette tax revenue is statutorily provided for debt service and (as available) for operations of the facility the Cancer Center occupies in Kaka'ako. Cigarette tax revenue has declined over the years from approximately \$20 million to approximately \$14.8 million currently. In light of the fiscal shortfalls, management has been working diligently to implement operational restructuring to reduce the shortfalls. In order to be successful so that it can continue to serve the needs of Hawaii's population, we must maintain the NCI designation of Hawaii's cancer center.

The incidence of cancer is increasing significantly and may double during the next twenty years, according to recent estimates by the International Agency for Cancer. It is imperative that the UH Cancer Center maintain its NCI designation to foster research relevant to those in Hawai'i and to provide our state's residents with access to the most innovative clinical trials here in Hawai'i, in order to reduce the incidence of cancer in Hawai'i.

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

From: mailinglist@capitol.hawaii.gov
 Sent: Tuesday, March 7, 2017 9:08 AM
 To: FINTestimony
 Cc: frankiestapleton@gmail.com
 Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Frances K. (Frankie) Stapleton	Dist. 4 Council, Hawaii County Democratic Party	Comments Only	No

Comments: Aloha e Chair Sylvia Luke, Vice Chair Cullen and Member of the House Committee on Finance, speaking on behalf of the District 4 Council of the Hawaii County Democratic Party, we plead for a \$250,000 line item to be added to the Department of Budget and Finance for the funding of the Hawaii Health Authority. Our #1 public concern in reaction to the Trump Administration's actions regarding health care on all levels is that all of Hawaii's citizens are facing a healthcare crisis of unprecedented urgency! We strongly urge you to add to the Governor's budget a line item for \$250,000 for the Hawaii Health Authority (HHA), to help it fulfill its critical mandate to develop a comprehensive State-based plan for a healthcare system for Hawaii. The HHA was established by HRS Chapter 322H and this Legislature wisely administratively attached the HHA to the Department of Budget & Finance precisely to protect it from bureaucratic pressures from the Department of Health. The HHA uniquely serves as a small, independent policy-planning board composed of 9 volunteer members with diverse expertise in medicine and related fields. It is beholden to no specific director or political ally. We urge the House Finance Committee to insert this authorization of \$250,000 to allow the HHA to hire a full-time Executive Director at up to \$80,000, two staff persons at up to \$60,000 each, and to provide an additional \$50,000 for other administrative and contractual expenditures. Under HRS 322H-2(b), the HHA is tasked with the responsibility to develop a comprehensive health plan that includes: (1) Establishment of eligibility for inclusion in a health plan for all individuals; (2) Determination of all reimbursable services to be paid by the authority; (3) Determination of all approved providers of services in a health plan for all individuals; (4) Evaluation of health care and cost effectiveness of all aspects of a health plan for all individuals; and (5) Establishment of a budget for a health plan for all individuals in the State. This is a huge task, and \$250,000 would be a bargain amount to get this done. The purpose of the HHA is to research and plan comprehensive universal healthcare as an alternative strategy to the current system. As the Trump Administration threatens to make the most volatile and unpredictable changes Hawaii could be facing, we can't afford to abolish the only State agency that we have that is specifically designed to propose innovative solutions to already imminent and likely intractable problems. Mahalo nui for your consideration of this step in the right direction for Hawaii's public's healthcare needs, a most urgent problem as the GOP administration puts its dismantling of our nation's social safety net into action. Respectfully, Frankie Stapleton Dist. 4 Chair, Hawaii County Democratic Party

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LATE

The House Committee on Finance
March 8, 2017
Room 308

HB 100
TESTIMONY IN SUPPORT OF THE APPROPRIATION FOR THE
UNIVERSITY OF HAWAII CANCER CENTER

Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Dr. Lenora Loo, and I am an Associate Professor (Specialist) at the University of Hawaii Cancer Center. As a trained molecular biologist my research is focused on understand the biological mechanisms that contribute to cancer-related health disparities experienced by certain populations in our unique multiethnic community of Hawaii.

The UH Cancer Center has been an important partner within the healthcare community of the state, and has made a tremendous difference in the lives of many cancer patients and their families. Because of the ethnic diversity in Hawaii we face different challenges as the types and incidents of cancer and cancer mortality rates may not be like those seen in other states. The UH Cancer Center is uniquely suited to study this diversity in healthcare needs.

The UH Cancer Center is one of only 69 institutions in the United States that hold the prestigious National Cancer Institute (NCI) designation, and is the only NCI-designated center in the Pacific. The NCI designation provides cancer researchers in Hawai'i with greater access to federal funding and research opportunities. More importantly, it gives the people of Hawai'i and the Pacific region access to many innovative and potentially life-saving clinical trials without the necessity of traveling to the mainland.

Each year more than 6,000 Hawaii residents are diagnosed with cancer, and more than 2,000 will die from the disease. Cancer is the second leading cause of death in Hawaii, and accounts for one of every five deaths statewide. As a NCI-designated cancer research center, the UH Cancer Center brings ground-breaking studies and new cancer-fighting drugs and treatment to our community, making it possible for Hawaii's people to receive the most advanced treatments for cancer without the need to travel to the mainland away from home and at great expense.

The UH Cancer Center brings innovative clinical trials to Hawaii. In 2014, the UH Cancer Center, working with Hawaii's hospitals, gave Hawaii's adult and pediatric cancer patients approximately 100 different national clinical trials locally. Currently there are about 100 ongoing clinical trials enrolling both adults and children. These clinical trials always guarantee the national standard of best care and the opportunity to benefit from a better treatment. The Cancer Center is actively following over 1,000 patients who have enrolled in clinical trials in the past. The Cancer Center is also working on identifying potential cancer drugs from Hawaii's natural resources, including

compounds from plants, such as poha berry, noni and sea sponge, all of which have shown promise against cancer. Several patents are pending based on the UH Cancer Center's findings and research.

Because the types and incidence of cancer among our local population varies significantly from populations on the mainland, the focus of our research has been to target our diverse ethnic groups. For instance, one of our researchers has found that the use of electronic smoking devices among adolescents in Hawaii is triple that of adolescents on the mainland. This tells us that we need to reach out to our younger population to address this problem. Additionally, the UH Cancer Center's researchers have found that colon cancer in Native Hawaiian men is higher than in other ethnic groups. Thus, researchers are focused on investigating ways to reduce the high rate of cancer deaths in this population.

The funds requested for the UH Cancer Center will be used to reduce the annual shortfall in current operations at the Cancer Center caused by a reduction in the cigarette tax revenue. The cigarette tax revenue has been declining since 2009. Although cost-saving measures have been implemented, state funding support is required to address the operational needs of the Cancer Center which were planned when the facility was envisioned. In order to be successful so that it can continue to serve the needs of Hawaii's population, we must maintain the NCI designation of Hawaii's cancer center.

The incidence of cancer is increasing significantly and may double during the next twenty years, according to recent estimates by the International Agency for Cancer. It is imperative that the UH Cancer Center maintain its NCI designation to foster research relevant to those in Hawai'i and to provide our state's residents with access to the most innovative clinical trials here in Hawai'i, in order to reduce the incidence of cancer in Hawai'i.

I respectfully urge this Committee to approve the appropriation for the UH Cancer Center in HB 100.

LATE

The House Committee on Finance
March 8, 2017
Room 308

HB 100
TESTIMONY IN SUPPORT OF THE APPROPRIATION FOR THE
UNIVERSITY OF HAWAII CANCER CENTER

Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Diane Ono, and I am writing in strong support of the appropriation for the UH Cancer Center in this bill. As some of you are aware, the reason I am a longtime proponent of the work of the UH Cancer Center is because my daughter Mari Galiher was on a clinical trial through the UH Cancer Center. Mari's leukemia was successfully treated over the course of a two and a half year clinical trial from 1997 to 1999. Today Mari is 24 years old, holds two University of Hawai'i degrees and is gainfully employed in Honolulu. I know there are many others in our state like her, who have benefited from the fine work of the UH Cancer Center.

We, as a state, must support and properly fund our very own National Cancer Institute-designated cancer center. It is imperative for the health and wellbeing of the people of our state that we have a cancer center under the auspices of our state university doing cutting edge research of our diverse and unique population.

The UH Cancer Center is one of only 69 institutions in the United States that hold the prestigious National Cancer Institute (NCI) designation, and is the only NCI-designated center in the Pacific. The NCI designation provides cancer researchers in Hawai'i with greater access to federal funding and research opportunities. More importantly, it gives the people of Hawai'i and the Pacific region access to many innovative and potentially life-saving clinical trials without the necessity of traveling to the mainland.

As legislators and leaders of our state, I call upon you to appreciate the jewel that we have here, the UH Cancer Center, and ask that you do everything in your power to protect, fund and support it so that the Cancer Center can sustain itself into the future and thrive. The payback for the people of Hawai'i will be tremendous in the lives that can be saved and the potential for discovery that will lead to cures and better treatment options for the people of Hawai'i.

Thank you for allowing me to submit this testimony and for giving it due consideration.

Diane Ono
2534 East Manoa Road
Honolulu, HI 96822
Phone: 808-585-1087

LATE

The House Committee on Finance
March 8, 2017
Room 308

**HB 100
TESTIMONY IN SUPPORT OF THE APPROPRIATION FOR THE
UNIVERSITY OF HAWAII CANCER CENTER**

Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Ryan Maclaughlin, and I am writing in strong support of the appropriation for the UH Cancer Center in this bill. I am a current member of the Friends of the University of Hawaii Cancer Center Board of Directors.

The UH Cancer Center is one of only 69 institutions in the United States that hold the prestigious National Cancer Institute (NCI) designation, and is the only NCI-designated center in the Pacific. The NCI designation provides cancer researchers in Hawai'i with greater access to federal funding and research opportunities. More importantly, it gives the people of Hawai'i and the Pacific region access to many innovative and potentially life-saving clinical trials without the necessity of traveling to the mainland.

Each year more than 6,000 Hawaii residents are diagnosed with cancer, and more than 2,000 will die from the disease. Cancer is the second leading cause of death in Hawaii, and accounts for one of every five deaths statewide. Hawaii's racial/ethnic mixture makes us unique (as compared with national norms) in the types and incidents of cancer. As a NCI-designated cancer research center, the UH Cancer Center brings ground-breaking studies and new cancer-fighting drugs and treatment to our community, making it possible for Hawaii's people to receive the most advanced treatments for cancer without the need to travel to the mainland away from home and at great expense.

The UH Cancer Center works to reduce the burden of cancer through research and patient care. In 2014, the UH Cancer Center, working with Hawaii's hospitals, gave Hawaii's adult and pediatric cancer patients approximately 100 different national clinical trials locally. Currently there are about 100 ongoing clinical trials enrolling both adults and children. These clinical trials always guarantee the national standard of best care and the opportunity to benefit from a better treatment. The Cancer Center is actively following over 1,000 patients who have enrolled in clinical trials in the past. The Cancer Center is also working on identifying potential cancer drugs from Hawaii's natural resources, including compounds from plants, such as poha berry, noni and sea sponge, all of which have shown promise against cancer. Several patents are pending based on the UH Cancer Center's findings and research.

A number of Cancer Center researchers focus on key cancers that impact Hawaii. Our work contributes to a global knowledge that leads to the development of new life-saving treatments and therapies. Ongoing research at the Center provides important

insights on the use and impact of e-cigarettes and other tobacco products in Hawaii. For example, our research found Hawaii teens used e-cigarettes at nearly triple the rate of mainland teens. The Center has established a partnership with the state Department of Health to educate Hawaii residents on smoking cessation and the risks of tobacco use.

As the types and incidence of cancer among our local population varies significantly from populations on the mainland, the focus of our research has been to target our diverse ethnic groups. For instance, we have found that colon cancer in Native Hawaiian men is higher than in other ethnic groups. Our researchers are investigating ways to reduce the high rate of cancer deaths in this population.

Key components of the Cancer Center's financial plan are: 1) ensure continued success and productivity in conducting cancer research that benefits the people of Hawai'i, 2) position UH Cancer Center for successful application for continued National Cancer Institute (NCI) designation and 3) attain zero deficit operations within three years. Successful implementation of the plan will reassure potential philanthropic donors, legislators, the Honolulu business community and community stakeholders of the long-term sustainability of the Cancer Center. The legislative request will enable the Cancer Center to reduce and with additional measures, eliminate the annual operating deficits. It will also enable the Cancer Center to facilitate recruitment of physicians scientists with the expertise to conduct early phase clinical trials. Currently most patients from Hawaii who may be eligible to participate in these trials have to travel to the mainland. Additionally, the funding will enable the expansion of the clinical trials infrastructure for cancer patients on Oahu and permit possible expansion to the neighbor islands.

Cigarette tax revenue is statutorily provided for debt service and (as available) for operations of the facility the Cancer Center occupies in Kaka'ako. Cigarette tax revenue has declined over the years from approximately \$20 million to approximately \$14.8 million currently. In light of the fiscal shortfalls, management has been working diligently to implement operational restructuring to reduce the shortfalls. In order to be successful so that it can continue to serve the needs of Hawaii's population, we must maintain the NCI designation of Hawaii's cancer center.

The incidence of cancer is increasing significantly and may double during the next twenty years, according to recent estimates by the International Agency for Cancer. It is imperative that the UH Cancer Center maintain its NCI designation to foster research relevant to those in Hawai'i and to provide our state's residents with access to the most innovative clinical trials here in Hawai'i, in order to reduce the incidence of cancer in Hawai'i.

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

FIN-Jo

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 9:02 AM
To: FINTestimony
Cc: xaxazela@hotmail.com
Subject: *Submitted testimony for HB100 on Mar 8, 2017 09:00AM*

LATE

HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Grant Thompson	Individual	Support	No

Comments:

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FIN-Jo

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 9:41 AM
To: FINTestimony
Cc: chenoa@bluestartups.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Chenoa Farnsworth	Blue Startups	Support	No

Comments: I support increased funding for the HI Growth Initiative, BED 145, Seq. # 100-001. HI Growth has been instrumental in jumpstarting Hawaii's entrepreneurial ecosystem and supporting its development into the vibrant community it is today. Hawaii boasts award winning accelerators. Accelerator graduate companies are growing and hitting milestones that are triggering further investment from private investors. Hawaii's private sector sees value in supporting innovation and has invested in several local startups and investment funds. A 2016 UHERO report showed the HI Growth Initiative produced a 12X leverage on state dollars. For all these reasons, we strongly support this budget request. All this would not have happened without the strong support of the HI Growth Initiative.

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FIN-Jo

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 9:32 AM
To: FINTestimony
Cc: dkanealii02@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Diane Kanealii	Kailapa Community Association	Support	No

Comments: On behalf of the beneficiaries of the Hawaiian Homes Trust, in Kawaihae, we support and ask for your support in passing HB100 to FULLY fund the Department of Hawaiian Homes (DHHL) budget request. DHHL a-is the only department in the State that is mandated to be fully funded as part of the agreement when Hawai'i became the 50th State. It is your duty to fulfill the agreement and provide the full funding needed to the DHHL in order for DHHL to be able to fulfill its obligations to support the needs of the beneficiaries of the trust. Mahalo Kailapa Community Association

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 9:01 AM
To: FINTestimony
Cc: prayforrain@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
David Cunningham	GVS	Support	No

Comments: As the founder of the GVS Accelerator (located in Kona and Honolulu) I would like to offer my whole-hearted support of HB100 (Ref BED 145, HI Growth Initiative). Our program alone has 14 Hawai'i companies that were not in existence before the support of Hi Growth. Our accelerator program has offered a return on investment many times over and have brought millions of investment dollars to the 50th state. That would not have happened without Hi Growth. The Hawaii Strategic Development Corp has indeed been strategic and has forged out an entirely new sector outside of tourism, real estate and defense. Hi Growth is not a concept or just an idea. HI Growth is a thriving and real movement that is offering opportunity to this and future generations. HSDC and Hawaii Growth should be celebrated for all their accomplishments. Please generously support the additional funding of HSDC and HI Growth and continue to fuel Hawaii's entrepreneurs. Mahalo for your consideration and please contact me if I can be of help. David Cunningham Life long Hawai'i resident and entrepreneur

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 11:02 AM
To: FINTestimony
Cc: catgraham48@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Catherine Susan Graham	FACE/Housing Now Coalition	Support	No

Comments: Aloha Chair Luke and Finance Committee Members, I am in support of the Governor's Budget, especially as it pertains to funding for Affordable Housing, Infrastructure Improvements, Public Housing upgrades and maintenance, the Alder St. project and homeless service programs. As you know the need for Affordable Housing is at crisis levels as are the number of individuals and families living on the streets or in their cars. Please be bold and appropriate large sums of money to address these issues. The Housing Now Coalition is advocating for a minimum to be the amounts that the Governor requested. However, we are clear that it will take much more to make a dent in our problems. Please be bold and generous. Mahalo, Catherine Graham

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LATE

TO: Honorable Representative Sylvia Luke, Chair
Honorable Representative Ty J.K. Cullen, Vice Chair
Committee Members on Finance

DATE: Wednesday, March 8, 2017

TIME: 9: 00 am

PLACE: State Capitol, Conference Room 308

SUBJECT: Testimony in support of H.B. 100, Item No. 25. Overall Program Support for Aging, Disability & Long Term Care Services.

Chair Luke, Vice Chair Cullen, and Committee Members on Finance

Thank you for the opportunity to submit a written testimony in support of H.B. 100, Item No. 25, Overall Program Support for Aging, Disability & Long Term Care Services.

H.B. 100, Item 25 includes the much needed funding for KUPUNA CARE and ADRC, specifically to provide basic services for older adults.

Please support the additional \$4.2 million to the \$4.8 million base amount for a total of \$9 million. The additional funds of \$1.7 million to the base of \$1.4 million for total of \$3.3 million for ADRC allow older adults in Hawaii to remain in the community.

Project Dana, a volunteer caregivers program appeals to the Finance Committee for your approval of H.B. 100, Item No. 25.

Thank you very much.

Rose Nakamura, Administrator
Project Dana

LATE

The House Committee on Finance
March 8, 2017
Room 308

HB 100
TESTIMONY IN SUPPORT OF THE APPROPRIATION FOR THE
UNIVERSITY OF HAWAII CANCER CENTER

Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Mary Worrall, and I am writing in strong support of the appropriation for the UH Cancer Center in this bill. I serve on the board of directors of the Friends of the University of Hawaii Cancer Center.

The UH Cancer Center is one of only 69 institutions in the United States that hold the prestigious National Cancer Institute (NCI) designation, and is the only NCI-designated center in the Pacific. The NCI designation provides cancer researchers in Hawai'i with greater access to federal funding and research opportunities. More importantly, it gives the people of Hawai'i and the Pacific region access to many innovative and potentially life-saving clinical trials without the necessity of traveling to the mainland.

Each year more than 6,000 Hawaii residents are diagnosed with cancer, and more than 2,000 will die from the disease. Cancer is the second leading cause of death in Hawaii, and accounts for one of every five deaths statewide. Hawaii's racial/ethnic mixture makes us unique (as compared with national norms) in the types and incidents of cancer. As a NCI-designated cancer research center, the UH Cancer Center brings ground-breaking studies and new cancer-fighting drugs and treatment to our community, making it possible for Hawaii's people to receive the most advanced treatments for cancer without the need to travel to the mainland away from home and at great expense.

The UH Cancer Center works to reduce the burden of cancer through research and patient care. In 2014, the UH Cancer Center, working with Hawaii's hospitals, gave Hawaii's adult and pediatric cancer patients approximately 100 different national clinical trials locally. Currently there are about 100 ongoing clinical trials enrolling both adults and children. These clinical trials always guarantee the national standard of best care and the opportunity to benefit from a better treatment. The Cancer Center is actively following over 1,000 patients who have enrolled in clinical trials in the past. The Cancer Center is also working on identifying potential cancer drugs from Hawaii's natural resources, including compounds from plants, such as poha berry, noni and sea sponge, all of which have shown promise against cancer. Several patents are pending based on the UH Cancer Center's findings and research.

A number of Cancer Center researchers focus on key cancers that impact Hawaii. Our work contributes to a global knowledge that leads to the development of new life-saving treatments and therapies. Ongoing research at the Center provides important

insights on the use and impact of e-cigarettes and other tobacco products in Hawaii. For example, our research found Hawaii teens used e-cigarettes at nearly triple the rate of mainland teens. The Center has established a partnership with the state Department of Health to educate Hawaii residents on smoking cessation and the risks of tobacco use.

As the types and incidence of cancer among our local population varies significantly from populations on the mainland, the focus of our research has been to target our diverse ethnic groups. For instance, we have found that colon cancer in Native Hawaiian men is higher than in other ethnic groups. Our researchers are investigating ways to reduce the high rate of cancer deaths in this population.

Key components of the Cancer Center's financial plan are: 1) ensure continued success and productivity in conducting cancer research that benefits the people of Hawai'i, 2) position UH Cancer Center for successful application for continued National Cancer Institute (NCI) designation and 3) attain zero deficit operations within three years. Successful implementation of the plan will reassure potential philanthropic donors, legislators, the Honolulu business community and community stakeholders of the long-term sustainability of the Cancer Center. The legislative request will enable the Cancer Center to reduce and with additional measures, eliminate the annual operating deficits. It will also enable the Cancer Center to facilitate recruitment of physicians scientists with the expertise to conduct early phase clinical trials. Currently most patients from Hawaii who may be eligible to participate in these trials have to travel to the mainland. Additionally, the funding will enable the expansion of the clinical trials infrastructure for cancer patients on Oahu and permit possible expansion to the neighbor islands.

Cigarette tax revenue is statutorily provided for debt service and (as available) for operations of the facility the Cancer Center occupies in Kaka'ako. Cigarette tax revenue has declined over the years from approximately \$20 million to approximately \$14.8 million currently. In light of the fiscal shortfalls, management has been working diligently to implement operational restructuring to reduce the shortfalls. In order to be successful so that it can continue to serve the needs of Hawaii's population, we must maintain the NCI designation of Hawaii's cancer center.

The incidence of cancer is increasing significantly and may double during the next twenty years, according to recent estimates by the International Agency for Cancer. It is imperative that the UH Cancer Center maintain its NCI designation to foster research relevant to those in Hawai'i and to provide our state's residents with access to the most innovative clinical trials here in Hawai'i, in order to reduce the incidence of cancer in Hawai'i.

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

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 11:12 AM
To: FINTestimony
Cc: wichman@ntbg.org
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

LATE

HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Chipper Wichman	National Tropical Botanical Garden	Support	No

Comments: Dear Finance Committee: The National Tropical Botanical Garden strongly supports H.B. 100/S.B. 192, particularly the proposed funding to the Department of Land and Natural Resources' and Department of Agriculture's invasive species and watershed protection programs. NTBG works closely with the Kauai Watershed Alliance and the Kauai Invasive Species Committee to protect the rare and endangered native biodiversity of Kauai. Funding in HB100 for control of invasive species is critical as they affect everyone. Our water supply is at risk because our forests are at risk, our locally-grown crops are attacked by pests and diseases, our heritage trees like 'ōhi'a are threatened by disease, and our health and well-being can be harmed by stinging insects and mosquito-borne diseases. However, we recognize that together we can make a difference if we make it a high priority for our government and ourselves to prevent new introductions, control the worst pests already present, educate ourselves and others, and use good science to support our collective efforts. Please support natural resource preservation and management through this funding bill. What we have here is unique in the world and we have to take care of it. Aloha, Chipper Wichman President, CEO and Director National Tropical Botanical Garden

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FIN-Jo

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Sent: Tuesday, March 7, 2017 10:19 AM
To: FINTestimony
Cc: lopekana@hawaii.rr.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
George Robertson	Friends of Hakalau Refuge	Support	No

Comments: Testimony of the Friends of Hakalau Forest National Wildlife Refuge Supporting DLNR Watershed and Invasive Species Programs in H.B. 100 Relating to the State Budget House Committee on Finance Wednesday, March 8, 2017, 9:00 am, Room 308 The Friends of Hakalau Forest National Wildlife Refuge is a nonprofit organization that was formed to promote and support conservation of native forest ecosystems in Hawaii. To be most effective, we work in close cooperation with private and public landowners at the statewide level. In this regard, the role played by the State of Hawaii is critically important. The Friends of Hakalau Forest National Wildlife Refuge strongly supports the priority budget requests of the Department of Land and Natural Resources included within the General Budget Bill HB100. This funding will make possible effective control of invasive species and ensure continuity of highly successful watershed management programs. Thank you for the opportunity to comment.

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To: FINTestimony
Cc: pacosta@aleabridge.org
Subject: *Submitted testimony for HB100 on Mar 8, 2017 09:00AM*



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Augustus Acosta	ALEA Bridge	Support	No

Comments:

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Sent: Tuesday, March 7, 2017 9:14 AM
To: FINTestimony
Cc: rossdavis777@yahoo.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Gene Ross K. Davis	Individual	Support	No

Comments: Aloha Mai Kakou, I am requesting your Consideration and Support of HB100, Your financial assistance is needed that the HHC Act of 1921 can fulfill its mission and utilize it's income for addressing the wait list. Mahalo

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To: FINTestimony
Cc: jeri@arcofkona.org
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Jeri Raymond	Individual	Support	No

Comments: I am in SUPPORT of HB 100 relating to the specific budget items noted below. HTH 905 – Developmental Disabilities Council. Page 31, item No. 23. I support the DD Council for several reasons. First and most importantly for our Participants is having the opportunity to work with the support of the DD Council in order for each of them to, have a voice that is heard. The basic needs of all Citizens of the United States are as follows: Employment, Transportation, Housing available closer to their employment, Continuing Education opportunities, and Medical and importantly, Preventative Dental. The supportive services are important because they have and shall continue to empower and provide Inclusion and Integration in their Communities in Hawaii. The Self-Advocate not only voices their opinions for themselves, but their peers, family and friends. Mahalo, Jeri Raymond, MA

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Sent: Tuesday, March 7, 2017 12:07 PM
To: FINTestimony
Cc: bianca@kahea.org
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Bianca Isaki	Individual	Support	No

Comments: Aloha Committee members, I'm writing to support increasing the Legacy Land Conservation Program spending ceiling as follows: FY18 \$9,028,250 spending ceiling (\$5.1 million existing spending ceiling limit + \$2,228,250 FY15 restoration + \$1.7 million permanent increase) FY19 & later \$6.8 million spending ceiling (\$5.1 existing spending ceiling limit + \$1.7 million permanent increase) The one-time increase is needed to restore FY15 funds. If the restoration does not occur FY17 grants for Hawaii Island and Maui projects will be adversely affected. The permanent increase is needed because conveyances taxes have increased, but the ceiling has remained the same. Further, the permanent increase is needed because there are many more worthy projects than funds available, the majority from the neighbor islands, where the greatest opportunities for land conservation exist. Finally, the permanent increase is needed because projects are in jeopardy of losing matching federal funding. Aloha, Bianca Isaki

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To: FINTestimony
Cc: davidlhenkin@yahoo.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
David Henkin	Individual	Support	No

Comments: Chair Luke, Vice Chair Cullen and members of the committee, I am testifying in support of increasing the Legacy Land Conservation Program spending ceiling as follows: FY18 - \$9,028,250 spending ceiling (\$5.1 million existing spending ceiling limit + \$2,228,250 FY15 restoration + \$1.7 million permanent increase) FY19 & later - \$6.8 million spending ceiling (\$5.1 existing spending ceiling limit + \$1.7 million permanent increase) Thank you for this opportunity to testify.

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Cc: ericctp@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Eric Hiroki Christiansen	Individual	Comments Only	No

Comments: We are asking for a 'Line item budget insert of \$150,000.00 to fund HRS322 The Hawaii Health Authority'

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Cc: jeri@arcofkona.org
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Lois	Individual	Support	No

Comments: I am in SUPPORT of HB 100 relating to the specific budget items noted below. HTH 905 – Developmental Disabilities Council. Page 31, item No. 23. I support the DD Council for several reasons. First and most importantly for our Participants is having the opportunity to work with the support of the DD Council in order for each of them to, have a voice that is heard. The basic needs of all Citizens of the United States are as follows: Employment, Transportation, Housing available closer to their employment, Continuing Education opportunities, and Medical and importantly, Preventative Dental. The supportive services are important because they have and shall continue to empower and provide Inclusion and Integration in their Communities in Hawaii. The Self-Advocate not only voices their opinions for themselves, but their peers, family and friends. Mahalo, Lois Philip

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Cc: jeri@arcofkona.org
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Shannon Salas	Individual	Support	No

Comments: I am in SUPPORT of HB 100 relating to the specific budget items noted below. HTH 905 – Developmental Disabilities Council. Page 31, item No. 23. I support the DD Council for several reasons. First and most importantly for our Participants is having the opportunity to work with the support of the DD Council in order for each of them to, have a voice that is heard. The basic needs of all Citizens of the United States are as follows: Employment, Transportation, Housing available closer to their employment, Continuing Education opportunities, and Medical and importantly, Preventative Dental. The supportive services are important because they have and shall continue to empower and provide Inclusion and Integration in their Communities in Hawaii. The Self-Advocate not only voices their opinions for themselves, but their peers, family and friends. Mahalo, Shannon Salas

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HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Shannon Salas	Individual	Support	No

Comments: I am in SUPPORT of HB 100 relating to the specific budget items noted below. HTH 905 – Developmental Disabilities Council. Page 31, item No. 23. I support the DD Council for several reasons. First and most importantly for our Participants is having the opportunity to work with the support of the DD Council in order for each of them to, have a voice that is heard. The basic needs of all Citizens of the United States are as follows: Employment, Transportation, Housing available closer to their employment, Continuing Education opportunities, and Medical and importantly, Preventative Dental. The supportive services are important because they have and shall continue to empower and provide Inclusion and Integration in their Communities in Hawaii. The Self-Advocate not only voices their opinions for themselves, but their peers, family and friends. Mahalo, Shannon Salas

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Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Damian .s.Extor	Individual	Support	No

Comments: I am in SUPPORT of HB 100 relating to the specific budget items noted below. HTH 905 – Developmental Disabilities Council. Page 31, item No. 23. I support the DD Council for several reasons. First and most importantly for our Participants is having the opportunity to work with the support of the DD Council in order for each of them to, have a voice that is heard. The basic needs of all Citizens of the United States are as follows: Employment, Transportation, Housing available closer to their employment, Continuing Education opportunities, and Medical and importantly, Preventative Dental. The supportive services are important because they have and shall continue to empower and provide Inclusion and Integration in their Communities in Hawaii. The Self-Advocate not only voices their opinions for themselves, but their peers, family and friends. Can we have affordable housing, is another serious question Mahalo, Damian Extor

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HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Josh Goetz	Individual	Support	No

Comments: I am in SUPPORT of HB 100 relating to the specific budget items noted below. HTH 905 – Developmental Disabilities Council. Page 31, item No. 23. I support the DD Council for several reasons. First and most importantly for our Participants is having the opportunity to work with the support of the DD Council in order for each of them to, have a voice that is heard. The basic needs of all Citizens of the United States are as follows: Employment, Transportation, Housing available closer to their employment, Continuing Education opportunities, and Medical and importantly, Preventative Dental. The supportive services are important because they have and shall continue to empower and provide Inclusion and Integration in their Communities in Hawaii. The Self-Advocate not only voices their opinions for themselves, but their peers, family and friends. Mahalo, Josh Goetz

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Cc: jeri@arcofkona.org
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Sanoe Wong	Individual	Comments Only	No

Comments: I am in SUPPORT of HB 100 relating to the specific budget items noted below. HTH 905 – Developmental Disabilities Council. Page 31, item No. 23. I support the DD Council for several reasons. First and most importantly for our Participants is having the opportunity to work with the support of the DD Council in order for each of them to, have a voice that is heard. The basic needs of all Citizens of the United States are as follows: Employment, Transportation, Housing available closer to their employment, Continuing Education opportunities, and Medical and importantly, Preventative Dental. The supportive services are important because they have and shall continue to empower and provide Inclusion and Integration in their Communities in Hawaii. The Self-Advocate not only voices their opinions for themselves, but their peers, family and friends. Mahalo, Sanoe Wong

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Cc: jimcooper@mindspring.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Jim Cooper	Individual	Support	No

Comments: I, Jim Cooper, support KIRC bill (HB100). Please support this important measure to provide financial support and stability of the restoration and protection of the Kaho'olawe Island Reserve, which will benefit all of Hawai'i's people for generations to come. ... As the only Island Reserve set up entirely in trust for a Native Hawaiian Sovereign Entity, the KIRC is well poised to change the economic landscape and life quality of Native Hawaiians and the communities in which they reside by means of a truly unique experience on the island of Kaho'olawe. The State must maintain the responsibility of supporting the Kaho'olawe Rehabilitation Trust Fund. Mahalo, Jim Cooper

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To: FINTestimony
Cc: hlg90266@yahoo.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Heather George	Individual	Support	No

Comments: Please FULLY fund this important legislation to help protect our watersheds, thank you!

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LATE

To: The Honorable Sylvia Luke, Chair
The Honorable Ty Cullen, Vice Chair, and Members
House Committee on Finance

Re: HB 100 – State Budget

Position: Request to add \$250,000 line item to Department of Budget & Finance for
Hawaii Health Authority

As a resident of Honolulu I am writing to ask you to add to the Governor's budget a line item for \$250,000 for the Hawaii Health Authority (HHA), to help it fulfill its critical mandate to develop a comprehensive State-based plan for a healthcare system for Hawaii.

Mahalo for your consideration,

Carie Sarver
3945 Lurline Drive
Honolulu, HI 96186

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 1:14 PM
To: FINTestimony
Cc: jeri@arcofkona.org
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HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Robbie Sanoria	Individual	Support	No

Comments: I am in SUPPORT of HB 100 relating to the specific budget items noted below. HTH 905 – Developmental Disabilities Council. Page 31, item No. 23. I support the DD Council for several reasons. First and most importantly for our Participants is having the opportunity to work with the support of the DD Council in order for each of them to, have a voice that is heard. The basic needs of all Citizens of the United States are as follows: Employment, Transportation, Housing available closer to their employment, Continuing Education opportunities, and Medical and importantly, Preventative Dental. The supportive services are important because they have and shall continue to empower and provide Inclusion and Integration in their Communities in Hawaii. The Self-Advocate not only voices their opinions for themselves, but their peers, family and friends. Mahalo, Robbie Sanoria

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LATE

Support for HB 100

I am in SUPPORT of HB 100 relating to the specific budget items noted below. HTH 905 – Developmental Disabilities Council. Page 31, item No. 23. The reason I support the DD Council is because of their incomparable contributions to persons with disabilities in the State of Hawaii such as advocacy groups (such as SAAC), events (such as Day at the Capitol), and educational opportunities (such as teaching individual to run their own ISP meetings, assisting individuals with gaining competitive employment and offering opportunities in community outreach.

Also, within the budget worksheet page 529 of 1018 sequence number 80-001 to convert the temporary Program Specialist IV position to a permanent Program Specialist IV position. This Self-Advocate liaison position is important to me because this position is integral in offering self-advocates (individuals with developmental disabilities) the opportunity to come together for the purpose of advocacy, education, leadership, and outreach. Since this position has been in place, self-advocates have reported an increase in understanding of personal rights, ability to make a choice, a rise in self-esteem, and control over their own right. Family members have also reported pride in the accomplishments of their children as well as more hope for the future of their children (such as the ability to get a job, live independently, or have a relationship) based on the skills they have observed since their child has become involved in these activities.

HTH 501-Developmental Disabilities. Page 29, Item number 16. I support funding for the DD Division because The Medicaid 1915(c) Waiver provides home and community based services for people with intellectual and developmental disabilities who have been served by institutions in the past.

It is also important to fund the rebase for the provider rates, as outlined in the budget worksheet page 469 of 1018, sequence number 101-001. My provider agency needs this rate increase to assure they can continue to provide supportive services individuals with Developmental Disabilities and their families. Rates for services have not been adjusted in over ten years. Many things are impacting costs such as minimum wage increases and the cost of living. Medicaid requires Waiver programs to have payments that are sufficient to have enough providers of services. If the state can't demonstrate it can pay the state share, the Waiver is at risk of non-approval, or the state might need to limit services or put people on waiting lists. Last year, DDD program drew down over \$55,000,000 in federal Medicaid funds. Without those funds, people with I/DD will need to be served through only state funds, and may not be able to live in the community. This is important because there are many people who want to provide high quality service, but it can be very difficult to provide good quality services with good quality staff at the current reimbursement rates. Please allow us to provide the services that people deserve and to ensure that people are able to meet their personal goals by granting the request in the Governor's Executive Budget for the Developmental Disabilities Division (HTH 501) to add general funds for the Medicaid Intellectual and Developmental (I/DD)

1915(c) Waiver. This request is to provide the state match for services to address the actual cost of providing services.

Thank you for your time and attention to this matter.

Sincerely,

Joanne Getty

FIN-Jo

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 2:22 PM
To: FINTestimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for HB100 on Mar 8, 2017 09:00AM*

LATE

HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

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To: FINTestimony
Cc: lilia@papakolea.org
Subject: *Submitted testimony for HB100 on Mar 8, 2017 09:00AM*



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Lilia Kapuniai	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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FIN-Jo

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 1:45 PM
To: FINTestimony
Cc: lwhite@kirc.hawaii.gov
Subject: *Submitted testimony for HB100 on Mar 8, 2017 09:00AM*



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Lopaka White	Individual	Support	No

Comments:

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LATE

I, Jan Becket, support KIRC bill HB100.

Please support this important measure to provide financial support and stability of the restoration and protection of the Kaho'olawe Island Reserve, which will benefit all of Hawai'i's people for generations to come.

As the only Island Reserve set up entirely in trust for a Native Hawaiian Sovereign Entity, the KIRC is well poised to change the economic landscape and life quality of Native Hawaiians and the communities in which they reside by means of a truly unique experience on the island of Kaho'olawe. The State must maintain the responsibility of supporting the Kaho'olawe Rehabilitation Trust Fund.

As the only island listed on the National Register of Historic Places in its entirety, containing nearly 3,000 archaeological sites and features, it is imperative that the State preserves this important resource for current and future generations through this financial support system.

Without the KIRC's ongoing protection of Kaho'olawe's coastal ecosystem, including the adjacent nearshore environment and coral reefs that can be covered with, and choked by, derelict fishing gear, nets, a huge variety of plastics and other debris items, species including the endangered Hawaiian monk seal, threatened green sea turtle, endangered hawksbill sea turtle, endangered humpback whale, endangered Hawaiian dark-rumped petrel, and endangered Newell's shearwater will be put at risk. It is imperative that a trust fund be stabilized to continue this work.

Kaho'olawe is a unique ecosystem preserving immensely valuable cultural and biological resources. It is surrounded by the richest marine ecosystems remaining in the Main Hawaiian islands and providing replenishment of fish and invertebrates to other islands' waters. The KIRC's massive restoration program designed to revitalize the ecology and cultural history of the island will benefit all of Hawai'i's people for generations to come. Please support this bill.

Jan Becket
Hawai'i resident

LATE

March 7, 2017

Aloha Representative Luke, Representative Cullen and Members of the House Committee on Finance:

My name is Marty Kennedy and I am a service supervisor for the Arc of Kona. We provide services for the DDD population in an effort to facilitate fuller independence and provide opportunities for a fuller life for those we serve. I am writing to provide support to the following budget item in HB 100 scheduled for hearing on March 8th, 2017 at 9:00AM:

HTH 501 - Developmental Disabilities, Page 29, Item No. 16

I support funding for the DD Division the Medicaid 1915(c) waiver provides home and community based services for people with intellectual and developmental disabilities who would otherwise be served in institutions. This budget allows supports necessary for people with developmental disabilities to live, work, learn, and recreate in our communities.

It is important to rebase provider payment rates as outlined in the budget worksheet on page 463 of 1018, SEQ# 101-001. This begins to reflect the actual cost to provide services in Hawaii.

These services are important because it has helped many people to be able to explore jobs, interests, and live more independently. I have one young man that we serve who would be home all day and all evening as his mom does not drive and she is a single parent. Due to the services we provide, he is able to come to Adult Day Health, learn job skills, be active in his community with Special Olympics and volunteer at the Humane Society. He has a full, happy life thanks to Medicaid Waiver support.

Thank you for taking the time to review this letter.

Sincerely,



Marty Kennedy
72-1041 Pu'ukala Rd
Kailua-Kona, HI 96740



LATE

OFFICE OF THE LIEUTENANT GOVERNOR
STATE OF HAWAII
STATE CAPITOL
HONOLULU, HAWAII 96813

SHAN S. TSUTSUI
LIEUTENANT GOVERNOR

**TESTIMONY OF
THE OFFICE OF THE LIEUTENANT GOVERNOR
TO THE
HOUSE COMMITTEE ON FINANCE**

**HOUSE BILL NO. HB 100
Relating to the State Budget**

Chair Luke, Vice-Chair Cullen and members of the Committee on Finance, the Office of the Lieutenant Governor **supports** House Bill No. 100, Relating to the State Budget, as it pertains to the Office of the Lieutenant Governor. This measure appropriates funds for the supplemental operating and capital improvement budget of the Executive Branch for fiscal years 2017-2018 and 2018-2019.

The Office of the Lieutenant Governor has worked to fulfill its duties under the current Administration, including performing the statutory duties of the office, while also assuming the responsibility for several new initiatives and programs. Under the current Administration, the Lieutenant Governor has continued work on the Resources for Enrichment, Athletics, Culture and Health (R.E.A.C.H.) initiative, to help provide access to after-school programs to public middle/intermediate school students statewide, the Farm to School Initiative to expand the inclusion of local products in school meals, the Sports Development Initiative to promote and grow Hawaii as a premier sports destination for professional, amateur and youth athletics in the Asia-Pacific region, and the Aerospace States Commission. Additionally, the Lieutenant Governor has undertaken additional duties and assignments, as requested and required by the Administration.

We ask for the Committee's favorable consideration of our current budget request to ensure that the Office of the Lieutenant Governor can continue to ably serve the public and support current programs and responsibilities.

DAVID Y. IGE
GOVERNOR



WESLEY K. MACHIDA
DIRECTOR

LAUREL A. JOHNSTON
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
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 (OFAM)

WRITTEN COMMENTS
TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 100

LATE

March 8, 2017
9:00 a.m.
Room 308

RELATING TO THE STATE BUDGET

Chair Luke, Vice Chair Cullen and Members of the Committee:

The Department of Budget and Finance (B&F) supports H.B. 100, the Executive Biennium Budget submittal. The Department's requests include necessary adjustments to our fixed cost payments (debt service, employer retirement benefits payments, and employer health premium payments) and for specific requests that support key mission critical needs of our B&F core programs and the attached agencies.

We also respectfully request the following items contained in Governor's Message No. 2, dated February 7, 2017 be included in the measure:

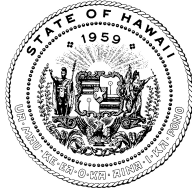
Vacation Payout – Statewide (BUF 103/VP) – *reduction of \$4,493,450 in both FY 18 and FY 19* in general funds in other personal services for reimbursement to the Departments of Accounting and General Services; Agriculture; Attorney General; Budget and Finance; Business, Economic Development and Tourism; Defense; Human Resources Development; Human Services; Labor and Industrial Relations; Land and Natural Resources; Public Safety; Taxation and

the Offices of the Governor and Lieutenant Governor for expenditures of accrued vacation payments for general funded employees leaving their employ.

Health Premium Payments – State (BUF 761/ST) – ***reduction of \$74,200,000 in FY 18*** to reflect a decrease in Other Post-Employment Benefits (OPEB) Prefunding from 100 percent pre-funding to the statutorily required 80 percent pre-funding.

Thank you for the opportunity to provide testimony on this measure and for your consideration of our comments.

DAVID Y. IGE
GOVERNOR



TODD NACAPUY
CHIEF INFORMATION
OFFICER

STATE OF HAWAII
OFFICE OF ENTERPRISE TECHNOLOGY SERVICES

P.O. BOX 119, HONOLULU, HI 96810-0119
Ph: (808) 586-6000 | Fax: (808) 586-1922
ETS.HAWAII.GOV

LATE

Testimony of
TODD NACAPUY
Chief Information Officer, State of Hawai'i

Before the

HOUSE COMMITTEE ON FINANCE
Wednesday, March 8, 2017; 9 a.m.
State Capitol, Conference Room 308

HOUSE BILL NO. 100
RELATING TO THE STATE BUDGET

Chair Luke, Vice Chair Cullen, and Committee Members:

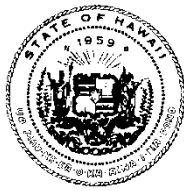
I am Todd Nacapuy, State Chief Information Officer and head of the Office of Enterprise Technology Services (ETS), testifying in support of House Bill No. 100, appropriating funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2017-2018 and 2018-2019.

We respectfully request that the items for ETS contained within this budget, as amended by Governor's Messages 2 and 5, be considered for approval. They propose fiscally prudent funding for ETS' legislatively mandated duties to provide governance for Executive Branch information technology projects and to support the management and operation of all State agencies by providing effective, efficient, coordinated and cost-beneficial computer and telecommunication services. Items contained in the budget also further our mission objectives to identify, prioritize and advance innovative initiatives with the greatest potential to increase efficiency, reduce waste, and improve transparency and accountability.

Together, the request items will enable ETS to provide the necessary services that support all of State government.

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

DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
Honolulu, Hawaii 96817

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

LATE

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

HOUSE COMMITTEE ON FINANCE

March 8, 2017 9:00 A.M.
Room 308, Hawaii State Capitol

In consideration of

House Bill 100
RELATING TO THE STATE BUDGET

Honorable Chair Luke and Members of the House Committee on Finance, thank you for the opportunity to provide testimony regarding House Bill 100, relating to the State budget.

The Hawaii Public Housing Authority (HPHA) supports the enactment of this measure, which appropriates funds for the operating and capital improvement budget of the Executive Branch for the fiscal years 2017-2018 and 2018-2019.

The HPHA's mission is to promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination through its public housing and rental assistance programs. The HPHA serves the State's most vulnerable populations, including the homeless and those at risk of homelessness, those earning less than thirty percent of the Area Median Income (AMI), the disabled and the elderly. The HPHA respectfully your support as we continue to provide shelter to working families, elderly, the homeless and those on the verge of homelessness.

The HPHA supports the Fiscal Biennium 2017-2019 Budget for the Department of Human Services (HMS), as well as HMS' testimony. Specifically, HPHA supports the key budget requests listed below.

EQUAL OPPORTUNITY EMPLOYER

I. HMS 220 – Rental Housing Services

220RH-01 Support Operations of State Family and Elderly Housing
FY18 A = \$2,100,000
FY19 A = \$2,100,000

The HPHA is very appreciative of the proposed \$2.1 million FY18 and FY19 appropriation toward State Family and Elderly public housing, which will eliminate the need for rental increases. Hawaii Revised Statutes Chapter 365D-43 mandates that the State Family and Elderly low-income public housing programs “shall be and always remain self-supporting,” yet the rental income for both programs is insufficient to support the programs. The requested \$2.1 million funding will allow the agency to not increase the tenant’s rent, while complying with the statute that mandates that we do not run a deficit. The increase in rent for this vulnerable population will cause great hardship which may lead to rent delinquencies and possible evictions.

II. HMS 222 – Rental Assistance Services

222RA-0102 Convert Temporary Positions to Permanent
FY18 A = -16.00P, -13.00T
FY19 A = -16.00P, -13.00T

222RA-03 Convert Temporary Positions to Permanent
FY18 N = 29.00P, \$1,864,310
FY19 N = 29.00P, \$1,864,310

The HPHA greatly appreciates last year’s appropriation of \$1.25 million A funds and the one-year conversion of positions from N to A. The HPHA now respectfully requests the conversion of positions back to federal funds and the conversion of existing temporary positions to permanent positions. Converting these positions to permanent status will assist the HPHA in being able to recruit for vacant positions which have been historically considered undesirable due to their temporary nature.

With 12 of the 29 positions currently in recruitment, the amount of time it takes to hire staff is substantially high. Additionally, the leasing of new vouchers (as well as the approximately 160 families are who currently looking for housing) and an increase in failed inspections (54% fail rate in January) necessitates N funded staff to properly maintain the program.

222RA-04 Additional Funding for State Rent Supplement to Provide
Housing Subsidies for Homeless Families
FY18 A = 7.00P, \$2,000,000
FY19 A = 7.00P, \$5,288,576

The HPHA greatly appreciates the additional funding and positions for the State Rent Supplement Program. The HPHA believes that \$2 million in the first year and the remaining \$5.28 million in the following year is a realistic proposal when establishing positions, hiring and new training staff, and implementing the program for the remainder of the year. 7.0 FTE positions would be needed in the initial year in order to establish and recruit staff to ensure the program is running at full capacity by the start of the second year.

The full appropriation would serve anywhere from 900 to 1,100 families. At this time, we anticipate that program participants would be eligible for up to \$500 per month in rent supplement depending on their income and monthly rent. Rent Supplement includes rental assistance payments to landlords on behalf of eligible individuals and families.

III. HMS 229 – Hawaii Public Housing Authority Administration

229HA-01 Establish New Positions for Multi-Skilled Worker Pilot
Program
FY18 W = 34.00P, \$2,088,413
FY19 W = 34.00P, \$2,959,892

The HPHA greatly appreciates the establishment of 34 permanent positions for the Multi-Skilled worker program under HB 100.

The Multi-Skilled Worker (MSW) Program began as a pilot program to address a dire need to reduce housing turn-over rates. The MSW program has since proven to be a documented success. The program's advantage is that public servants are no longer confined by their position descriptions, but can now train and be trained by other skilled trade workers in the MSW program to effectively work as a unified team to put a roof over the heads of our most vulnerable citizens with greater efficiency. Establishing permanent positions will enable a greater opportunity for increased success across the agency and allow the "borrowed" position to return to the property level that are tasked with keeping the occupied units in a safe, decent and sanitary condition as mandated by law. The positions for the program were initially borrowed from the Property Management Branch, as HPHA workers volunteered to participate in the program. Ultimately, the MSW positions will save

the tax payers money as HPHA gets Federal subsidies based on its total occupied units.

IV. HMS 220 - Lump sum for public housing development, improvements, renovations, and security statewide

The HPHA is very appreciative of the \$59 million lump sum in general obligation bonds for public housing improvements and renovations statewide under HB 100, combined or separated as follows:

a. Public Housing Development, Improvements and Renovations statewide

The HPHA is very appreciative of the \$50 million lump sum CIP appropriation, which will provide the agency with critical cost elements in tackling the backlog of capital needs, currently estimated to be more than three quarters of a billion dollars. Due to the age of our housing inventory and unexpected repairs, the HPHA respectfully requests your consideration for a lump sum budget request, as you have done in the past, which will provide the agency the flexibility to manage and expend capital funds in an expeditious manner. The condition of a property can change due to unexpected events, such as tenants who drive their vehicles into buildings, set their units on fire, discovering heavy mold after removing drywall, arsenic in the soil or by the occasional act of nature that sends a boulder down a hill into a newly renovated building.

b. Public housing improvements and renovations of vacant units statewide

The HPHA is very appreciative of the \$4 million lump sum in general obligation bonds for vacant unit repairs and renovations statewide under HB 100.

The HPHA experiences between 400 and 500 additional vacant units each year. This lump sum CIP appropriation will provide the agency with critical cost elements to develop, upgrade, and renovate its public housing facilities. Due to the age and condition of our housing inventory, the HPHA would respectfully request your consideration for a lump sum amount, which would provide the agency the flexibility to manage and expend capital funds in an expeditious manner and provide the agency with critical cost elements in tackling backlog, unforeseen conditions, or by the occasional act of nature.

c. Public housing security improvements statewide

The HPHA is very appreciative of the \$5 million lump sum in general obligation bonds for security improvements statewide under HB100.

This lump sum CIP appropriation will provide the agency with critical cost elements to upgrade and improve its security operations. One of HPHA's greatest concerns and priorities is the safety and well-being of its tenants and staff. Aging equipment and sparse security at asset management projects, prevent our residents from feeling secure, and increases the likelihood of trespassing, violence, and destruction of property. The HPHA would respectfully request your consideration for a lump sum amount, which would provide the agency the flexibility to manage and expend capital funds in an expeditious manner and provide the agency with critical cost elements in tackling backlog, unforeseen conditions and security measures, or by the occasional act of nature.

The HPHA appreciates the opportunity to provide the House Committee on Finance with the HPHA's position regarding HB 100, and thanks you very much for your dedicated support in addressing the affordable housing crisis in Hawaii.



LATE

STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
919 ALA MOANA BOULEVARD, ROOM 113
HONOLULU, HAWAII 96814
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543
March 8, 2017

The Honorable Sylvia Luke, Chair
The Honorable Ty J.K. Cullen, Vice Chair
House Committee on Finance
Twenty-Ninth Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Dear Representatives Luke and Cullen, and Members of the Committee:

SUBJECT: HB 100 - RELATING TO THE STATE BUDGET

The State Council on Developmental Disabilities (DD) **STRONGLY SUPPORTS HB 100** relating to the specific budget items noted below. The purpose of this measure is to appropriate funds for the operating and capital improvement budget of the Executive Branch for fiscal years (FY) 2017-2018 and 2018-2019.

1. HTH 905 – Developmental Disabilities Council
Page 31, Item No 23.

HTH 905	FY 2018	FY 2019
	2.50 *	2.50 *
HTH	230,932 A	230,932 A
	6.50 *	6.50 *
HTH	528,666 N	528,666 N

The appropriation amount in HB 100 provides the Council with its current staffing and fiscal resources to implement its 2017-2021 State Plan activities in the areas of community supports; health and children and youth; public awareness, education and training; transition and employment; and self-advocacy and self-determination. Activities include policy development, implementation and analysis; informing and educating policymakers about developmental disabilities; establishing networks and coalitions on specific issues and concerns relating to developmental disabilities; conducting legislative advocacy training; providing leadership training; demonstrating new approaches to services and supports; fostering interagency collaboration and coordination; coordinating and sponsoring the annual Day at the Capitol, transition events, and neighbor island legislative forums, etc.

The Honorable Sylvia Luke
The Honorable Ty J.K. Cullen
Page 2
March 8, 2017

Budget Worksheet: Page 529 of 1018
SEQ# 80-001 Executive Request:
Convert (1) position from temporary to permanent for self-advocacy activities
(HTH905/AH). (FY 18: 1.00/A; FY 19: 1.00/A)

Detail of Governor's Request:
(1) Program Specialist IV - Developmental Disabilities SR22 (#118735;51,930)

The Program Specialist (DD) IV position was established per Act 213/SLH 2007 as a temporary civil service position. The legislature acknowledged self-advocates as an important stakeholder and was very supportive of them to be active participants in policy development and implementation. Therefore, the legislature established the position as temporary civil service to give the DD Council the go ahead and a mechanism to fill the position.

The position serves as a critical link in providing planning and coordination of statewide self-advocacy activities, outreach and leadership training and educational events for the Self-Advocacy Advisory Council (SAAC) and a statewide self-advocacy network that is comprised of individuals with DD (self-advocates). Through outreach and self-advocacy leadership training, self-advocates are increasing their knowledge base, developing leadership skills, empowering themselves and others to take control over their lives, engaging in leadership roles, and participating as a significant stakeholder in the development and implementation of county, state and federal policies and programs that promote person-centered planning, self-directed services, self-determination, community inclusion and integration, and consumer satisfaction for people with DD.

There is no other position performing similar work as Position #118735, and no position within the Developmental Disabilities Council and the Department of Health that provides planning and coordination of statewide self-advocacy activities that cut across other state departments (i.e., Departments of Education, Health, Human Services, Labor and Industrial Relations, and Transportation). Establishing permanency in the position would assure continuity in providing staffing for the Self-Advocacy Advisory Council, establishing a statewide self-advocacy network, and coordinating statewide self-advocacy activities.

SAAC is working with the DD Council, University of Hawaii Center on Disability Studies, and Hawaii Disability Rights Center to provide leadership training, education, skill building, and assistance in helping self-advocates to develop partnerships with other organizations and advocacy groups that represent a range of diverse cultures and disabilities; working on building their skills in decision-making, goal setting with measurable results, setting priorities, and strengthening their leadership role in the community; and working on strengthening their advocacy skills to expand their outreach and build stronger, inclusive communities.

The Honorable Sylvia Luke
The Honorable Ty J.K. Cullen
Page 3
March 8, 2017

**2. HTH 501- Developmental Disabilities
Page 29, Item No 16.**

Budget Worksheet: Page 463 of 1018
SEQ# 101-001 Executive Request:
Add funds for rebased provider payment rates (HTH501/CN).
(FY18: \$2,754,980A; FY19: \$7,118,914 A)

Detail of Governor's Request:
Home and Community Based Services Waiver
(FY18: \$2,754,980A; FY19: \$7,118,914 A)

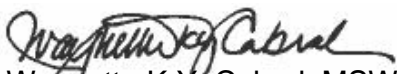
According to calculations by the Department of Health DD Division, the above request to add funds to rebase provider payment rates would leverage an additional \$4.8 million in FY2018 and additional \$10.1 in FY2019. (Total Biennium: Additional \$14.9 million over current Medicaid claiming for the Waiver).

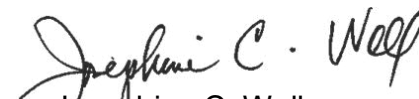
Hawaii received conditional approval of its Waiver effective July 1, 2016. The Waiver was approved based on the assurance that the State would comply with all applicable federal regulations and requirements contained in the Waiver. One of the stipulations is "requirements provided in §1902(a)(30)(A) of the Social Security Act that the state must assure that payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that they are available to the general population in the geographic area." Centers of Medicare and Medicaid Services (CMS) requires Waiver programs to have payments that are sufficient to have an adequate pool of service providers. The rebasing reflects payments for actual costs of providing services.

Although there was a slight increase in rates in 2009, most rates remained unchanged since the early 2000s. Rate increases were not funded over the duration of the previous Waiver. Factors that impact costs are the minimum wage increases, cost of living, new Home and Community-Based Services requirements (CMS final rule on community integration) mean new types of services and supports are needed to integrate people fully into the community.

The Council respectfully ask for your favorable support of the above budget items. Thank you for the opportunity to submit testimony **strongly supporting the above-mentioned budget items in HB 100.**

Sincerely,


Waynette K.Y. Cabral, MSW
Executive Administrator


Josephine C. Woll
Chair

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII



JOBIE M. K. MASAGATANI
CHAIRMAN
HAWAIIAN HOMES COMMISSION

SHAN S. TSUTSUI
LT. GOVERNOR
STATE OF HAWAII

WILLIAM J. AILA, JR.
DEPUTY TO THE CHAIRMAN

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879
HONOLULU, HAWAII 96805

LATE

TESTIMONY OF JOBIE M.K. MASAGATANI, CHAIRMAN
HAWAIIAN HOMES COMMISSION
TO THE HOUSE COMMITTEE ON FINANCE
IN SUPPORT OF

HB 100, RELATING TO THE STATE BUDGET

March 8, 2017

Chair Luke, Vice-Chair Cullen, and Members of the Committee:

HB 100, as introduced, includes the Governor's Executive Budget request for our program, HHL 625, Administration and Operating Support. The Governor's Budget request includes \$25.120 million in general funds to cover the department's existing personnel, administrative, and operating costs. In addition to the request for general funds, the current version of the budget bill includes requests for \$4.824 million in special funds and \$1.3 million in federal funds that DHHL receives from the Native American Housing and Self-Determination Act (NAHASDA).

As you are aware, the Hawaii Circuit Court ruling on November 27, 2015, in the Nelson v. Hawaiian Homes Commission case had a significant impact on our budget request for the 2017-19 Biennium Budget. In part the Court ruled that the Hawaiian Homes Commission must take all reasonable efforts "to obtain the funding it needs for its administrative and operating budget

The department administers two (2) programs, HHL 602, Planning and Development for Hawaiian Homesteads, and HHL 625, Administration and Operating Support. The intent of the homesteading program is to increase the self-sufficiency of native Hawaiians through the provision of land. At the present time the Department must use its special and trust funds to finance any of its administrative and operating costs not funded with general funds. These resources would otherwise be used for direct benefits to our beneficiaries.

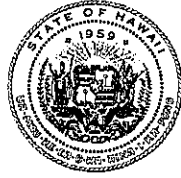
The Department is including for the Committee's consideration the testimony presented to the Ways and Means Committee on January 11, 2017. Although in the past the Department would've presented this information to the Committee at its annual informational briefing on DHHL's budget, this year was the first year that such a briefing was not scheduled by the Finance Committee. Therefore, we appreciate the opportunity to respectfully provide this information to the Finance Committee for its consideration.

Department of Hawaiian Home Lands
HB 100
House Committee on Finance, 3-8-2017
Page 2

DHHL requests that the Finance Committee consider our request and provide sufficient sums. Thank you for your consideration of our testimony.

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII

SHAN S. TSUTSUI
LT. GOVERNOR
STATE OF HAWAII



JOBIE M. K. MASAGATANI
CHAIRMAN
HAWAIIAN HOMES COMMISSION

WILLIAM J. AILA, JR.
DEPUTY TO THE CHAIRMAN

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

P. O. BOX 1879
HONOLULU, HAWAII 96805

Testimony of Jobie M.K. Masagatani, Chairman
Hawaiian Homes Commission

Before the House Finance Committee
on the
2017-19 Biennium Budget Request
of the Department of Hawaiian Home Lands

March 8, 2017

Chair Luke and Members of the House Finance Committee. Thank you for this opportunity to provide information on the Department of Hawaiian Home Lands (DHHL) Biennium Budget request for Fiscal Years 2018 and 2019 Operating and Capital Improvement Program Budget.

Overview

The mission of the department is to manage the Hawaiian Home Lands trust effectively and to develop and deliver land to native Hawaiians. We will partner with others toward developing self-sufficient and healthy communities. The trust, created by Congress through the Hawaiian Homes Commission Act of 1920, as amended, (Act) sets aside public lands to be used for the benefit of native Hawaiians (persons of at least 50% Hawaiian blood). Today, the department is responsible for the management of approximately 203,000 plus acres of these trust lands, including 9,816 homestead leases statewide.

As required by the Admissions Act and as a compact with the United States, the State of Hawaii and the people of Hawaii adopted the Act as a provision of the State Constitution and agreed to faithfully carry out the spirit of the Act for the rehabilitation of the Hawaiian race. These trust responsibilities still remain.

Although DHHL's mission "to develop and deliver land to native Hawaiians" is well-known, the lesser known charge "to manage the Hawaiian Home Lands trust effectively" is equally important. Increasingly, this responsibility is demanding a greater share of DHHL's financial and staff resources to address. In terms of land holdings, Table 1 identifies the land use designation utilized by DHHL. Of the total inventory, less than 5 percent are designated for residential use (including existing residential homesteads), while nearly two thirds of DHHL's land inventory (63.3% percent or 128,721 acres) are lands designated as General Agriculture or

ATTACHMENT

Conservation/Special District¹. Most of these lands will remain in DHHL’s inventory over the next 20 years with DHHL facing land management issues for this acreage, similar to DLNR and other large private land owners (i.e. trespassing, dumping, fire prevention, etc.) Finding creative ways to manage this trust resource with beneficiary input and participation, while honoring DHHL’s fiduciary responsibilities to act prudently and not place the interests of one beneficiary group above another, is the challenge ahead.

Table 1: DHHL Lands by Land Use Designation Statewide

	TOTAL	%	
Residential	9,508	4.67%	
Subsistence Ag	6,590	3.24%	
Supplemental Ag	10,199	5.01%	
Pastoral	43,739	21.51%	
Community Use	1,760	0.86%	
Commercial	1,144	0.56%	
Industrial	1,676	0.82%	
General Agriculture	65,218	32.07%	} 63.30%
Special District	33,673	16.56%	
Conservation	29,830	14.67%	
Acres:	203,337		128,721

I. Statewide Conditions

The “hot” real estate market has highlighted the need for affordable housing. DHHL’s homesteading program is a vital part of the state’s response to this critical need.

Needed Units/Affordability

The recently released Hawaii Housing Planning Study, 2016 (completed in December 2016 for the Hawaii Housing Finance and Development Corporation by SMS Research) includes an analysis of the number of additional units needed from 2016-2020 to house new households after the housing market responds with supply. Of 24,551 Housing Units Needed for the State of Hawaii, 9,074 units are needed for Single Family Ownership.² Table 2 displays the needed Single-Family Ownership units broken out by HUD Income Classifications (% of Area Median Income (AMI)) and the fair share of units applicable to DHHL beneficiaries based on the estimated proportion of native Hawaiian households to the total households in the State of Hawaii³. Based on this analysis, if

¹ The General Agriculture designation identifies lands that are unlikely to be developed within the next twenty years given its remote location or high costs needed to bring in infrastructure to prepare the lands for homesteading.

² See Table 28b, Hawaii Housing Planning Study 2016

³ DHHL estimated total beneficiary population from NAHASDA Annual Performance Report 2015: 67,721 Households. Total households statewide 450,299 from State of Hawaii Data Book 2015 Table 1.17.

DHHL is to shoulder its fair share of units, it should be producing approximately 272 lots on an annual basis.

In terms of affordability, Hawaii Housing Finance Development Corporation provides guidelines as to the sales prices that are considered affordable to families based on their income (expressed as a percent AMI). While DHHL is expanding the number of vacant lots offered to beneficiaries, the department continues to work with developers on a more limited basis. In the most recent offering conducted for lots in Waimanalo in the fall of 2016, the price for a 3 bedroom 2 bath turnkey home was \$285,345. This is well under the Honolulu County Affordable Sales Price Guideline of \$400,400 for a family of four in Honolulu at 80 percent of AMI.⁴

Table 2
 Needed Housing Units State of Hawaii Single-Family Ownership 2016-2020
 HUD Income Classification (% of Area Median Income)

	< 60	60-80	80-120	120-140	140-180	180+	TOTAL
Units	2,332	1,350	1,047	1,763	738	1,844	9,074
% of Total	26%	15%	12%	19%	8%	20%	100%
Units Needed/Yr -- State	466	270	209	353	148	369	1,815
Units Needed/Yr -- DHHL Benefic. (estimated) 15% of State	70	41	31	53	22	55	272

II. Homesteading Program

In calendar year 2016 a total of 374 new lots were completed or near completion.

These included:

- (1) Waimanalo (Kakaina) 45 lots (31 lots awarded in the fall of 2016);
- (2) East Kapolei 160 lots;
- (3) Laiopua Kona 118 lots; and
- (4) Anahola Kauai (Piilani Mai Ke Kai Phase II) 51 lots.

DHHL is currently reviewing proposals to build a rent with option to purchase project on the Laiopua lots in Kona, and is seeking a developer to build a portion of the East Kapolei lots. In response to requests from our beneficiaries for more opportunities to build their own homes, as noted above, DHHL is expanding the number of vacant lot offerings it is providing to

⁴ See Honolulu County Affordable Sales Price Guidelines 2016 available at the HHFDC website.

both “undivided interest” (UI) lessees⁵ and applicants on the waiting list. The department also continues to work with self-help providers on all islands including Habitat for Humanity. Over the next calendar year, DHHL intends to award an additional 38 lots remaining in DHHL’s inventory, (22 lots in Anahola and 16 lots in Lanai) as owner-builder or self-help homes and to complete the conversion of 70 rental units to homestead leases in Kapolei (Hoolimalima subdivision). In calendar year 2017 a total of 482 lots will be awarded or converted to leases or under development as a rent with option to purchase unit, this lot count is over 75 percent more than DHHL’s proportionate share of lots for affordable units.

Challenges

There are a number of challenges DHHL faces with regard to meeting the mission of homesteading. These include, but are not limited to, the following:

- (1) DHHL can only develop where it has lands. Most of DHHL’s lands are located on the neighbor islands in rural or more remote locations. The greatest demand (longest waiting list) is for residential property on Oahu (10,511⁶). Yet, DHHL has the least amount of land holdings on Oahu (3.3% of total lands).
- (2) Many do not respond. Over the last five years, of the thousands of families contacted approximately 3-4 percent of those contacted expressed an interest in the offering. The remainder either: (1) responded but was not interested (between 10-12 percent); or (2) did not respond at all (approximately 85 percent). Anecdotally, the more common reasons given for lack of interest in the offering include: location of the lot, timing (i.e. holding a place for their children to take a lease in the future, waiting to retire, not ready to move back to Hawaii, etc.), and affordability. Given the non-response rate of 85 percent, about 15 percent of DHHL’s applicants are actively engaged with the department. This number may reflect a more accurate estimate of demand. If the total number of individuals on DHHL’s waiting lists is currently 23,808, 15 percent is 3,571.
- (3) Reliable funding. The cost for infrastructure (roads, water, sewer, drainage, electrical, etc.) to prepare DHHL lands for homesteading is high. The development process is also long requiring environmental compliance, planning, design, and construction phases. To keep a steady production of lots requires a reliable stream of funding to keep lots in every phase of development. This reliable funding also gives families waiting for an award of a lot (both applicant families on the waiting list or UI lessees) some certainty to plan and prepare financially to take a lot.

⁵ “Undivided Interest” (UI) leases were awarded approximately 15 years ago for specific subdivisions that were planned for development. Upon completion of the subdivision, the UI lessee was eligible to select a lot and convert their UI lease to a standard homestead lease.

⁶ As of November 30, 2016

- (4) Competing needs. In addition to developing new homesteads, DHHL also has other critical, albeit lesser known responsibilities. Like a county, DHHL maintains and repairs existing infrastructure (e.g. clearing of flood channels and drainage, fire protection of non-homestead areas, roads and facilities maintenance, sewer emergencies and repairs, etc.) In certain counties, the county has either not accepted portions of newer infrastructure, or has stopped performing needed repair. One examples is sewer systems. Act 227, SLH 2014, clarified and confirmed that operating and maintenance of sewer systems is a county function. However, DHHL continues to maintain the sewer systems on Hawaiian home lands in the interim until Act 227 can be fully implemented.

In addition to County-like responsibilities, DHHL also performs water utility functions. DHHL owns and operates three regulated public water systems: Hoolehua, Molokai; Anahola, Kauai; and Kawaihae, Hawaii⁷. Together, the systems have a total of 826 meters serving approximately 2,500 individuals (not including the schools and airport that are supported by the Hoolehua system.)

If DHHL trust resources are spent to address these critical functions for existing homesteads and lessees, it will not have the resources needed to maintain its homestead production goals and meet the needs of beneficiaries on the waiting list.

Efforts to Support Progress

- (1) Focus on subsistence agricultural lots. For Maui, Hawaii, Kauai, and Molokai, the waiting lists for an agricultural lot is longer than a residential lot. Given this strong apparent demand for agricultural lots and DHHL's extensive agricultural land inventory on the neighbor island, DHHL is developing a new agricultural award that focuses on use of the lot for subsistence (including residency) rather than commercial purposes. These lots anticipate less-costly infrastructure that is more consistent with its rural location, e.g. agricultural standard roads, catchment water systems, overhead electrical, etc. This new award is intended to allow for more awards of lots at a lower price tag for infrastructure. After extensive beneficiary consultation, the rules for this program are near completion. The goal is to award subsistence lots by end of year 2018.
- (2) HALE program. The HALE program was initiated in August 2013 to assist beneficiaries with preparation for homeownership. Now in full swing, this program utilizes the services of experienced housing counselors to assist beneficiaries with credit repair, budgeting, and loan qualification. Both workshops and case management services are paid for by DHHL utilizing its federal NAHASDA funds to financially prepare beneficiaries. This effort is intended to support families that are interested in taking

⁷ DHHL also owns and operates a fourth non-potable system that feeds its pastoral homestead lots in Puukapu, Hawaii.

a lot but face financial difficulties, eliminating this barrier to lot selection and homeownership.

- (3) Legislative support for repair and maintenance. For FY 2016 and FY 2017 the Legislature provided a total of \$12.75 million to address critical sewer repairs in Papakolea. These resources are instrumental in insuring that needed repairs take place so that transfer of the system to the City and County of Honolulu can occur. We would respectfully ask that the Legislature continue its support of projects like this that benefit both the homestead communities and the properties that neighbor DHHL lands.

Beyond homestead development, calendar Year 2016 saw three other notable achievements at DHHL: (1) the opening of the Ka Makana Alii Shopping Center in Kapolei; (2) the completion of the South Point Resources Management Plan (addressing the management of South Point and other culturally sensitive sites), and (3) the gathering of all of the homestead association leaders to the first "Puwalu" Conference to discuss their community initiatives and priorities. The outcome of that discussion is included as part of DHHL's "sufficient sums" budget submission, also noting those projects community organizations intend to submit as a Grant-in-Aid request.

While there are tremendous challenges in front of us, the department is positioned to play an integral part in our State's economy through its CIP projects, particularly as private projects near completion and the construction industry starts to cool down. We look forward to coordinating our efforts with the Legislature.

Federal Funds

DHHL is the recipient of the Native Hawaiian Housing Block Grant (NHHBG), CFDA 14.873, as part of the Native American Housing Assistance and Self Determination Act (NAHASDA). These funds support housing activities for beneficiaries at or below the 80 percent Area Median Income. NAHASDA funding for federal grant years 2018 and 2019 is not assured, given that the NAHASDA program (all titles) is currently not authorized. Planned program activities for FY 2018 and FY 2019 are currently funded with prior grant year available balances.

DHHL has been notified that it has been approved as a recipient for the United States Department of Agriculture Water and Waste Disposal program loan/grant funds.

Biennium Budget Request

The department administers two (2) program, HHL 602, Planning and Development for Hawaiian Homesteads, and HHL 625, Administration and Operating Support. The objectives of the programs are to develop and manage the designated Hawaiian home lands to create more homesteads for native Hawaiians (as defined by the Act), and generate revenues to address program needs.

DHHL is a unique department. While it is part of the Executive branch, it is also the only state agency with a State of Hawaii constitutional provision that mandates funding. This provision was the basis of a lawsuit brought against the State and the Hawaiian Homes Commission by beneficiaries of the Hawaiian home lands program.

Background: DHHL “Sufficient Sums” Biennium Budget – FB 2017-19

Article XII, Section 1 of the State Constitution identifies four purposes where the legislature shall make sufficient sums available: “... (1) development of home, agriculture, farm and ranch lots; (2) home, agriculture, aquaculture, farm and ranch loans; (3) rehabilitation projects to include, but not limited to, educational, economic, political, social and cultural processes by which the general welfare and conditions of native Hawaiians are thereby improved; (4) the administration and operating budget of the department of Hawaiian home lands....”

On October 19, 2007, several beneficiaries filed a lawsuit against the State and the Hawaiian Homes Commission claiming that the State violated its constitutional duty to sufficiently fund the Department of Hawaiian Home Lands.

On March 9, 2012, the Supreme Court affirmed the Intermediate Court of Appeals judgment in part that the courts can determine what constitutes “sufficient sums” for the DHHL’s administrative and operating expenses to carry out the purposes of the Hawaiian Homes Commissions Act, 1920, as amended. The Supreme Court also determined that “sufficient sums” for (1) development of lots, (2) loans, and (3) rehabilitation projects are political in nature and could not be judicially determined.

On November 27, 2015, the First Circuit Court entered its Findings of Fact, Conclusions of Law and Order concerning Plaintiffs’ claim that the State of Hawaii failed to make sufficient sums available to the DHHL as required by article XII, section 1 of the Hawaii Constitution. Final Judgment was entered on December 14, 2015. This order was subsequently orally amended (in part) on February 29, 2016.

Judge Castagnetti declared in her final amended order that:

“1. The State of Hawaii has failed to provide sufficient funds to the Department of Hawaiian Home Lands for its administrative and operating budget in violation of the State’s constitutional duty to do so under article XII, section 1 of the Hawaii Constitution.

2. The State of Hawaii must fulfill its constitutional duty by appropriating sufficient general funds to the Department of Hawaiian Home Lands for its administrative and operating budget so that the Department does not

need to use or rely on revenue directly or indirectly from general leases to pay for these expenses.

3. Although what is sufficient will change over the years, the amount of general funds appropriated to DHHL for its administrative and operating budget for fiscal year 2015-16 (\$9,632,000) is not sufficient. The State is required to comply with the Hawaii Constitution and must fund DHHL's administrative and operating expenses by making sufficient general funds available to DHHL for its administrative and operating budget for fiscal year 2015-16.

4. Prior to 2012, the DHHL Defendants breached their trust duties by failing to take all reasonable efforts – including filing suit – to obtain all the funding it needs for its administrative and operating budget.

5. The defendants must fulfill their constitutional duties and trust responsibilities.

Based on the advice of counsel and the Court's ruling, the Hawaiian Homes Commission, has a fiduciary responsibility to ask for amounts the Commission considers "sufficient sums" for the Department's four purposes: (1) lot development; (2) loans; (3) Rehabilitation projects; (4) the administrative and operating budget of the Department of Hawaiian Home Lands.

The Hawaiian Homes Commission "Sufficient Sums" Budget request is formulated in two parts:

- a) Administrative and Operation costs relating to the Supreme Court ruling regarding purpose no. 4 of Article XII, Section I. This part also includes repair and maintenance (R&M) costs associated with existing infrastructure projects. As a result of insufficient resources, these deferred R&M items have now, in many instances, become capital improvement issues.
- b) Costs aligned with purposes numbers 1, 2 and 3, of Article XII, Section I, of the Hawaii State Constitution relating to: ...(1) development of home, agriculture, farm and ranch lots"; (2) home, agriculture, aquaculture, farm and ranch loans; and (3) rehabilitation projects to include, but not limited to, educational, economic, political, social and cultural processes by which the general welfare and conditions of native Hawaiians are thereby improved...." which the Supreme Court ruled as political in nature and, therefore, could not be judicially determined.

Hawaiian Homes Commission “Sufficient Sums” Biennium Budget Requests
Fiscal Years 2018 and 2019

On September 20, 2016, the Hawaiian Homes Commission (HHC) approved the following “sufficient sums” biennium budget request at its regular meeting.

Merriam-Webster defines sufficient as “enough to meet the needs of a situation or a proposed end.” The “sufficient sums” budget identifies, for example, a staffing level of 260 general funded positions as the amount needed to be able to implement DHHL’s programs and deliver services to beneficiaries at a level that is adequate in its quality.

While we recognize that establishing and filling 60 additional positions in one (1) year is extremely ambitious given the State’s personnel processes and DHHL’s current vacancy count, we continue to make the ask to be transparent as to the level of staffing DHHL currently deems sufficient. This same approach was utilized to develop the amounts deemed sufficient to fund the four purposes identified in Article XII Section 1.

Administrative and Operating Costs: Purpose 4 of Article XII, Section 1

The HHC biennium budget request for administrative and operating costs total \$59,045,280 and \$53,430,280 annually for fiscal years 2018 and 2019, respectively.

Ongoing repairs and maintenance for existing infrastructure on Hawaiian home lands totaled \$3,613,000 annually for fiscal years 2018 and 2019 and is requested as a separate general fund “Repair and Maintenance” request in the “Other Current Expenses” category.

DHHL’s initial CIP general obligation bond request relating to existing infrastructure is made as a lump sum request under the title of “Hawaiian Home Lands Development, Statewide” totaling \$24,115,000 and \$18,500,000 for fiscal years 2018 and 2019, respectively. The existing infrastructure projects have a long standing history of operational, maintenance and repair issues that have become capital improvement issues. A summary recap of the discussion is shown below. The detailed projects included in the Repair and Maintenance Operating and CIP Budget request are included as Attachment A.

Hawaiian Homes Commission Budget Request: Purpose no. 4 - State Constitution, Article XII, Section 1			
	FY 2018	FY 2019	
	(260.00)	(260.00)	
Administrative and Operating Budget Request	\$31,317,280	\$31,317,280	(A)
Operating Budget: Repairs and Maintenance of Existing Infrastructure	\$3,613,000	\$3,613,000	(A)
CIP Budget: Repairs and Maintenance of Existing Infrastructure	\$24,115,000	\$18,500,000	(C)
Total HHC Administrative and Operating Budget Request	\$59,045,280	\$53,430,280	
Means of Financing: (A)= General Fund; (C) = General Obligation Bond			

Hawaii State Constitution: Purposes 1, 2, 3 of Article XII, Section I; Lot Development, Loans and Rehabilitation Projects

The HHC biennium budget request for Purposes 1, 2, 3 of Article XII, Section I (Lot Development, Loans and Rehabilitation Projects) total \$196,055,100 and \$209,234,100 for FY 2018 and 2019, respectively. The detailed request is included as Attachment B. A summary recap of the discussion is shown below.

Hawaiian Homes Commission Budget Request: Purposes no. 1, 2, 3, State Constitution, Article XII, Section 1			
	FY 2018	FY 2019	
Purpose 1: Lot Development	\$73,425,000	\$88,975,000	(C)
Purpose 2: Loans	\$75,000,000	\$78,100,000	(C)
Purpose 3: Rehabilitation Projects	\$32,121,000	\$29,050,000	(C)
Rehabilitation Projects	\$15,509,100	\$13,109,100	(A)
Total	\$196,055,100	\$209,234,100	

Means of Financing: (A) = General Fund; (C)=General Obligation Bond

In August 2016, DHHL participated in a Puwalu discussion in Hilo that brought native Hawaiian beneficiary leaders state-wide together regarding priorities in their communities and programmatic needs. These needs provided by the beneficiaries were identified and sorted according to the purposes provided by Article XII, Section 1 of the State Constitution and included in the FB 2017-19 request.

Separate from the department’s request are grants-in-aid (GIA) projects that were brought up in the Puwalu discussion. The GIA requesters will still need to go through the normal GIA process to secure funding.

CIP Budget: HHC Federal Fund Request

Separate from the “sufficient sums” request is a request for authorization to expend \$16.1 million in Federal funds for fiscal year 2018 as provided by the U.S. Department of Agriculture Water and Waste Disposal program.

Also separate from the “sufficient sums” request is a request to fund four (4) (FTE) positions and two (2) temporary positions funded by the Native American Housing Assistance and Self Determination Act (NAHASDA) program.

Executive Biennium Budget Requests – Fiscal Years (FY) 2018 and 2019

Operating Budget Request for Fiscal Years 2018 and 2019

Governor’s Executive Biennium Budget request for DHHL generally reflects a status quo request using amounts as financed by Act 124, SLH 2016 as a current funding level, after

adjustments for collective bargaining increases. Sources of funding are from general, special, trust and federal funds. Adjustments in the Operating Budget request consist of:

1. General Fund – Collective Bargaining increase of \$184,170.
2. General Fund – Position Variance of three (3) positions, no increase in funding.
3. Trust Fund – decrease appropriation by \$3,740,534.
4. Federal Fund – decrease other current expenses by \$ 22,000,000 to reflect Federal grant year funds.

We note for the Committee’s consideration two (2) concerns with the Governor’s request.

1. The general fund amounts for “other current expenditures” (OCE) is substantially lower than the amounts DHHL expended in FY 2016. The object codes included under DHHL’s other current expenditures are consistent with the Circuit Court’s definition of administrative and operating expenses. Given the Court’s order, DHHL is respectfully asking that the Legislature provide general fund resources for “other current expenditures” at a level that will, at a minimum, cover the actual amounts expended so that DHHL will not have to use revenues generated by its general leases to make up the shortfall.
2. Set aside of \$6,865,887 for general fund fringe benefit costs in DHHL’s budget which, for most other departments, are reflected in a separate Department of Budget and Finance general fund appropriation.

Capital Improvement Program Request (CIP) for Fiscal Years 2016 and 2017

The Governor’s Executive Biennium Budget request is comprised of a request for three (3) CIP appropriations.

Two (2) of the CIP projects, totaling \$25,000,000, seeks financing through general obligation bonds to 1) improve or remediate existing infrastructure on Hawaiian home lands in the amount of \$5,000,000 annually and 2) provide lot development on Hawaiian home lands in the amount of \$20,000,000 annually for fiscal years 2018 and 2019.

The other CIP budget request is funded by Federal Funds through the HUD NAHASDA program and seeks authorization to expend \$15 million annually for the biennium period.

Summary

We are most appreciative of the support given by the Legislature to the Hawaiian homes program throughout the years. We again thank the Committee for the opportunity to brief you on our biennium budget request. We would be pleased to respond to any questions the Committee may have.

Department of Hawaiian Home Lands
 Purpose 4: Administrative and Operating Costs
 Repair and Maintenance of Existing Infrastructure
 FB 2017 - 2019 Budget Request

ISLAND	AREA or SUBDIVISION	MAINTENANCE COMPONENTS- PURPOSE	FY 2018	FY 2019
Hawaii	Kawaihae	Water System Operation and Maintenance	120,000	120,000
Hawaii	Laiopua Villages	Brush Clearing and Fire Breaks	50,000	50,000
Hawaii	Puukapu	Water System Operation and Maintenance	255,000	255,000
Kauai	Anahola	Water System Operation, Maint, Emerg Call	75,000	75,000
Kauai	Piilani MKK and Anahola	Maintenance	75,000	75,000
Lanai	Lanai City	Maintenance	75,000	75,000
Maui	Kula	Maintenance	200,000	200,000
Maui	Leialii	Leialii Parkway Maintenance	85,000	85,000
Maui	Waiehu Kou	Detention Basins and Ditches	125,000	125,000
Maui	Waiehu Kou	Sewage Pump Station	80,000	80,000
Oahu	East Kapolei II	Detention Basins (2)	30,000	30,000
Oahu	Kapolei	Maiuohai, Kaupea, Kanehili Maintenance	75,000	75,000
Oahu	Nanakuli	Princess Kahanu Road Repairs	30,000	30,000
Oahu	Oahu	Sewage Spill Response and Repair	150,000	150,000
Oahu	Oahu	Street Light Replacement	375,000	375,000
Oahu	Oahu	Scattered Location Repair and Maintenance	1,200,000	1,200,000
Oahu	Oahu	Albizia Control	290,000	290,000
Oahu	Waimanalo	Drainage Channel and Tree Trimming	38,000	38,000
Oahu	Waimanalo	Detention Basin	30,000	30,000
State	Statewide	Sign Replacement	255,000	255,000
		Total	\$3,613,000	\$3,613,000

Means of Financing: General Fund

Department of Hawaiian Home Lands
 Purpose 4: Administrative and Operating Costs
 Repair and Maintenance of
 Existing Infrastructure (Lump Sum Details)
 FB 2017 - 2019 Budget Request

ISLAND	AREA or SUBDIVISION	PROJECT COMPONENTS	PHASE (PLANNING, DESIGN, CONSTRUCTION, HOUSING)	FY 2018	FY 2019
Oahu	Papakolea	Papakolea Sewer System Improvements & Slope Remediation	Design and Construction	1,500,000	10,000,000
Oahu	Papakolea	Roadway and Retaining Walls Stairway Repair	Design and Construction	750,000	
Oahu	Islandwide	Traffic calming measures	Design and Construction	450,000	
Hawaii	Kawaihae	Kawaihae Water System	Design	750,000	
Maui	Waiehu Kou 3	Sewer Pump Station	Design and Construction	200,000	
Maui	Waiehu Kou Phase 2	Detention Basin and Park Repair	Design and Construction	250,000	
Maui	Waiehu Kou Phase 3 and 4	Detention Basin and Ditch Improvements	Design and Construction	550,000	
Oahu	Islandwide	Sewer assessment and Design	Planning and Design	500,000	1,000,000
Maui	Islandwide	Drainage Improvements	Design and Construction	1,000,000	
Maui	Kula Residence Lots	Roadway Safety and Drainage Improvements	Design and Construction	1,200,000	1,200,000
Oahu	Nanakuli Series 5-3	Soils and Rockfall Mitigation	Planning and Design	550,000	
Oahu	Waianae Valley	Rock Mitigation	Design and Construction	170,000	
Oahu	Waianae and Nanakuli	Sewer System Extension	Design and Construction	1,100,000	
Oahu	Waimanalo	Rock Fall Mitigation	Planning and Design	500,000	
Hawaii	Lalopua	Plant Mitigation and Preservation Restoration	Design and Construction		1,100,000
Lanai	Lanai	Drainage Improvements	Design and Construction	820,000	
Kauai	Anahola	Anahola Park Improvements	Design and Construction	100,000	
Kauai	Anahola	Drainage Masterplan and Design	Planning and Design	825,000	
Kauai	Anahola	Surface Water Development	Plan, Design Construct	1,000,000	2,000,000
Kauai	Waimea	Waimea Waterline Improvements	Planning and Design	300,000	
Kauai	Waimea	Pu'u 'Opae Agricultural and Water Plan	Planning	275,000	
Statewide	Statewide	Cesspool Upgrades to Septic or Sewer	Planning and Design	1,100,000	
Statewide	Statewide	Remedial Roadway Improvements for Dedication to Counties	Planning and Design	1,100,000	
Hawaii	Islandwide	UXO Mitigation and Remediation on Existing Lots	Plan, Design Construct		2,000,000
Oahu	East Kapolei II	Detention Basin Corrective Action to Sides and Silting	Construction	75,000	
Oahu	Nanakuli	Drainage Channel Repairs	Design and Construction	1,000,000	
Oahu	Waimanalo	Drainage Channel Repairs	Design and Construction	300,000	
Statewide	Statewide	Street Light Improvements	Design and Construction	450,000	
Maui	Keokea-Waiohuli	Archaeological Preservation Improvements	Design and Construction	1,000,000	
Molokai	Kapaakea & Kalamaula	Kapaakea & Kalamaula Drainage Improvements	Design and Construction	3,000,000	
Hawaii	Islandwide	Street Light LED Conversion	Design and Construction	400,000	
Oahu	Kapolei	Traffic Signalization - Kapolei Parkway at Puainako Street	Design and Construction	600,000	
Oahu	Kapolei	Traffic Signalization - Kualakoi Parkway at Keahumoa Parkway	Design and Construction	600,000	
Oahu	Kapolei	Kaupea Safety Wall	Design and Construction	500,000	
Statewide	Statewide	Infrastructure Repair and Maintenance on HHL	Design and Construction	1,200,000	1,200,000
TOTAL				\$ 24,115,000	\$ 18,500,000

Means of Financing: General Obligation Bonds

Department of Hawaiian Home Lands
Purpose 1: Lot Development
FB 2017 - 2019 Budget Request

ISLAND	AREA or SUBDIVISION	PROJECT COMPONENTS	PHASE	FY 2018	FY 2019
Hawaii	Laiopua Village 4	Hema (103 Lots)	Design & Construction	14,300,000	
Oahu	East Kapolei II, Incr. IIC	Roadways & Utilitles for 130 Res Lots	Construction		15,000,000
Oahu	Nanakuli	Voice of America, Ph I Infrastructure	Design & Construction	800,000	10,000,000
Oahu	Waimanalo	Agricultural Lots	Design & Construction	750,000	5,000,000
Molokai	Molokai	Hoolehua Water System Improvements	Design & Construction	900,000	21,500,000
Maui	Villages of Leialii	Leialii Parkway & Highway Improvements	Design & Construction	1,000,000	4,000,000
Maui	Honokowai	Honokowai Master Plan	Planning & Environmental	1,000,000	
Maui	Honokowai	Water System Improvements	Design & Construction	8,000,000	
Hawaii	Kona	North Kona Exploratory Well	Planning & Design	2,000,000	
Hawaii	Kau	Kau Water System	Design & Construction	1,000,000	
Hawaii	Kawaihae	Production, Storage & Transmission	Planning & Design	750,000	
Hawaii	Puukapu	Puukapu Pastoral Lots Electrical Facilities	Design & Construction	2,100,000	
Molokai	Hoolehua	Kanakalooa Cemetery Improvements	Construction	1,500,000	
Hawaii	Kaumana	Kaumana Subdivision Lot Rehabilitation	Design & Construction	500,000	
Hawaii	Lalamilo	Lalamilo Septic System Improvements	Design & Construction	500,000	
Hawaii	Hilo	Hilo Community College Model Home	Construction	225,000	225,000
Hawaii	Puukapu	Puukapu Roadway Improvements	Design & Construction	2,000,000	
Maui	Villages of Leialii Ph1B	Subdivision Design (175 Lots)	Design & Construction	2,000,000	4,000,000
Molokai	Hoolehua Agriculture Lots	Naiwa Subdivision Site Improvements	Design & Construction		1,000,000
Lanai	Lanai Residence Lots	Phase 2.Off-site Development	Design	2,000,000	
Maui	Keokea-Waiohuli Development	Phase 2 Site Improvements (76 Lots)	Design & Construction	1,000,000	15,000,000
Kauai	Piilani Mai Ke Kai III	Drainage & Subdivision Improvements (40 Lots)	Design & Construction		4,000,000
Maui	Keokea	Agricultural Off-site Water System	Design & Construction	2,000,000	
Maui	Keokea Farm Lots	Subdivision Improvements to Drainage System	Design & Construction	1,000,000	
Statewide	Statewide	Statewide Lot Rehabilitation	Design & Construction	2,000,000	
Hawaii	Laiopua	Utility and Infrastructure Changes	Housing (Infrastructure)	1,000,000	
Hawaii	Lalamilo Phase 2	Lalamilo Phase 2A	Design & Construction		2,000,000
Kauai	Anahola Farm Lots	New Reservoir & Backup Well	Design & Construction	6,000,000	
Kauai	Hanapepe	Hanapepe Residential Subdivision Phase 2	Planning & Design		1,000,000

Department of Hawaiian Home Lands
Purpose 1: Lot Development
FB 2017 - 2019 Budget Request

ISLAND	AREA or SUBDIVISION	PROJECT COMPONENTS	PHASE	FY 2018	FY 2019
Kauai	Moloaa	Moloaa Farm Lots	Planning & Design		1,000,000
Hawaii	Honokaia	Honokaia Water System	Construction	1,300,000	
Kauai	Wailua Residential Lots	Infrastructure	Planning, Design	2,000,000	
Molokai	Kalamaula & Kapaakea	Aquaculture Development Plan	Planning & Environmental	250,000	
Molokai	Kalamaula	Water & Drainage System Improvements	Design	1,000,000	
Molokai	Hoolehua	Pasture Lot Development (30 Lots)	Design & Construction		1,000,000
Molokai	Hoolehua Agriculture Lots	Scattered Lots Site Improvements	Design & Construction	1,000,000	
Molokai	Kalamaula	Kalamaula Farm Lots Site Improvements (40 Lots)	Design & Construction		1,000,000
Oahu	East Kapolei	Transit Oriented Development	Plans, Design, Construction	2,000,000	
Oahu	Lualualei Reservoir Site	Survey, Environmental Studies and Planning	Planning		250,000
Mauli	Keokey-Waihuli Development	Phase 3 Site Improvements (77 Lots)	Design		1,000,000
Hawaii	Ka'u	Ka'u Farm and Ranch Lots Subdivision Site Improvements	Design		2,000,000
Hawaii	Lalamilo	Lalamilo Phase 1 Kawaihae Rd Impt	Design & Construction	550,000	
Hawaii	Hawaii Island	UXO Mitigation and Construction Support	Plan, Design, Construct	1,000,000	
Statewide		Options to Consider Land and/or Building Purchase	Acquisition	10,000,000	
			Total	\$73,425,000	\$88,975,000
			Biennium Total:		\$162,400,000

AMENDED

Means of Financing: General Obligation Bonds

Department of Hawaiian Home Lands
 Purpose 2: Loans
 FB 2017 - 2019 Budget Request

Purpose	FY 2018	FY 2019
Mortgage Capitalization for Gap Group and Low to Moderate Income Families	28,000,000	37,500,000
Interim Financing (for Turnkey)	38,800,000	32,400,000
ADU Financing (\$100,000 x 50)	5,000,000	
Debt Service - Revenue Bonds	3,200,000	3,200,000
Total	\$75,000,000	\$73,100,000

Department of Hawaiian Home Lands
 Purpose 3: Rehabilitation Projects
 FB 2017-2019 Budget Request

ISLAND	AREA	PROJECT COMPONENTS	PHASE	FY 2018			FY 2019		
				OPERATING	CIP	GIA	OPERATING	CIP	GIA
Hawaii	Kaunaloa & Pihonua	Community Center	Planning						
Hawaii	Panaewa	Farming Work Group		1,000,000				50,000	
Hawaii	Panaewa	Kamoleao Infrastructure & Bldg	Planning and EA		425,000				4,500,000
Hawaii	Keaukaha Panaewa	Farmers Assoc Farmer's market	Expansion					250,000	
Hawaii	Panaewa	Road Infrastructure Improvements	Transp & Circulation		150,000				
Hawaii	Makuu	Community Center	Construction			3,000,000			
Hawaii	Makuu	Off-site water system				4,500,000		1,000,000	
Hawaii	Keaukaha	Community Pavilion							
Hawaii	Kamaoa Puueo	Water Master Plan (\$75,000)*	Planning						
Hawaii	Kamaoa Puueo	Cultural & Natural Resource Land Mgmt		130,000	3,000,000				
Hawaii	Waiohinu	Agriculture Homestead Leases						100,000	
Hawaii	Waimea	WHHCC Ag	Construction			1,200,000			
Hawaii	Waimea	WHHCC Cemetery	Design			225,000			
Hawaii	Waimea	WHHC Operations				200,000			
Hawaii	Waimea	Ag Peer to Peer Program (\$200,000)*							
Hawaii	Puukapu	Hybrid water system (pumps)	Upgrade and certify		100,000				
Hawaii	Puukapu	Security System for Internal Road Networks			8,000				
Hawaii	Puukapu	Firebreak							
Hawaii	Puukapu	Homestead Emergency Access Rd	Planning and EA		134,000			1,200,000	
Hawaii	Kailapa	Comm Resource Ctr/Emerg Shelter							2,000,000
Hawaii	Kailapa	Irrigation Well for Native Plants and Erosion Control							1,000,000
Hawaii	Kawaihae	Potable Water Feasibility Study (\$125,000)*							
Hawaii	Kailapa	Na Kilo Aina Program		20,000					

Department of Hawaiian Home Lands
 Purpose 3: Rehabilitation Projects
 FB 2017-2019 Budget Request

ISLAND	AREA	PROJECT COMPONENTS	PHASE	FY 2018			FY 2019		
				OPERATING	CIP	GIA	OPERATING	CIP	GIA
Hawaii	Kailapa	Community Assn Operations				200,000			
Hawaii	Kailapa	Emergency Access Road	Planning and EA		134,000				
Hawaii	Kailapa	Firebreak around the community						1,200,000	
Hawaii	North Kona	Water Development (\$2,000,000)*	Planning and EA						
Hawaii	Laiopua	Laiopua 2020 Operation Funding				480,000			
Hawaii	Laiopua	Laiopua 2020 Community Center				4,500,000			
Hawaii	Laiopua	Renewable energy initiative						250,000	
Kauai	Anahola	Irrigation System (\$1,000,000)*	Planning & Design						
Kauai	Wailua	Access to surface/ground water					100,000		6,000,000
Kauai	Kekaha	Ag with homestead		10,000					
Kauai	West Kauai	Multi-Purpose, Evacuation & Ed Ctr					250,000		
Kauai		Study drug rehab facilities w/in Community							500,000
Kauai		Educational programs					100,000		
Kauai		Bring assn's together to collaborate (\$100,000)*							
Kauai	Hanapepe	Ag land					250,000		
Kauai	Puu O Pae	Road Improvements					200,000		
Lanai		Interim Use of Undeveloped Land							
Maui	Keokea	Farmers Marketplace	Planning and EA	25,000					
Maui	Keokea	Agricultural Water-Source and Distribution (\$5,500,000)*							
Maui	Paukukalo	Armory Site Development	Planning and EA						350,000
Maui	Paukukalo	Pihana Heiau Restoration	Planning and EA						100,000
Maui	Waiehu Kou	Community Center & Bus Stop							500,000
Maui	Waiehu Kou	Landscaping Maintenance Contract		150,000				150,000	

Department of Hawaiian Home Lands
 Purpose 3: Rehabilitation Projects
 FB 2017-2019 Budget Request

ISLAND	AREA	PROJECT COMPONENTS	PHASE	FY 2018			FY 2019						
				OPERATING	DHHL	CIP	OPERATING	DHHL	CIP				
Maui	Waiehu Kou	Community Garden - Water Development				30,000							
Maui	Waiehu Kou	Drainage Basins - siltation clean up (\$3,500,000)*											
Maui	Kahikinui	Composting toilet	Planning /Design/ Materials			600,000							
Maui	Kahikinui	Community Center/Pavilion				1,000,000							
Maui	Kahikinui	Road Construction and Repair				2,000,000							
Maui	Kahikinui	Lot Development & Road Repair	Equipment			75,000							
Maui	Kahikinui	Road Repair	Equipment			165,000							
Maui	Kahikinui	Fencing and Rebar				150,000							
Maui	Kahikinui	Fog Catchment System	Planning /Design /Materials			750,000							
Maui	Kahikinui	Water Storage (water tanks)				150,000							
Maui	Leialii	Community Center/Kitchen	Planning & Design			100,000							
Maui	Honokowai	Ag Homestead	Planning & Design			400,000							
Maui	Pulehunui	Community-Based Economic Dev				100,000							
Molokai		Ed workshop on Alternative Energy				10,000							
Molokai	Malama Park	Land Use Designation & Master Plan				50,000							
Molokai	Kiowea Park	Complete Pavilion Project											
Molokai	Lanikeha Center	Alternative Energy Retrofit and Smart Grid				5,000,000							
Molokai	Hoohehua	Multi-Purpose Youth Center											
Molokai	Lanikeha Center	Playground											
Molokai		Voter Ed for Youth: "Rise to Vote"				10,000							

Department of Hawaiian Home Lands
 Purpose 3: Rehabilitation Projects
 FB 2017-2019 Budget Request

ISLAND	AREA	PROJECT COMPONENTS	PHASE	FY 2018			FY 2019						
				OPERATING	DHHL	CIP	GIA	OPERATING	DHHL	CIP	GIA		
Molokai	Kalamaula Mauka	Passive Park			100,000								
Molokai		Transition Cespools to Septic Systems			TBD								
Molokai		Conduct ed workshops on water		20,000									
Oahu	Papakolea	Address Abandoned Homes		115,000				115,000					
Oahu	Papakolea	Community Center & Park Improvements					2,500,000						
Oahu	Nanakuli	Tourism ed & boater safety		TBD									
Oahu	Princess Kahanu	Removal of bus route in neighborhood		TBD									TBD
Oahu	Princess Kahanu	Expansion of community center											TBD
Oahu	Waianae Kai	Community Development											TBD
Oahu	Waianae Valley	Courbarium with large area for cultural uses			250,000								
Oahu	Leeward Coast	Utilize ocean resources		50,000									
Oahu	Kapolei	Kapolei Heritage Center Phase II					3,000,000						
Oahu	Kanehili	Park Development & Fencing of self help homes			2,500,000								
Oahu	Kanehili	Community Signage & Traffic Safety on Kinoiki St.			TBD								TBD
Oahu	Kaupea	9 acre park parcel											
Oahu	Kaupea	Perimeter wall at Kamaaha/Kapolei Pkwy (\$500,000)*											
Oahu	Kaupea	Kupuna/opio programs											
Oahu	Kapolei	Safety/Drug coalition with NSW		50,000									
Oahu	Kapolei	Maintenance/Repair for dedication of roads (\$125,000)*											
Oahu	Kapolei	Place of worship & place of rest/cemetery										250,000	

Department of Hawaiian Home Lands
 Purpose 3: Rehabilitation Projects
 FB 2017-2019 Budget Request

ISLAND	AREA	PROJECT COMPONENTS	PHASE	FY 2018			FY 2019		
				DHHL OPERATING	DHHL CIP	GIA	DHHL OPERATING	DHHL CIP	GIA
Oahu	Waimanalo	Emergency Evacuation and Street Extension		500,000	13,500,000				
Oahu	Waimanalo	Vacant homes for homeless or kupuna		75,000					
Statewi		Housing Program Plan		500,000					
		* Projects are funded in other budgets	Puwaiu: Subtotal	\$2,765,000	\$32,121,000	\$23,105,000	\$365,000	\$29,050,000	\$5,600,000
		Homeowner Affordability Initiative		5,000,000			5,000,000		
		Lease Cancellation Prevention/Financial Literacy		5,000,000			5,000,000		
		Native Hawaiian Development Program Plan		2,744,100			2,744,100		
		Total		\$15,509,100	\$32,121,000	\$23,105,000	\$13,109,100	\$29,050,000	\$5,600,000
		Means of Financing: (A) General Funds		(A)	(C)		(A)	(C)	
		(C) General Obligation Bonds							

DAVID Y. IGE
GOVERNOR



CATHERINE PAYNE
CHAIRPERSON

STATE OF HAWAII
STATE PUBLIC CHARTER SCHOOL COMMISSION
(‘AHA KULA HO‘ĀMANA)

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1111 Bishop Street, Suite 516, Honolulu, Hawaii 96813
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LATE

FOR: HB100 Relating to the State Budget
DATE: Wednesday, March 8, 2017
TIME: 9:00 AM
COMMITTEE: House Committee on Finance
ROOM: Conference Room 308
FROM: Sione Thompson, Executive Director
State Public Charter School Commission

TESTIMONY IN SUPPORT OF HB100

Chair Luke, Vice Chair Cullen, and members of the Committee:

The State Public Charter School Commission (“Commission”) appreciates this opportunity to submit this testimony in support of its budget and facilities funding for charter schools.

MISSION STATEMENT

The statutory mission of the Commission is “to authorize high-quality public charter schools throughout the State.” (HRS 302D-3(b)). The Commission’s strategic vision for the chartering of these high-quality schools is that they provide excellent and diverse educational options for Hawai‘i’s families, prepare our students for future academic or career success, and contribute meaningfully to the continued improvement of Hawai‘i’s public education system as a whole.

ECONOMIC AND FISCAL CONDITIONS

Hawai‘i’s 34 public charter schools currently enroll 10,792 students in school year 2016-2017, which represents an increase of 370 students (3.6%) from the previous school year. Last school year, Ka‘u Learning Academy opened its doors to 99 students, bringing the total number of charter schools in Hawai‘i back to 34 after the closure of one school, Halau Lokahi Charter School in May 2015.

Most of the charter schools' state funding is provided on a per-pupil basis based on the operating appropriation to the Department of Education (DOE) and the schools' pro rata enrollment compared to the total public education enrollment. Per-pupil funding has increased from \$6,846 in fiscal year 2015-2016 to \$7,089 for the current fiscal year 2016-2017, but, as is detailed in the Commission's 2015-2016 Annual Report, the Commission's analysis of financial data submitted by the schools suggests that in the longer term, charter school funding will need to increase further and/or greater cost savings will need to be realized in order to meet the cost obligations of schools, especially when it comes to facilities.

Thirty-three charter schools are in the third year of the current three-year charter contract. The 34th and newest charter school, Ka'u Learning Academy, was awarded a five-year contract. All charter school contracts include a performance framework which the Commission uses to evaluate their performance in three areas: academic, financial, and organizational. In November 2015, the Commission adopted the charter contract renewal process and criteria that will determine each school's eligibility for a subsequent charter contract based on school performance under these measures. The heightened expectations embodied in the Commission's performance framework and contract renewal criteria, while necessary and overdue; pose real administrative and related fiscal challenges to the charter schools, many of which are small and lightly-staffed.

The Commission has received notices of intent to apply for a charter from three eligible applicants in its current applications cycle. The Commission will be reviewing and evaluating the applicants to identify high quality applications for charter award. Any charter contracts awarded to applicants this year will result in charter schools opening in school year 2018-2019.

FEDERAL FUNDS

Charter schools are included with the DOE's Federal programs since the DOE is the prime recipient. The first terms of the Continuing Appropriations Act of 2017 resulted in a 0.496 percent cut for non-defense discretionary funding from October 1, 2016 through December 9, 2016. It included most education programs such as Title I, Part A; Title II, Part A; Title III; IDEA, Part B; and Impact Aid. Under the second terms of the Act, a 0.1901 percent is applied to discretionary funding from December 10, 2016 through April 28, 2017.

On January 1, 2015, the Commission was awarded a four-year federal Preschool Development Grant to support statewide efforts to build, develop and expand voluntary, high-quality pre-kindergarten programs for children from low-and moderate-income families. The grant, totaling \$14,881,368 over the four years, will serve a potential 920 children. Hawai'i is the only grantee in the nation whose award focused solely on charter schools.

Six charter schools in Hawai'i have opened a pre-kindergarten classroom to income eligible four-year-olds. Four schools enrolled 78 students into their pre-kindergarten program in the 2015-2016 school year with two more additional classrooms opened this school year, for a total of six classrooms. Two of these schools are Hawaiian immersion schools. In addition, annual early learning symposiums were held to build community capacity to support high quality preschools. Attendees included all schools that will eventually participate in the grant over its four-year term and other partnering agencies.

Due to the uncertainty of federal funding for the fourth year of the grant, sustainability efforts have begun. This will ensure that these high quality prekindergarten programs will be sustained for Hawai'i's keiki. We deeply appreciate the Committee's support of HB500 HD1, which would ensure that these 18

classrooms would continue to support our charter school communities and provide high-quality early educational experiences for our most vulnerable students with the least access to such programs.

BUDGET REQUEST

In September 2016, the Commission submitted the original budget request to the Department of Budget and Finance. Thanks to legislation adopted by this body in 2014, the budget for the charter schools and Commission are separate and result in the funding of the Commission without impacting the charter schools' per pupil funding.

School Operations

Pursuant to the per-pupil funding formula that is based on DOE appropriations and relative enrollment, increases of approximately \$7.74 million and \$7.96 million in per-pupil funding for fiscal years 2018 and 2019, respectively, are included in the Governor's biennial budget package to equalize the per-pupil funding formula.

Estimated grants and donations to charter schools were self-reported by 26 of the 34 charter schools for fiscal year ended June 30, 2016, for a total of approximately \$7,838,007. Grants were provided during the year by other institutions, notably including Kamehameha Schools. While this support is helpful and has been an element of support for these charter schools for many years, it also comes with many conditions, and private funders often are reluctant to provide funding to meet the basic needs of schools to ensure sustainability.

During the 2016 legislative session, the Commission requested funding for 1) facilities for charter schools; 2) hard-to-fill incentive pay for teachers; 3) National Board Certified Teacher awards; and 4) new charter school start-up. Despite clearing both the House and the Senate, Commission's bills that would have provided these resources failed. This year, the Commission has requested funding of \$6,348,000 for these items to support charter schools that were excluded from the Governor's biennial budget package.

1. **Facilities funding for charter schools (\$5,479,000):** Facilities funding for charter schools is the top priority of the Commission. As one of the Commission's Standing Advocacy Principles state: charter schools must be funded and supported and adequately to be able to meet the needs of their students and to fulfill their role as a strategy for system-wide improvement.

This funding request is not for the construction or purchase of charter facilities, rather this request would cover the rental or lease payments of currently operating charter schools. The per-pupil funding structure is intended to provide equity in public school funding in the State by providing a proportionate share of the public school system funding to charters for similar expenses and functions. However, since DOE schools do not pay rent for the use of their facilities while the majority of charters do, funding for this expense is not provided for in the per-pupil funding structure. The Commission believes that funding for charter school facilities (which exists primarily as rent and lease payments) is vital to achieving equity for charters in the public school system.

Although this requested funding has not been included as part of the Commission's budget, we are deeply grateful for the Committee and the House's support of HB533 HD1 and continue to

urge our legislators in both houses to support our schools with this much needed funding. The Commission has convened the Facilities Work Group as provided for in Act 234 of 2015 and hopes to have recommendations to the Commission in hand before the end of the legislative session.

2. **Hard-to-fill incentive pay (\$579,000):** The Commission requests a separate appropriation for this collectively-bargained mandate. According to B&F, funding for collective bargaining items, including Hard-to-staff bonuses, is provided to charter schools through the per-pupil funding structure as it is the only existing funding mechanism for charter schools. However, this funding structure is based strictly on student enrollment and does not account for specific expenses that may affect a limited number of charter schools.

Specifically, for the HSTA Hard-to-Staff bonuses, only nine charter schools are in areas that have been deemed hard-to-staff. However, due to the per-pupil funding structure, all 34 charter schools receive the funding provided for these bonuses. The effect of this is that charter schools that are required to pay these bonuses do not receive the full funding needed to pay these bonuses and must account for the difference on their own.

A budget proviso in the 2015 Executive Budget attempted to address this issue by separating the funds from the per-pupil funding by directing it to the schools that have to make these payments. However, the amount budgeted was based on the costs for DOE teachers only (even that budgeted amount was determined to be insufficient for DOE purposes). As a result, this proviso did not help charters as intended and charter schools that were required to pay this bonus had to cover these bonuses with their existing per-pupil funds. A separate appropriation would also ensure that this issue is permanently addressed and not dependent on recurring budget provisos.

3. **National Board Certified Teacher awards (\$90,000):** Statutorily mandated bonuses of up to \$10,000 for teachers who have earned National Board Certification present the same problem for public charter schools as does the hard-to-fill incentive pay. Those charter schools that employ these teachers presently must pay this incentive from out of their per-pupil funding. But, as with hard-to-fill incentive pay, the funding that charter schools receive is based on the DOE budget, not on the true cost of providing the bonuses, and these per-pupil funds are spread across all charter schools, not just those that employ National Board certified faculty members.

The relevant statutory provision is as follows:

§302A-706 Teacher national board certification incentive program.

(a) There is established within the department the teacher national board certification incentive program to recognize and support exemplary teaching practice by supporting public school teachers who have achieved national board certification under the certification program of the National Board for Professional Teaching Standards. The teacher national board certification incentive program shall provide:

- 1) A \$5,000 bonus per year for each public school teacher who maintains current national board certification;

- 2) \$1,500 upon completing all components of the certification program of the National Board for Professional Teaching Standards;
- 3) A reimbursement of the remainder of the national board certification application fee upon achievement of national board certification; and
- 4) An additional \$5,000 bonus per year for each public school teacher who maintains current national board certification and who teaches at:
 - a) A school in a focus, priority, or superintendent's zone, or other similar designation, as determined by the department;
 - b) A school with a high turnover rate, as determined by the department; or
 - c) A hard-to-fill school, as determined by the department.

(b) The incentive program shall include a mentoring component that encourages and enables national board-certified teachers to assist other teachers and share their teaching expertise. [L 2004, c 51, §38; am L 2007, c 228, §1; am L 2015, c 107, §1]

As with hard-to-fill incentives, the Commission is requesting a separate allocation of funds for this award, to be made to EDN 612 to enable the discrete distribution of these funds to those schools with teachers who have earned this distinction.

The Commission again thanks the Committee and the House for supporting and passing HB936 that would resolve this on-going issue for both Hard to Staff and National Board Certified Teacher bonuses. We hope that our legislators in the Senate will also approve the companion bill and then work with the House to pass it through to the Governor.

4. **New charter school start-up (\$200,000):** Start-up funding for newly-created pre-opening charter schools could provide important support to these schools in their start-up year before they become fully operational and are able to draw per-pupil and other state funding. This start-up funding would be provided to new charter schools through grants provided by the Commission.

Although this request was not included in the Committee's request, we urge the committee to consider the Senate's companion bill SB197, which we hope will pass over to the House.

Commission Operational Expenses

The Commission has also requested funding of \$112,000 for Commission staff salary adjustments that were excluded from the Governor's biennial budget package. The hiring of the Commission's staff commenced in February of 2013 and was complete by October of that year. The budget appropriation for the Commission, as with all state departments and agencies, is made on an incremental basis. The salary funding level for this agency has not been incrementally increased, since staffing level and positions have not changed since the Commission was first created in the 2013-2015 biennium budget. Further, it has come to the Commission's attention that the Commission's predecessor administration office, the Charter Schools Administration Office (CSAO), never provided salary information for consideration whenever HGEA contracts were up for collective bargaining renegotiations. As a result, since July of 2013 the Commission has not received additional funds for its staff salaries with the budget appropriations as have other state agencies.

The funding will cover salary adjustments to be equitable to collective bargaining appropriations had the staff information been provided for consideration when the HGEA contract was up for renegotiation.

This will also help address the need for reasonably equitable compensation for positions of similar complexity and responsibility across the State. As a result of staff transfers to and from the Commission from other agencies, the Commission has learned that working for the Commission always entails greater responsibility, less pay, or both, when compared to like positions in other agencies. This correction represents a step toward addressing that problem and is one of basic fairness for all state employees.

CONCLUSION

The State Public Charter School Commission again deeply appreciates the opportunity to discuss this year's budget with your Committee and thanks the Chair, Vice Chair, and Members of the Committee for your continued support of the Commission's work and ultimately our 34 public charter schools and their 10,792 students. We urge you to consider funding for charter school facilities either through our budget or through HB533 HD1. Facilities Funding is one of the greatest unaddressed challenges for Hawaii's chartering system and has been a long standing issue for charter schools. Facilities funding would significantly benefit charter schools to acquire, repair, maintain and rent school facilities. The Commission remains prepared to work with the Legislature and other stakeholders to find additional innovative ways to improve learning options and opportunities for Hawai'i's students.

Bernard P. Carvalho, Jr.
Mayor

Wallace G. Rezendes, Jr.
Managing Director



Ludvina K. Takahashi
Executive on Aging



AGENCY ON ELDERLY AFFAIRS
County of Kauai, State of Hawaii
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TEL (808) 241-4470 FAX (808) 241-5113

LATE

March 7, 2017

TO: Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair
Committee on Finance

FROM: Kealoha Takahashi
Executive on Aging

SUBJECT: HB100 Relating to the State Budget

HEARING: Wednesday, March 8, 2017, 9:00 am
Conference Room 308

POSITION: Agency on Elderly Affairs **strongly supports** HB 100, Item No. 25, making appropriations for the Executive Office on Aging (HTH904).

The budget bill HB 100 includes EOA's annual operating budget of \$13,440,783 (general fund) for FY18 and FY19 (item no. 25). This testimony focuses on \$6 million out of the total that is not already in the base budget:

- Kūpuna Care: adding \$4.15 million to the base amount of \$4.85 million for a total of \$9 million.
- ADRC (Aging and Disability Resource Center): adding \$1.7 million to the base amount of \$1.4 million for a total of \$3.1 million.
- Long-term care ombudsman program: \$100,000.

Kūpuna Care helps older adults continue living at home at a small fraction of the costs of nursing home care. Kūpuna Care funds are contracted to the County Area Agencies on Aging to provide services such as transportation, attendant care, case management, home-delivered meals, homemaker, and personal care services. The demand for home - and community-based supportive services has continued to rise. We do need the additional funding to continue services to frail and vulnerable seniors.

The ADRC (Aging and Disability Resource Center) is a statewide single -access point for information on long-term support options and benefits. The EOA has delegated the Area Agencies on Aging to develop and operate the ADRC in our respective counties, using specific standardized tools and processes. Statewide data show that the ADRCs received an average

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of 159 contacts per day through walk-ins, and inquiries by telephone and website. Of these contacts, about 5% (or 9 older adults per day) were assessed to need a Kūpuna Care service(s) for the first time. Over ninety percent of ADRC consumers were satisfied with their ADRC experience. We ask for your support to continue funding ADRC.

The Older Americans Act's Long-Term Care Ombudsman (LTCO) program is a consumer advocacy model intended to improve the quality of care of residents in nursing homes and residential care facilities by helping them resolve complaints about their care and protect their rights. Currently Hawai'i's LTCO office, with one ombudsman and one volunteer coordinator, is tasked with serving 12,000 long-term care residents statewide, resulting in an ombudsman to resident ratio that is six times the recommended ratio (1 to 2,000) by the Institute of Medicine. The requested \$100,000 appropriation will provide for three neighbor island contracts, at \$25,000 each, to conduct visits, provide counseling, investigate complaints, and coordinate volunteer activities and training; and the remaining \$25,000 will be for program operating expenses.

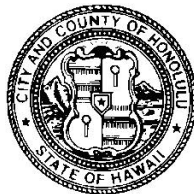
I ask the Committee Members to please support the appropriations for these three essential programs.

Thank you for the opportunity to testify.

LATE

DEPARTMENT OF COMMUNITY SERVICES
CITY AND COUNTY OF HONOLULU

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KIRK CALDWELL
MAYOR

GARY K. NAKATA
DIRECTOR

SUSAN L. FERNANDEZ
DEPUTY DIRECTOR

March 7, 2017

TO: THE HONORABLE SYLVIA LUKE , CHAIR
THE HONORABLE TY J. K. CULLEN , VICE CHAIR
AND MEMBERS OF THE COMMITTEE ON FINANCE

FROM: NALANI AKI, COUNTY EXECUTIVE ON AGING
DEPARTMENT OF COMMUNITY SERVICES

SUBJECT: SUPPORT FOR HTH904 FUNDING IN HB 100

The Elderly Affairs Division (EAD) is Honolulu's designated Area Agency on Aging and operates in accordance with the Older Americans Act of 1965 to coordinate, advocate, and improve services to assist older persons in leading independent, meaningful, and dignified lives in their own homes and communities for as long as possible. We also serve as the designated Aging and Disability Resource Center (ADRC) for Honolulu.

HTH904 includes funding for important services that are essential to maintaining the health and welfare of our most vulnerable seniors and their caregivers.

The Kupuna Care program provides services that support the needs of the increasing older adult population in Hawaii. EAD coordinates advocacy efforts on behalf of elders, encourages partnerships to improve and expand services, and contracts with agencies to provide services to seniors and their caregivers. These services assist frail older adults who cannot live at home without adequate help from family or formal services. Services include adult day care, attendant care, case management, chore, home-delivered meals, homemaker, personal care, and transportation.

Annually, EAD serves an estimated total of 2,600 seniors, with at least one Kupuna Care service. We have been able to do this with the support of the State Legislature allocating funds for services each year both through the base budget and through supplemental funds.

There are approximately 208,000 older adults age 60 years and older residing on Oahu, representing 21.1% of the population. From 2009 to 2015, Oahu's older adult population grew 18.5%, with an annual growth rate of 2.32%. Further, 27,000 older adults are 85 years and older, with 55% reportedly having 2-4 health conditions. By 2030, the State's Department of Business,

THE HONORABLE SYLVIA LUKE , CHAIR
THE HONORABLE TY J. K. CULLEN , VICE CHAIR
AND MEMBERS OF THE COMMITTEE ON FINANCE

March 8, 2017

Page 2

Economic Development, and Tourism projects that the population of 85 years or older, which has the highest rate of debilitating medical conditions, will increase by 35.6% to 40,000.

The supplemental State funds EAD has received has not kept pace with the growing population of frail elders residing on Oahu. Although we are grateful for the support provided by the Legislature, we are equally concerned with the growing need of our seniors and the significant decreases in funding allotments.

Currently, there are 310 seniors waiting for meals, 188 waiting for homemaker assistance, and 51 waiting for personal care services. In order to meet these gaps in services, for one year the cost would be close to \$700,000 for home delivered meals, \$240,000 for homemaker services, and \$230,000 for personal care services. This would be a total of \$1,170,000 above what we currently receive. Although the funds contained in this bill will allow EAD to maintain these much needed services, because the amounts have not increased over the years, our wait lists will likely continue to grow and prevent us from serving hundreds who desperately need assistance. Help for our Kupuna is needed now more than ever.

This bill under HTH904 also includes funding for the Aging and Disability Resource Center (ADRC), a program that provides older adults, their caregivers, and persons with disabilities with a single access point to information, and improves access to and the utilization of community-based long term services and supports. The funding included in this bill is essential to maintain the health and welfare of our most vulnerable seniors and their caregivers, and provides a streamlined process for those we serve.

The ADRC is outlined in the Federal Older Americans Act (OAA) as amended in 2006. Its vision is “to have Aging and Disability Resource Centers in every community...where people of all incomes and ages can turn for information on the full range of long-term support options and a single point of entry for access to public long-term support programs and benefits.” EAD operationalized the ADRC model on July 1, 2015, and has provided over 17,000 options counseling sessions to older adults, caregivers, their family members and the general public and completed more than 5000 assessments and support plans.

Last year, concerns were raised regarding the implementation and readiness of the Honolulu ADRC, the timeliness of assessments being completed and consumer satisfaction. Therefore, in response to a requirement by the Legislature, the State Executive Office on Aging conducted an independent review of each County, a total of four ADRCs.

In regards to the implementation and readiness assessment, Honolulu met 9 of the 10 criteria evaluated. EAD, in partnership with our service provider agencies, accomplished this level of compliance within our first year of implementation.

During the period of EOA’s review (August 15 - October 25, 2016), EAD conducted 387

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March 8, 2017

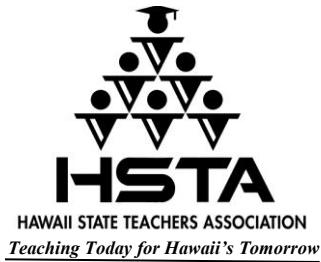
Page 3

assessments for new consumers. Of those assessments, 97 were completed within one day of contacting EAD and 50% or 194 consumers within 6 days.

In addition, over ninety percent of Honolulu ADRC consumers agreed or strongly agreed that they were satisfied with their ADRC experience. The comments and feedback received will assist in improving our ADRC operations.

The funding provided by this bill will allow EAD to continue to serve as the single access point for information on long term services and support. EAD supports the allocation of funds for the ADRC for Fiscal Year 2017-2018.

We ask the Committee on Finance to support funding of these vital programs. Thank you for the opportunity to provide this testimony.



LATE

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Corey Rosenlee
President

Justin Hughey
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Secretary-Treasurer

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Executive Director

TESTIMONY BEFORE THE HOUSE COMMITTEE ON
FINANCE

RE: HB 100 - RELATING TO THE STATE BUDGET

WEDNESDAY, MARCH 8, 2017

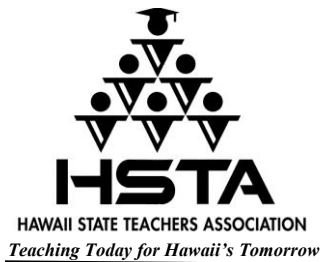
COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Luke and Members of the Committee:

The Hawaii State Teachers Association **supports and requests the following items for HB 100**, relating to the state budget.

To begin, we ask you to include the full \$800 million requested by Gov. David Ige for public school capital improvement projects in the state's CIP budget. Hawaii's public school buildings are approximately 65-years-old on average. Facilities are damaged, restrooms and water foundations are in disrepair, classroom windows are broken, and campuses are plagued by rat and insect infestations. Our students, especially those with special needs, are subjected to decrepit infrastructure. Though our state's repair and maintenance backlog has declined, the total cost of lingering projects runs into the hundreds of millions of dollars. Moreover, high-growth areas need new schools, as current facilities surpass their capacity. Campbell High School, for example, now exceeds 3,000 students. The governor's \$800 million CIP request contains \$373.6 million to address classroom capacity issues, \$264.7 million of which is for new schools, including a new secondary school in Kapolei.

Furthermore, we wholeheartedly support Gov. Ige's requested \$61.7 million in bond revenue for heat abatement. Last year, lawmakers answered the governor's call to cool 1,000 classrooms by appropriating \$100 million for heat abatement. While we had hoped that the \$100 million would extend cooling technology to thousands of classrooms, unexpectedly high procurement bids have limited the reach of the appropriation. As the construction boom contracts and renewable technology is



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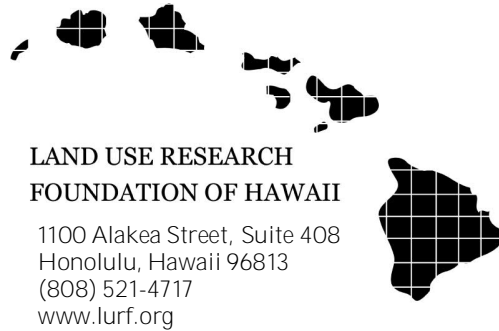
Corey Rosenlee
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Wilbert Holck
Executive Director

advanced, however, we continue to believe that installations can be performed at well below the current cost of \$93,000 per classroom. Nearly 6,000 classrooms will still need heat abatement after the \$100 million is spent. We must not allow students to suffer from unsatisfactory learning conditions and heat-related illness.

Finally, we ask you to restore the \$18 million in per-pupil funding cut from the executive's revised budget request. In its original budget proposal, Ige administration requested \$28 million in additional weighted student formula funds, which the governor called “the largest investment at the school level ever.” Since the passage of Act 51 in 2004, Hawai'i has experimented with a weighted student formula to equalize school funding. Intended to make funding for public education more equitable, transparent, and decentralized, WSF had the unintended consequence of limiting academic programming for children in small and rural schools. A recent report commissioned by the Hawai'i Department of Education and completed by the American Institutes of Research suggested that “extra support” be provided to schools that are small or isolated to account for the “differential costs of providing an equal opportunity for all students to achieve, regardless of their individual needs or circumstances (such as geographic location).”

WSF funds also cover staffing shortages for classroom teachers and non-classroom positions, like curriculum coordinators and librarians. Additional money could also be spent supporting charter schools, which receive \$7,080 per-pupil for facilities and operational expenses. Inadequate funding often leaves charters to rely on private donations to fund facilities and rent, as operating funds must cover salaries, collective bargaining costs, curricula, school supplies, equipment, and utilities, according to the Hawai'i Public Charter Schools Network. Since facilities and rent comprise approximately 10 percent of charter school budgets, we invite you to allocate additional funds for facilities via the state budget or SB 533, ensuring our charter school students—who often partake of immersive Native Hawaiian cultural learning—are given a chance to succeed.

To give our children the a brighter future, we must better fund public education. The Hawaii State Teachers Association asks your committees to support public education in the biennium budget bill.



LATE

March 7, 2017

Representative Sylvia Luke, Chair
Representative Ty T.K. Cullen, Vice Chair
House Committee on Finance

Support of HB 100 Relating to the State Budget (Appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2017 2018 and 2018 2019)

FIN Hrg: Wednesday, March 8, 2017, 9:00 a.m., in Conference Room 308

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. LURF's mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

LURF supports HB 100, which appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2017 2018 and 2018 2019 (the Executive Biennium Budget request). In particular, LURF strongly supports the Governor's Supplemental Capital Improvement Project (CIP) request for FY2018, which proposes to provide funding to the Hawaii Housing Finance and Development Corporation (HHFDC) for development of affordable housing, as follows:

- 902 Alder Street, Honolulu, Oahu (BED 160/HD) \$15,000,000 (C) LURF understands that HHFDC intends to use the \$15 million appropriation to finance Phase 1 of the juvenile shelter/services component of this mixed-use residential project located at the site of the old Detention Home. While HHFDC is able to finance the residential component of the mixed-use project, however, in order for the entire project to proceed, this CIP appropriation is needed for the non-housing component of the project.
- Rental Housing Revolving Fund Infusion, Statewide (BED 160/HF) \$50,000,000 (C) LURF understands that the \$50 million infusion into the RHRF will help finance the development, or the acquisition and rehabilitation, of rental housing. The RHRF provides loans to projects that set aside rental units affordable to extreme and very low-income families; and the RHRF loans fill the financing gap to develop an affordable rental housing project.

- Dwelling Unit Revolving Fund Infusion, Statewide (BED 160/HD) \$50,000,000 (C) LURF understands that this DURF appropriation for the Dwelling Unit Revolving Fund (DURF) is to implement Act 132, SLH 2016, which broadened the uses of DURF to include regional state infrastructure construction in conjunction with housing and mixed-use transit-oriented development projects. This funding will enable the state to address a significant barrier to housing development - the lack of roads, water, sewer, drainage, and utilities.
- Low Income Housing Tax Credit Loans, Statewide (BED 160/HF) \$8,400,000 (C) Projects which have been awarded State LIHTCs that are unable to find investors for their State tax credits may exchange their credits for a LIHTC loan instead. The LIHTC Loan Program encourages the development and preservation of rental housing for lower income households by providing a cost-effective financing mechanism for projects that are awarded State LIHTCs.

Conclusion. For the above reasons, LURF strongly supports HB 100 and respectfully urges your favorable consideration of the above-referenced HHFDC's funding in this measure.

Thank you for the opportunity to present testimony regarding this matter.

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LATE



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March 7, 2017

TO: Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice-Chair
House Finance Committee Members

FROM: Karen Tan, LCSW, Chief Program Officer

RE: In Support of HB 100 Relating to the State Budget
House Committee on Finance
Wednesday, March 8, 2017, 9:00 a.m., State Capitol, Conference Room 308

Aloha, Rep. Luke, Rep. Cullen, and members of the House Finance Committee. I am Karen Tan, Chief Program Officer of Child & Family Service (CFS), Hawaii's oldest and most comprehensive human services organization. We serve keiki to kupuna and touch the lives of over 40,000 Hawaii residents each year with services that range from child abuse prevention and treatment, early childhood programs, child welfare programs, domestic violence programs, services for troubled youth, and kupuna services.

I would like to share our support of the following items in the Governor's budget:

1. CFS supports a budgeted rate increase for providers of Intensive-In-Home Services and Community Based Residential Treatment services through the Child and Adolescent Mental Health Division of the Department of Health. It has been at least ten years since there has been a rate increase for these services. At the same time, the challenges and costs of managing the complexities of Medicaid billing and other cost of care requirements have continued to rise. The proposed rate increase will help to ensure these services are maintained for youth and their families in our community. Without this increase, there is a high likelihood that providers will have no choice but to walk away from these contracts as the current funding simply doesn't pay for the cost to run these programs.
2. CFS supports the budgeted amount of 3 million dollars for Home Visiting services. These funds help to provide home visitation services to families at risk of child abuse and neglect. The funds also leverage federal funding, that might not otherwise be available to Hawaii for these services.
3. CFS supports the Governor's budgeted amount for Kupuna Care. This funding is essential to meet the growing number of seniors, our "kupuna", in Hawaii to "age in place" in their own communities. Our services help prevent institutional care that is not only more expensive, but is not what most seniors want. CFS's Kupuna Care services are specifically designed to help kupuna stay either in their own homes or in the homes of a loved one for as long as possible.

If the Committee has any questions about either of these two budget items, please feel free to contact me at ktan@cfs-hawaii.org or by calling me at 681-1460.

Mahalo for the opportunity to submit testimony.

"We're all about FAMILY"

Mission: Strengthening Families and Fostering the Healthy Development of Children

LATE

The Twenty-Ninth Legislature
Regular Session of 2017

HOUSE OF REPRESENTATIVES
Committee on Finance
Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair
State Capitol, Conference Room 308
Wednesday, March 8, 2017; 9:00 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 100
RELATING TO THE STATE BUDGET**

The ILWU Local 142 **supports** H.B. 100, which appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal year 2017-2018 and 2018-2019. In particular, the ILWU supports funding for:

1. **Kupuna Care** – an additional \$4.2 million to the \$4.8 million base amount for a total of \$9 million;
2. **Aging and Disability Resource Center (ADRC)** – an additional \$1.7 million to the base amount of \$3.3 million for a total of \$5 million; and
3. **Long-Term Care Ombudsman** -- \$100,000.

These three programs are vital to the well-being of elderly and disabled individuals in our community.

Kupuna Care is widely recognized as an effective program to keep seniors living at home (as most prefer) for as long as possible. By providing Kupuna Care services, such as personal care, homemaking, chore, home-delivered meals, adult day care, case management, assisted transportation, regular transportation, and attendant care, the State is able to assist kupuna to remain in the community and avoid institutionalization, which can be costly for the elderly person, his/her family, and the State, which is responsible for half the Medicaid dollars that support many in long-term care.

The **ADRCs** in each county are “one-stop shops” to assist caregivers and the elderly and disabled themselves to navigate and access needed services and resources, allowing them to continue to live in their own homes

The **Long-Term Care Ombudsman** program is tasked with visiting 1,702 long-term care facilities statewide and addressing concerns raised by patients and their families. However, the program now has only one staff person. The nominal appropriation would increase staffing to provide one person for each island to ensure that more vulnerable adults in long-term care facilities will have their voices heard and their needs addressed.

The ILWU urges passage of H.B. 100. Thank you for the opportunity to offer testimony on this important issue.



PARTNERS IN CARE

Oahu Continuum of Care

LATE

Partners in Care is a coalition of Oahu's homeless service providers, government representatives and community stakeholders working together in partnership to end homelessness.

TESTIMONY ON HB 100: RELATING TO THE STATE BUDGET

TO: Rep. Sylvia Luke, Chair; Rep. Ty J.K. Cullen, Vice Chair; and Members,
Committee on Finance
RE: **HB 100 IN STRONG SUPPORT**
FROM: Marya Grambs, Secretary of the Advocacy Committee, Partners in Care
Hearing: **Wednesday, 3/8/17; 9:00 am; Room 308**

Chair Luke, Vice Chair Cullen, and Members, Committee on Finance:

Thank you for the opportunity to provide testimony **in strong support** of multiple items in HB 100. I am Marya Grambs, Secretary of the Advocacy Committee of Partners in Care (PIC).

Partners in Care is a coalition of homeless service providers and many others in the community on Oahu dedicated to ending homelessness. HB 100 would create the most needed next steps: enhanced **Outreach**, including **diversion** of homeless from the criminal justice system; **Housing First** as well as **rental subsidies for Rapid Rehousing** to prevent homelessness, and ongoing rental subsidies for working homeless and others to achieve self-sufficiency. Lastly, significant funding for the creation/maintenance of **affordable rental units** that are safe and decent are critical to successfully end homelessness.

PIC strongly supports the following funding which will create a range of options to significantly reduced homelessness in our state:

- **HMS 222, 100-001**: Funds for ongoing rental subsidies for the homeless in the State Rent Supplement Program at the Hawaii Public Housing Authority; adds 7 permanent positions for State Rent Supplement Program: \$7,000,000
- **HMS 224, 100-001**: Funds for Housing First Program: \$3,000,000
- **HMS 224, 101-001**: Funds for homeless outreach: \$1,500,000
 - Including \$300,000 for youth outreach
- **HMS 224, 102-001**: Funds for Rapid Rehousing: \$2,500,000
- **HMS 224, 151-001**: Funds for legal services to homeless: \$ 500,000
- **HTH 420, 100-001**: Funds for homeless individuals with serious and persistent mental health challenges: \$1,000,000
- **HTH 440, 105-001**: Funds for outreach and counseling services for chronically homeless individuals and families with severe substance use disorders: \$ 800,000
 - Includes \$200,000 for a LEAD pilot project
- **BED 160**: Rental Housing Revolving Fund infusion: \$50,000,000 (CIP)
- **BED 160**: 902 Alder Street, Honolulu, Oahu Project: \$15,000,000 (CIP)
- **HMS 220**: Hawaii Public Housing Authority for housing development, improvements, renovations, statewide: \$50,000,000 (CIP)



PARTNERS IN CARE Oahu Continuum of Care

Partners in Care is a coalition of Oahu's homeless service providers, government representatives and community stakeholders working together in partnership to end homelessness.

- **HMS 220:** Public housing vacant unit repairs/renovations, statewide: \$4 million (CIP)
- **HMS 220:** Public housing security improvements, statewide: \$5 million (CIP)

Partners in Care urges you to support the above funding, including putting the \$3 million for Housing First in the base budget of the Department of Human Services. After more than a decade, chronically homeless people are finally successfully entering permanent housing with Housing First. This program not only addresses the most visible homeless on our streets, it can save millions in public costs. The 2016 UH Center on the Family study found a 43% drop in healthcare costs after just 6 months for homeless people in a state Housing First program, resulting in savings of about \$4,590 per person per month. If extrapolated out to the 500 people estimated to be serviced by City/State HF programs this year, this **saves nearly \$2.3 million per month in public costs**.

Partners in Care also wants to highlight the importance of **Youth Outreach and the Alder Street Project**: Children living alone on the streets is a tragedy. Outreach to unaccompanied homeless youth is essential to help these often “hidden homeless” kids who are living in perilous and life threatening situations. A shelter is desperately needed to house runaways and homeless kids who are minors. The \$15 million for the **Alder Street** project would provide the juvenile service center and shelter that is essential to help turn around the lives of these children. Additionally, with this funding in place, the State could proceed with a 180 unit affordable family rental project. Family rentals in the urban core would help the State reach its goal to produce 22,500 affordable rental units in the next 10 years.

Partners in Care further highlights the strategic importance of funding for Rapid Rehousing and ongoing shallow rent subsidies to the homeless through the State Rent Supplement Program (HPHA). Short term help with rent can prevent families from falling into homelessness. Since Aloha United Way and its partner service providers began offering this help in April 2016, **court cases for evictions on Oahu have decreased by 25%!** We must stop the flow INTO homelessness.

Ongoing **rent subsidies** are also essential to rapidly house homeless who linger on the streets simply due to their low incomes. Almost 20% of homeless families are working. Seniors and disabled have stable incomes but homeless like these are priced out of the housing market. They are ready to rent, without need for intensive services, but need an ongoing shallow rent subsidy to fill the gap between their incomes and Hawaii's rents. The **State Rent Supplement Program** can provide this rental assistance to quickly move these homeless into permanent housing. Besides funding for subsidies, HPHA needs the additional seven positions requested in the budget to serve the influx of homeless and quickly enable the subsidies to flow to landlords to house the homeless.

We thank you for your ongoing support and dedication to ending homelessness.



LATE

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www.hawaiiireengrowth.org

Hawai'i Green Growth is a public-private partnership that catalyzes action across government, private sector and civil society to achieve Hawai'i's Aloha+ Challenge 2030 sustainability goals and serve as a model for integrated green growth

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Department of Hawaiian
Homelands

Testimony of Hawai'i Green Growth In Support of HB100 Relating to the State Budget House Committee on Finance 08 March 2017, 9:00 am, Room 308

Aloha Chair Luke, Vice Chair Cullen, and Members of the Committee:

Hawai'i Green Growth strongly supports four critical items in HB100 that will significantly advance action on the Aloha+ Challenge – a joint leadership commitment to six sustainability 2030 goals unanimously endorsed by the State Legislature (SCR 69) and signed by Hawai'i's Governor, Mayors and Office of Hawaiian Affairs. The *Aloha+ Challenge* outlines ambitious statewide goals in clean energy, local food, natural resource management, solid waste, smart sustainable communities, and green workforce and education, and has been recognized internationally as model that can be scaled to support the implementation of the United Nations 2030 Sustainable Development Goals and Paris Climate Agreement.

As a diverse public-private partnership, Hawai'i Green Growth partners agreed the following State Budget items across diverse agencies are top priority investments for Hawai'i's people, environment and economy:

- **Vector Control:** Restore 12 positions to the Department of Health for vector control on the spread of animals like mosquitoes and rodents that have the potential to carry diseases such as Zika, Dengue, and other public health risks. The outbreak of Dengue on Hawai'i Island and increased threats from Zika and other mosquito vector diseases have highlighted the critical need to restore the state's capacity to adequately respond to current and new threats that impact community health and safety.
- **Watershed Protection & Recharge:** \$8M for the Department of Land and Natural Resources to protect forests that recharge freshwater supplies, reduce climate change impacts such as flooding and other disasters, and provide cultural, recreational and economic benefits to the health of Hawai'i's people and economy. This includes \$7.5M annually for watershed protection, in addition to \$500K for operational funding to maintain newly protected watershed forests.
- **Rapid 'Ōhia Death:** Funding for the Department of Land and Natural Resources to support critical research and action on the devastating new fungal disease impacting native 'ōhi'a forests, priority watershed areas and cultural resources. Surveys conducted in 2016 estimate that 50,000 acres have been infected. The partnership supports funding, research and a coordinated response effort to address this urgent threat, as part of the broader Hawai'i Interagency Biosecurity Plan.
- **Agricultural Loan Program:** \$5M for the Department of Agriculture's Agricultural Loan Program to provide opportunities for local growers and decrease reliance on imported food.

LATE

**The Trust For Public Land's Testimony In Support of HB 100
Relating To The State Budget**

House Committee on Finance, Conf. Room 308
Wednesday, March 8, 2017, 9:00 a.m.



HAWAII

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Aloha Chair Luke, Vice Chair Cullen, and Committee Members:

The Trust for Public Land strongly supports increased funding for the Department of Land and Natural Resources to manage watersheds that produce our clean drinking water, recover rare and endangered plant and animal species found nowhere else in the world, and provide outdoor recreation experiences for residents and visits, and other DLNR programs.

Specifically, we support the Governor's request for a one time increase of the Legacy Land Conservation Program (LNR 101) spending ceiling of \$2,228,250 for FY18 to restore FY15 funds that are currently unappropriated but were not encumbered due to staff vacancies, and a permanent increase of the spending ceiling of \$1.7 million in the spending ceiling for the Legacy Land Conservation Program.

FY18 \$9,028,250 spending ceiling (\$5.1 million existing spending ceiling limit + \$2,228,250 FY15 restoration + \$1.7 million permanent increase)

FY19 & later \$6.8 million spending ceiling (\$5.1 existing spending ceiling limit + \$1.7 million permanent increase)

One time increase needed. In the last few years, the Legislature has imposed a \$5.1 million annual spending ceiling on the up to 10% conveyance tax allocation allowed for the Legacy Land Conservation Program. Multiple DLNR program vacancies inadvertently resulted in a failure to timely encumber FY15 funds for approved projects (also approved by the Senate President and Speaker of the House) -- a total of \$2,228,250. These monies remain in the Legacy Land Conservation Fund, but are unspent and are not appropriated for other purposes. To restore the FY15 funds so that FY15 projects and pending FY17 applications are not affected, DLNR is requesting (and the Governor's budget includes) a one-time spending ceiling increase in FY18 of \$2,228,250 -- restoring the unencumbered and previously approved FY15 funds. If these funds are not restored through this one-time spending ceiling increase, **EITHER** FY15 projects from Kaua'i, Hawai'i Island, Moloka'i, and O'ahu **OR** the projects that have applied for funding for FY17 (Hawai'i Island and Maui) could be adversely affected. DLNR has notified current applicants that FY17 funds may be used to pay FY15 grants, leaving as little as \$771,750 available to the five FY17 proposed projects from Hawai'i Island and Maui seeking a total of \$6,596,860.



Permanent increase needed. In addition, the Governor/DLNR is requesting a permanent spending ceiling increase of \$1.7 million for FY18 and subsequent years. The permanent increase is needed because: (1) there are many more worthy projects (the majority from the neighbor islands) that apply for funding than there is funding available, (2) delays in securing Legacy funding are jeopardizing substantial matching federal and private funds, and (3) neighbor island projects are the most affected by the lack of additional funding.

Applicants for FY17 funds illustrate how there are many more worthy projects that apply for funding than there is funding available. Land in Hawai'i is expensive. In FY17, five projects (not including Turtle Bay Makai) from Hawai'i Island and Maui requested a total of \$6,596,860 funds – these projects are all compelling and propose conserving coastal landscapes, cultural sites, native sandalwood, koa, and mamane forests, historically important taro lo'i, and threatened agricultural land that could be used for community building and rehabilitative programs. There are many more worthy projects, the majority from the neighbor islands, than funds available. The attached chart summarizes past Legacy project sand the benefits to neighbor islands.

In addition, the limited funding means that projects take longer to secure state/local funds – jeopardizing federal and private grants that are expiring. For example, a State DLNR Hawai'i Island project in Hāmakua at Kūka'au Ranch that has secured federal funding from the U.S. Fish and Wildlife Service and the National Wildlife Federation totaling \$1.7 million is in jeopardy of losing those funds because the grants and extensions are expiring in June 2017, and Legacy funding is insufficient to fund this project in FY17 (if the spending ceiling is not raised).

Mahalo for this opportunity to testify. I regret that I cannot make attend the hearing in person due to a prior commitment.

Me ke aloha,


Lea Hong
Hawaiian Islands State Director
Edmund C. Olson Trust Fellow

LEGACY LAND CONSERVATION PROGRAM

O'AHU	MAUI, MOLOKA'I, LĀNA'I, KAHŌ'OLAWĒ	KAUA'I	HAWAI'I ISLAND
1) Ka Iwi Coast Mauka Lands Acres: 181.14 Grant Amount: \$1,000,000	1) Pua'ahala Watershed Acquisition Acres: 800 Grant Amount: \$855,625	1) Kaluanono at Waipa Acres: 1.8 Grant Amount: \$398,250	1) Wai'opae Acres: 322.167 Grant Amount: \$1,330,000
2) Pūpūkea Mauka Acres: 3,716 Grant Amount: \$416,125	2) Kaluaaha Ranch Conservation Easement Acres: 969 Grant Amount: \$500,000	2) Black Pot Acres: 0.738452 Grant Amount: \$800,000	2) Kuamo'o Acres: 47 Grant Amount: \$3,000,000
3) Helemano Acres: 1,613 Grant Amount: \$350,000	3) Kainalu Acres: 614 Grant Amount: \$500,000	3) Kahili Beach Acres: 20.532 Grant Amount: \$700,000	3) Acquisition of Buffer for Ulupo Heiau Acres: 3.44 Grant Amount: \$1,000,000
4) Ho'oulu Ola Acres: 11.44 Grant Amount: \$900,000	4) Kawaikapu Acres: 196.4 Grant Amount: \$767,976	4) Kainalu Acres: 167 Grant Amount: \$1,100,000	4) Kahuku Coastal Property Acres: 3,127.95 Grant Amount: \$621,245
5) Hakipu'u Lo'i Kalo Acres: 1.5 Grant Amount: \$350,000	5) Nu'u Acres: 81.447 Grant Amount: \$994,724		5) Kaiholena South Acres: 34.63 Grant Amount: \$1,449,555
6) Ka'ena Point NAR Cove Extension Acres: 0.75 Grant Amount: \$86,450	6) Kahanu Acres: 169.87 Grant Amount: \$1,500,000		6) Kuka'iau Ranch Forest Legacy CE Project Extension Acres: 3,688 Grant Amount: \$600,000
7) Maunawila Heiau Acres: 9.08 Grant Amount: \$650,000			7) Maka'i Kamakani O Kohala Acres: 27.546 Grant Amount: \$975,000
8) Kalauo Valley Acres: 635 Grant Amount: \$192,750			8) Kaiholena Acres: 2.107 Grant Amount: \$1,432,000
9) Turtle Bay Mauka Acres: 469 Grant Amount: \$1,500,000			9) KHS II Acres: 469 Grant Amount: \$255,592
10) Hāwea Acres: 5 Grant Amount: \$325,000			10) Pao'o Acres: 10.61 Grant Amount: \$945,000
11) Turtle Bay Makai Acres: 630 Grant Amount: \$1,500,000 per year			11) Lapakahi Acres: 17.05 Grant Amount: \$1,250,000
			12) Kukuipahu Acres: 7 Grant Amount: \$7,000
			13) Hamakua Acres: 65.56 Grant Amount: \$450,000
			14) Kawa II Acres: 550.871 Grant Amount: \$1,500,000
			15) Kawa I Acres: 234.293 Grant Amount: \$1,214,750
			16) Uchida Farm Acres: 5.536 Grant Amount: \$287,250
			17) Kipuka Kanohina Acres: 3 Grant Amount: \$45,375
			18) Hilo Forest Reserve Acres: 1,336.25 Grant Amount: \$380,000
TOTAL # OF PROJECTS: 11 TOTAL ACRES: 7271.91 TOTAL \$: \$7,270,325	TOTAL # OF PROJECTS: 6 TOTAL ACRES: 2830.72 TOTAL \$: \$5,118,325	TOTAL # OF PROJECTS: 4 TOTAL ACRES: 190.07 TOTAL \$: \$2,998,250	TOTAL # OF PROJECTS: 18 TOTAL ACRES: 9952.01 TOTAL \$: \$16,742,767

* DOES NOT INCLUDE LAPSED FUNDING

LEGACY LAND CONSERVATION PROGRAM
O'AHU/ NEIGHBOR ISLAND COMPARISON

O'AHU		NEIGHBOR ISLANDS	
TOTAL # OF PROJECTS:	11	TOTAL # OF PROJECTS:	28
TOTAL ACRES:	7271.91	TOTAL ACRES:	12972.8
TOTAL \$:	\$7,270,325	TOTAL \$:	\$24,859,342



HPCCA

HAWAII PRIMARY CARE ASSOCIATION

LATE

TESTIMONY TO THE HOUSE COMMITTEE ON FINANCE

Wednesday, March 8, 2017, 9:00 a.m.

State Capitol, Conf. Room 308

RE: SUPPORT FOR HOUSE BILL NO. 0100, RELATING TO THE STATE BUDGET (REINSTATEMENT OF ADULT DENTAL COVERAGE FOR MEDICAID ENROLLEES -- HMS401)

Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Robert Hirokawa and I am the Chief Executive Officer of the Hawaii Primary Care Association (HPCCA), 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 (Federally Qualified Health Center) throughout the State of Hawaii. The HPCCA urges the reinstatement of adult dental coverage for Medicaid enrollees by funding the Governor's request under Line Item HMS401 of House Bill No. 100.

The reinstatement of adult dental benefits to Medicaid enrollees is a priority of the Ige Administration, and as such, general fund appropriations in the amounts of \$4,704,480 for fiscal year 2017-2018, and \$9,408,960 for fiscal year 2018-2019, have been requested in House Bill No. 100, Line Item HMS401. Staying consistent with our position from last year, the HPCCA supports funding in these amounts.

However, recent circumstances have prompted the HPCCA to further clarify its position concerning the reinstatement of adult dental benefits for Medicaid enrollees. In 2013, the Ninth Circuit Court of Appeals opined in *California Association of Rural Health Clinics v. Toby Douglas, Director of the California Department of Health Care Services*, (2013 WL 5184355 (Ninth Cir. 2013)), that California legislation eliminating coverage for certain healthcare services, including adult dental, podiatry, optometry, and chiropractic services, conflicted with the Medicaid Act and was therefore invalid.

As in *Douglas*, we contend that the provision of adult dental services at a FQHC is an entitlement that necessitates coverage under Hawaii's Medicaid Program. To initiate discussions that would address the entitlement recognized by the Ninth Circuit in *Douglas* while staying consistent with our position to reinstate the level of benefits provided prior to 2009, we suggest as a starting point the amount requested by Governor Ige in House Bill No. 100 (HMS401), be reduced to the percentage of adult Medicaid patients served in Hawaii's FQHCs, or approximately

Testimony on House Bill No. 100
March 8, 2017
Page 2

33 percent. While this does not address claims that may result from the denial of benefits since 2009, at the very minimum, it would seek to address the situation moving forward. And should the Legislature in its wisdom agree to fund adult dental services at 2009 benefit levels at FQHCs, benefit levels or expansion of coverage could be a matter of discussion at a later time.

However, the reduced amount proposed should be construed solely as a potential “floor” of the benefits entitled under the *Douglas* decision. HPCA continues to support full reinstatement of adult dental coverage to all Medicaid enrollees and not just those who utilize services provided at FQHCs.

In addition, please note that we expect that the reinstatement of these much-needed benefits will result in an increase in utilization. There are many people in urgent need of dental services right now who are probably not coming to FQHCs because of the limited dental services that FQHCs can presently afford to offer.

For these reasons we **SUPPORT** House Bill No. 0100 and urge your favorable consideration of our request.

Thank you for the opportunity to testify. I’d be happy to answer any questions you may have.

LĀNA'Ī COMMUNITY HEALTH CENTER

P. O. Box 630142
Lāna'ī City, HI 96763-0142



Phone: 808-565-6919
Fax: 808-565-9111
dshaw@lanaicommunityhealthcenter.org

The Community is our Patient -- men, women, children, uninsured, insured!

The Hon. Sylvia Luke, Chair
The Hon. Ty Cullen, Vice Chair

LATE

**Testimony on House Bill No. 0100
RELATING TO THE STATE BUDGET.
Wednesday, March 8, 2017, 9:00 a.m.
State Capitol, Conf. Room 308**

Chair Luke, Vice Chair Cullen, and Members of the Committee:

I am writing in strong support of HB0100. I am requesting that funding be provided for House Bill No. 0100 to reinstate adult dental services for Medicaid enrollees in the State of Hawaii by funding the Governor's request for Line Item HMS401.

In 2015, the Department of Health (DOH) released a report entitled *Hawaii Oral Health: Key Findings*, which revealed that Hawaii has an enormous shortfall in the area of dental benefits. Among other things, DOH found that:

- (1) From 2009 to 2011, only 41% of pregnant women, 29% of pregnant low-income women, and 27% of women in Medicaid or QUEST visited a dentist during their pregnancy;
- (2) In 2012, 52% of low-income adults saw a dentist as compared to 82% of higher income adults;
- (3) In that same year, 51% of low-income adults lost teeth due to dental disease, while only 32% of high-income adults did; and
- (4) From 2006 to 2012, there was a 67% increase in emergency room visits for dental problems, accounting for a \$4.5 million increase, bringing total expenditures for such visits alone to \$8.5 million.

Further, the DOH outlined a number of measures that could greatly improve the oral health status of Hawaii's residents. Foremost among them was the continued support and expansion of preventative dental care to low-income populations, best achieved through the restoration of adult dental services in Medicaid.

E Ola nō Lāna'ī
LIFE, HEALTH, and WELL-BEING FOR LĀNA'Ī

This issue is of special importance to all community health centers because a majority provide dental services. Between 2007 and 2015, the number of patients receiving dental care at community health centers more than doubled, rising from 20,000 patients to over 40,000. As 57% of community health center patients are enrolled in either Medicaid or CHIP Programs, this bill will provide much needed funding and sustainability for services to the most needy in the State.

Additionally, Lāna'i Community Health Center is a staunch believer in the social determinants of health, those economic and social conditions that influence an individual and a community's health status. The inclusion of funding to Line Item HMS401 for adult dental services would provide additional benefits to both individuals and the community as a whole by making it easier for individuals to obtain employment, reduce absenteeism to school or work, and improving social standing.

Thank you for the opportunity to testify. I'd be happy to answer any questions you might have.

A handwritten signature in dark ink, appearing to read 'D. V. Shaw', with a long, sweeping horizontal stroke extending to the right.

D. V. Shaw, PhD, MPH, MBA, FACMPE
Executive Director

HAWAII SELF-ADVOCACY ADVISORY COUNCIL

One Vision - One Voice

Supporting Advocacy, Independence and Choice

919 ALA MOANA BOULEVARD, ROOM 113

HONOLULU, HAWAII 96814

TELEPHONE: (808) 586-8100 FAX: (808) 586-7543

March 8, 2017

The Honorable Sylvia Luke, Chair
House Committee on Finance
Twenty-Ninth Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

LATE

Dear Representative Luke and Members of the Committee:

SUBJECT: HB 100 - RELATING TO THE STATE BUDGET

The Hawaii Self-Advocacy Advisory Council (SAAC) **STRONGLY SUPPORTS HB 100** relating to the specific budget items noted below. The purpose of this measure is to appropriate funds for the operating and capital improvement budget of the Executive Branch for fiscal years (FY) 2017-2018 and 2018-2019.

- HTH 905 – Developmental Disabilities Council, Page 31, Item No. 23. The reason we support the DD Council is they have supported us to do self-advocacy activities. By helping us learn new skills and giving us the confidence to take risks, we are becoming contributing members of our communities. We have learned how to support each other and have become less dependent upon needing a 1:1 worker. Also, within the budget worksheet on Page 529 of 1018, SEQ# 80-001 to convert the Program Specialist IV – Developmental Disabilities position from temporary to permanent for self-advocacy activities. This position helps self-advocates and is important to us because it has helped us grow from a dozen of us to 189, statewide. We have learned to have control over our own lives by learning how to make informed choices and decisions. We have also learned leadership skills and trained other self-advocates on how to provide informational sessions, trainings, workshops, learning workbooks to transition teachers, students, agencies who support individuals with disabilities and state case managers/social workers.
- HTH 501-Developmental Disabilities, Page 29, Item No.16. We support funding for the DD Division because they have closed the institution and allow us to live in our communities and receive the right amount of supports to build our independence. It is also important to add funds for the rebased provider payment rates as outlined in the budget worksheet on Page 463 of 1018, SEQ# 101-001. The provider agencies need this rate increase to assure their workers are paid a salary they can live off of. Several of the self-advocates get stuck in day programs because there are not enough workers to provide 1:1 services in their community. By giving a person a chance to learn new skills and to have a goal to get a job, they will no longer be dependent upon a system. Hopefully with the higher rates there will be more workers to support us.

Thank you for the opportunity to submit testimony in **strong support of HB100.**

Sincerely, *Renee Manfredi*

Renee Manfredi
President

HAWAII ACTION ACADEMY



310.962.8081

actionspecialist@gmail.com

73-4855 Kanalani Street
Kailua-Kona, HI
96740

LATE

February 22, 2017

To whom it may concern,

Hawaii Action Academy would not have been built without the funding and existence of the GVS Accelerator and Honua Studios.

For fifteen years I've been working as a professional stuntman in the film and television industry. My most recent work was doubling Ryan Reynolds as Deadpool, Chris Evans as Captain America: Civil War and playing 'Bagheera' (the panther) in The Jungle Book. All of which were three of the five top grossing films in 2016. Inspired by the vision to build up the film industry on the Big Island of Hawaii spearheaded by David Cunningham out of Honua Studios and GVS Accelerator, I moved to Kona with my family in 2013. Since then, I have been pursuing to help train up the Talent on the Big Island of Hawaii which include actors, extras and aspiring stunt performers. In 2015 as stunt coordinator of the feature film 'Hearts of Men' filmed on the Big Island, it confirmed to me that if we want to keep our Talent safe and create exciting action sequences, we would need to ship over a large amount of stunt equipment. I spent over \$100,000 of my own money in just stunt equipment in 2016 and opened up Hawaii Action Academy in January 2017 located next door to Honua Studios. Hawaii Action Academy has been received well in the Kona community and the youth are learning incredibly quickly because of our quality equipment, instructors and unique training program. Our vision is to provide an ongoing training curriculum for aspiring action performers in the film & television industry. This self funded vision to train up Talent for the film industry compliments the vision of Honua Studios and GVS Accelerator to make movies in Hawaii for the world. I have personally invested close to \$200,000 of my own money in the last two years to make this vision happen and I wouldn't have started without the attraction of the Accelerator program. We currently have two employees and actively looking to hire another handful of instructors and assistant managers to expand our hours of operation and to meet the growing demand of our clients.

As a Kailua-Kona entrepreneur I am in support for continuing funding towards the GVS Accelerator program as it directly affects my business. Thank you for your consideration and please call me at 310-962-8081 if you have any further questions.

Sincerely,

Adrian Hein

This article published on the front cover of Monday's **WEST HAWAII TODAY** does a good job explaining **THE WORKING RELATIONSHIP OF HAWAII ACTION ACADEMY AND HONUA STUDIOS.**

Please go to:

<http://westhawaii.com/news/local-news/hollywood-stuntman-opens-academy-teaches-high-flying-acrobatic-skills>

LATE

BIISC
23 E. Kawili St.
Hilo, HI 96720
(808) 933-3340
biisc@hawaii.edu
www.biisc.org



Testimony of the Big Island Invasive Species Committee
Supporting Invasive Species Programs and Natural Resource Protection in
H.B. 100: Relating to the State Budget
House Committee on Finance
Wednesday, March 5, 2017, 9:00AM, Room 308

Aloha,

BIISC would like to express our support for H.B. 100, which includes continued funding to the Hawaii Invasive Species Council (HISC) to support invasive species prevention, control, research, and education programs statewide. We ask for your strong support for this and other items to fund the implementation of Hawaii's Interagency Biosecurity Plan.

Over the last 20 years on the Big Island, we have seen the extreme impacts on our residential life, our agriculture, and our economy from invasive species. It is past time for Hawaii to implement strong biosecurity protections for our state. Strong, stable funding at state agencies is critical to the success of any invasive species prevention or response plan. Stronger funding for DLNR, HDOA, and the HISC, will allow for stronger collaboration within the state, with local partners like the Watershed Partnerships, the Invasive Species Committees, and the Hawaii Ant Lab, and with our county, federal, and NGO partners.

If one thing is clear from the economic research on invasive species, it is that dollars spent on prevention, early detection, and rapid response are worth hundreds and even thousands more in savings down the line. Imagine, the tiny seedling that in ten short years grows into a giant albizia tree, surrounded by two generations of offspring. Imagine the future costs that can still be avoided by preventing the "next albizia," the next aggressive invader, from arriving in Hawaii. In addition to significant avoided costs, invasive species partnerships leverage state funds to bring in millions of dollars each year from private and federal sources, and have used those dollars to create good jobs in rural areas including Hilo, Volcano, Ka'u, Kamuela, Lihue, Makawao, and Kaunakakai.

We encourage this legislature to signal the state's commitment to strong biosecurity that will protect our critical natural resources and the plants, animals, forests and waters, locally grown produce, and outdoor lifestyle that make Hawaii such a special place to live.

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

Springer Kaye
Manager

LATE

Friends of Hakalau Forest National Wildlife Refuge

P.O. Box 6065

Hilo, HI 96720

Website: FriendsOfHakalauForest.org

Email: FriendsOfHakalauForest@gmail.com



March 7, 2017

Testimony of the Friends of Hakalau Forest National Wildlife Refuge

Supporting DLNR Watershed and Invasive Species Programs in H.B.100

House Committee on Finance

Wednesday, March 8, 2017, 9:00 am, Room 308

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The Friends of Hakalau Forest National Wildlife Refuge is a nonprofit organization that was formed to promote and support conservation of native forest ecosystems in Hawaii. To be most effective, we work closely with private and public landowners at the statewide level. In this regard, the role played by the State of Hawaii is critically important.

The Friends of Hakalau Forest National Wildlife Refuge strongly supports the priority budget requests of the Department of Land and Natural Resources included within the General Budget Bill HB100. This funding will make possible more effective control of invasive species and ensure continuity of highly successful watershed management programs.

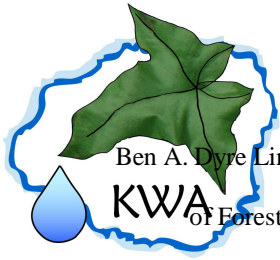
Thank you for the opportunity to comment.

Aloha, Layne Yoshida

President

LATE

Kaua`i Watershed Alliance



Ben A. Dyre Limited Family Partnership, Department of Hawaiian Homelands, Department of Water County of Kaua`i, DLNR – Division of Forestry and Wildlife & Land Management Division, Grove Farm Company, Inc., Jurassic Kahili Ranch, Kamehameha Schools,

Kaua`i Ranch LLC, Lihu`e Land Company, McBryde Sugar Company, Ltd., National Tropical Botanical Garden, Princeville Development, LLC

“The Mission of the Kaua`i Watershed Alliance is to PROTECT, PRESERVE and MANAGE our valuable watershed resources for the benefit of our residents, communities and all future generations through the

Testimony of Kauai Watershed Alliance
Supporting DLNR Watershed and Invasive Species Programs in
H.B. 100 Relating to the State Budget
House Committee on Finance
Wednesday, March 8, 2017, 9:00AM, Room 308

The members of the Kauai Watershed Alliance (KWA) strongly support H.B. 100, particularly the proposed funding to the Department of Land and Natural Resources for watershed management, CIP fencing work, and invasive species prevention, control, research, and education programs and activities.

The Mission of KWA is clearly stated and its members recognize the necessity of natural resource stewardship. We understand that the source of our pure water is a system of healthy native forested watersheds which capture rain and cloud moisture and deliver it efficiently to aquifers and surface sources for subsequent consumption in our daily lives and for the benefit of our island economy.

Current Projects:

- East Alakai (summit) Management Unit – 2000 ac. State & Private land - Area is ungulate free and now being monitored with game cameras, transects and area swept bi-annually w/ dogs
- Wainiha Valley Management Unit – 4,000 ac. Private land – last feral pigs removed in 2017
- Halehaha Management Unit 1,350 ac. State land – A protective fence was completed in February 2017
- Alakai Plateau ongoing invasive weed control - Over 10,000 acres are being managed to suppress or eliminate Australian Tree Fern, Strawberry Guava, **Himalayan Ginger & Clydemia (Kostner’s Curse)**.

The KWA has several projects in need of funding for continued Watershed protection. Watershed Partnerships work hard to secure private, county and federal funds in addition to the State of Hawaii's critical role in helping to fund these important projects. Our natural resources and water resources (native forested watersheds) can be taken for granted, however these resources require all of our foresight and support!

Thank you for consideration.

Sincerely,

Arryl Kaneshiro, Chairman



Kaua`i Watershed Alliance

Ben A. Dyre Limited Family Partnership, Department of Hawaiian Homelands, Department of Water County of Kaua`i, DLNR – Division of Forestry and Wildlife & Land Management Division, Grove Farm Company, Inc., Jurassic Kahili Ranch, Kamehameha Schools, Kaua`i Ranch LLC, Lihu`e Land Company, McBryde Sugar Company, Ltd., National Tropical Botanical Garden, Princeville Development, LLC

“The Mission of the Kaua`i Watershed Alliance is to PROTECT, PRESERVE and MANAGE our valuable watershed resources for the benefit of our residents, communities and all future generations through the



1110 Nuuanu Avenue | Honolulu, Hawaii 96817 | (808) 497-7466

LATE

March 7, 2017

Chair Luke, Vice Chair Cullen and Members of the Committee on Finance:

Reef Capital Ventures would like to express our **strong support** for increased funding for the **HI Growth Initiative via BED 145 Sequence #100-001**, as proposed in Governor Ige's budget.

The HI Growth Initiative has been instrumental in jumpstarting Hawaii's entrepreneurial ecosystem and supporting its development into the vibrant community it is today. All of these activities were catalyzed by the strategic investments of the HI Growth Initiative. The entrepreneurial ecosystem has experienced immense growth thanks to these investments, as well as others in the development of workforce and infrastructure for an innovation economy. These distinct, but complementary efforts include the 80/80 Initiative as well as University of Hawaii's slate of technical and entrepreneurial programs. The growth and development of Hawaii's innovation economy are further supported and championed by the Hawaii Business Roundtable and Chamber of Commerce of Hawaii, as evidenced by their respective reports over the last couple of years.

As a Hawaii-based fund and member of the Startup Paradise community, Reef Capital Ventures is committed to investing in and helping to keep innovative startup businesses growing and profitable here in Hawaii.

Continued funding of the HI Growth Initiative is paramount to the expansion of Hawaii's innovation economy. Venture capital is a necessary source of capital for innovative startups, allowing them to grow and scale. The HI Growth Initiative will continue to help make more of this type of capital available to Hawaii startups, as well as continue to invest in the critical components necessary for our innovation economy.

We humbly ask for your continued support of the HI Growth Initiative. Thank you for the opportunity to provide testimony on this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Lauren Primiano".

Lauren Primiano
Managing Partner
Reef Capital Ventures



West Maui Mountains Watershed Partnership

February 27, 2017

LATE

Supporting H.B. 100/S.B. 192 Relating to the State Budgets for Watershed and Invasive Species Work

West Maui Mountains
Watershed Partnership
P.O. Box 13240
Lahaina, Hawai'i
96761
Phone (808) 661-6600
Fax: (808) 661-6604

Aloha Legislators,

The West Maui Mountains Watershed Partnership supports H.B. 100/S.B. 192, particularly the proposed funding to the Department of Land & Natural Resources for watershed management, CIP fencing work, and invasive species prevention, control, research, and education programs and activities. Please also see testimony submitted in support of provisions within this bill by Department of Land and Natural Resources Chairperson, Suzanne Case.

Watershed Partners

County of Maui

Dept. of Land &
Natural Resources

Kahoma Land
Holdings, LLC

Ka'anapali Land
Company, LLC

Kahoma Land, LLC

Kamehameha Schools

Makila Land Co., LLC

Maui County
Department of Water
Supply

Maui Land &
Pineapple
Company Inc

Wailuku Water Co.
LLC

The Nature
Conservancy

Our partnership has been in existence since 1998 and recognizes the necessity of natural resource stewardship. We understand that the source of our pure water is a system of healthy forested watersheds. These lands and their native cover capture rain and cloud moisture and deliver it efficiently to aquifers and surface sources. Subsequent consumption enhances every aspect of our daily lives and benefits all sectors of our island economy.

Since our beginning, we have constructed over 22 miles of fence which protects over 29,000 acres of prime source water recharge areas. We have seen firsthand how our work is allowing the forest to recover. In the past two years alone we have increased our management footprint by 11%. Moving forward, we need support to fence and prevent further degradation to the remaining 39% of prime watershed lands. Your support is also needed to sustain current management and remove water thirsty invasive weeds. All this work is performed by technically trained residents who believe it is their privilege and kuleana to safeguard this land and its resources for future generations. We can attest to the difference they make every day.

The DLNR Division of Forestry and Wildlife's budget request seeks base operating and CIP funding for the protection of not only our native forests, but the source of nearly all the islands' fresh water. The watershed protection and invasive species programs supported with State funds are leveraged at least 3 times over with county, federal and private sources. Please help us ensure our further success and the perpetuation of natural resources that are critical to our islands.



House Committee on Finance
The Hon. Sylvia Luke, Chair
The Hon. Ty Cullen, Vice Chair

LATE

**Testimony on House Bill No. 0100
RELATING TO THE STATE BUDGET.
Wednesday, March 8, 2017, 9:00 a.m.
State Capitol, Conf. Room 308**

Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Mary Frances Oneha and I am the Chief Executive Officer of Waimānalo Health Center. I am requesting that funding be provided in House Bill No. 0100 to reinstate adult dental services for Medicaid enrollees in the State of Hawaii by funding the Governor's request for Line Item HMS401.

The Waimānalo Health Center has consistently supported and continues to provide strong support to restore basic adult dental benefits to Medicaid enrollees. Waimanalo Health Center's Dental Clinic continues to see a high percent of uninsured adults and an increase in dental emergencies.

In 2015, the Department of Health (DOH) released a report entitled "Hawaii Oral Health: Key Findings", which revealed that Hawaii has an enormous shortfall in the area of dental benefits. Among other things, DOH found that:

- (1) From 2009 to 2011, only 41% of pregnant women, 29% of pregnant low-income women, and 27% of women in Medicaid or QUEST visited a dentist during their pregnancy;
- (2) In 2012, 52% of low-income adults saw a dentist as compared to 82% of higher income adults;
- (3) In that same year, 51% of low-income adults lost teeth due to dental disease, while only 32% of high-income adults did; and
- (4) From 2006 to 2012, there was a 67% increase in emergency room visits for dental problems, accounting for a \$4.5 million increase, bringing total expenditures for such visits alone to \$8.5 million.

Further, the DOH outlined a number of measures that could greatly improve the oral health status of Hawaii's residents. Foremost among them was the continued support and expansion of preventative dental care to low-income populations, best achieved through the restoration of adult dental services in Medicaid.

This issue is of special importance to all community health centers because a majority provide dental services. Between 2007 and 2015, the number of patients receiving dental care at community health centers more than doubled, rising from 20,000 patients to over 40,000. As 57% of community health center patients are enrolled in either Medicaid or CHIP Programs, this bill will provide much needed funding and sustainability for services to the most needy in the State.

Additionally, Waimānalo Health Center is a staunch believer in the social determinants of health, those economic and social conditions that influence an individual and a community's health status. The inclusion of funding to Line Item HMS401 for adult dental services would provide additional benefits to both individuals and the community as a whole by making it easier for individuals to obtain employment, reduce absenteeism to school or work, and improve social standing.

Thank you for the opportunity to testify.



Wai Maoli
HAWAI'I FRESH WATER INITIATIVE

827 Fort Street Mall | Honolulu, HI 96813 | (808) 537-6333
HawaiiCommunityFoundation.org

LATE

Fresh Water Council Members

William Aila

Stephen Anthony*

Michael Buck

Suzanne Case

Reginald Castanares

Meredith Ching

Derek Chow

Ka'eo Duarte

Sumner Erdman

Mark Fox

Thomas Giambelluca

Timothy Johns

Howard Killian

Patrick Kobayashi

Ernest Lau

Keith Okamoto

Jerry Ornellas

Monty Richards

Kapua Sproat

David Taylor

Dennis Teranishi

Barry Usagawa

*US Geological Survey
Liaison/Scientific Advisor to HCF

**Testimony of the
Hawai'i Fresh Water Council
Supporting DLNR Watershed Programs in
H.B. 100 Relating to the State Budget
House Committee on Finance
Wednesday, March 8, 2017
9:00 A.M.
Conference Room 308**

The Hawaii Fresh Water Initiative strongly supports the current budget allocations of \$2.4M for Watershed Partnerships Programs, the additional request of \$500,000 for watershed protection, and \$7.5M CIP funds for watershed fences to protect and maintain Hawai'i's watershed areas that are the source of our drinking water supply.

The Hawaii Fresh Water Initiative was launched in 2013 and assembled a diverse Fresh Water Council to develop a forward-thinking and consensus-based strategy to increase water security for Hawaii. Our Council jointly and unanimously recommended key strategies and policies with an ultimate goal of creating 100 million gallons per day (mgd) in additional, reliable fresh water capacity by 2030. One of the key strategies to achieve this statewide water goal is to increase water recharge by 30 mgd over the next 15 years by doubling the area of critical protected watersheds to 211,000 acres by 2030.

Protecting healthy native forests and intact watersheds are a good investment:

- Rainfall in Hawai'i has decreased by 18% over the past 30 years—intact forests help us capture more moisture from precipitation and fog drip.
- Half of Hawai'i's original watershed forests have been destroyed, and only 13% of those that remain are currently in active protection.
- UHERO estimated that investing \$43.2M in watershed restoration work in the Ko'olau mountains could result in over \$900M of actual realized water value for O'ahu.

The funding levels currently provided for watershed protection in HB 100 are essential to maintaining progress toward the goal of increasing recharge for the state, and a critical component of a multi-pronged strategy to improve Hawaii's long-term water security.

For these reasons, we strongly support the allocations of \$2.4M for Watershed Partnerships Programs, the additional request of \$500,000 for watershed protection, and \$7.5M CIP funds for watershed fences in H.B. 100, and respectfully request that the Finance Committee maintain or increase these levels in the budget bill.



PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

March 8, 2017

TO: Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair
Members of the Committee on Finance

FROM: Natalie Okeson, Interim Executive Director

SUBJECT: Testimony in Support of HB 100, RELATING TO THE STATE BUDGET

Hearing: March 8, 2017 at 9:00am
Conference Room 308

Chair Luke, Vice Chair Cullen, and Member of the Committee on Finance:

Thank you for the opportunity to provide testimony in strong support of several items included in HB100. I am Natalie Okeson, the Interim Director of PHOCUSED.

PHOCUSED is a nonprofit, nonpartisan organization dedicated to increasing the safety for, visibility of, and investment in the children and adults in Hawaii who are marginalized, impoverished, and under-served. Our organization has been a leading voice in advocating for our state's vulnerable populations since our formation, as the membership of PHOCUSED and our Board of Directors represent many of the major providers of human services across our state. In addition, our organization is a member of Partners in Care and plays a role in the coordinated entry system that many in our community have worked so hard to design and implement.



PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

Our organization believes that, although many strides have been made, Hawaii's ranking as the nation's leader in per capita homelessness demands major, but targeted, investment, as well as action on the part of all community members.

We firmly believe that the priorities identified in HB100 will allow our state to move forward in tackling this critical problem by making those targeted investments towards the three levers of change described in the state's framework to address homelessness.

PHOCUSED strongly supports the following funding, which, when combined, will significantly reduce homelessness in our state:

HMS 222, 100-001: Funds for ongoing rental subsidies for the homeless in the State Rent Supplement Program at the Hawaii Public Housing Authority; adds 7 permanent positions for State Rent Supplement Program:	\$7,000,000
HMS 224, 100-001: Funds for Housing First Program:	\$3,000,000
HMS 224, 101-001: Funds for homeless outreach, including youth outreach:	\$1,500,000
HMS 224, 102-001: Funds for Rapid Rehousing:	\$2,500,000
HMS 224, 151-001: Funds for legal services to homeless:	\$500,000
HTH 420, 100-001: Funds for homeless individuals with serious and persistent mental health challenges:	\$1,000,000
HTH 440, 105-001: Funds for outreach and counseling services for chronically homeless individuals and families with severe substance use disorders:	\$800,000
<ul style="list-style-type: none">• Includes \$200,000 for a LEAD pilot project	



PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

BED 160: Rental Housing Revolving Fund infusion:	\$50,000,000 (CIP)
BED 160: 902 Alder Street, Honolulu, Oahu Project:	\$15,000,000 (CIP)
HMS 220: Public Housing Authority for housing development, improvements, renovations, statewide:	\$50,000,000 (CIP)
HMS 220: Public housing vacant unit repairs/renovations, statewide:	\$4 million (CIP)
HMS 220: Public housing security improvements, statewide:	\$5 million (CIP)

These funds are crucial to the successful programs that have been initiated and have begun to make the impactful changes our state is seeking.

Housing First is an incredibly successful and cost-effective approach in finally housing Hawaii's chronically homeless individuals. PHOCUSED respectfully urges you to add the requested \$3 million for Housing First into the Department of Human Services base budget. Our organization must also highlight the importance of the Rapid Rehousing Program, as well as shallow rent subsidies, which our community has seen can have a tremendous impact in preventing people from falling into homelessness.

The State Rent Supplement Program can provide ongoing rental assistance to quickly move Hawaii's homeless into permanent housing for those who are homeless due to the massive gap between wages and rental prices. Over 20% of Hawaii's homeless population is working. Senior citizens and the working poor do not need intensive services in many cases; rather, they need a helping hand in reconciling their low income and skyrocketing rents to avoid homelessness.



PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

In addition, we would like to highlight that outreach is a crucial component of working to house those persons living unsheltered. Without the first contact made through outreach, none of the services related to housing and treatment can be offered. Within HTH 440, 105-001 are funds for outreach and counseling services, as well as for the Law Enforcement Assisted Diversion program. We fully support this program, which is gaining traction and changing lives in our nation's most innovative cities. The critical nature of outreach to the homeless youth population also cannot be overstated, as sixty seven percent of runaway youth are fleeing physical or sexual abuse at home and that one third of those children will find themselves sexually trafficked within 48hours. Coupled with the crucial funding for the Alder Street project, our state can be confident in its efforts to protect these vulnerable adolescents.

As you may have gathered, PHOCUSED encourages the passage of the proposed funding on many grounds, not least of which is the appropriation to the Rental Housing Revolving Fund, as developers have continued to indicate that the RHRF is key to getting projects completed, in order to meet the growing demand for rental units, which has pushed rental prices out of the reach of too many of our community members.

We understand that your committee is heavily burdened with the complex decisions regarding which projects are in need of funding. These are not decision you take lightly. However, we hope that as you deliberate on the funding priorities for the state, that you remain steadfast in your dedication to addressing homelessness in Hawaii. I thank you for the opportunity to submit testimony in support of HB100.

LATE

House Committee on Finance
The Hon. Sylvia Luke, Chair
The Hon. Ty Cullen, Vice Chair

Testimony on House Bill No. 0100
RELATING TO THE STATE BUDGET.
Wednesday, March 8, 2017, 9:00 a.m.
State Capitol, Conf. Room 308

Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is B.J. Ott and I am the Acting CEO of Community Clinic of Maui, Inc. dba Mālama I Ke Ola Health Center. I am requesting that funding be provided in House Bill No. 0100 to reinstate adult dental services for Medicaid enrollees in the State of Hawaii by funding the Governor's request for Line Item HMS401.

In 2015, the Department of Health (DOH) released a report entitled "*Hawaii Oral Health: Key Findings*", which revealed that Hawaii has an enormous shortfall in the area of dental benefits. Among other things, DOH found that:

- (1) From 2009 to 2011, only 41% of pregnant women, 29% of pregnant low-income women, and 27% of women in Medicaid or QUEST visited a dentist during their pregnancy;
- (2) In 2012, 52% of low-income adults saw a dentist as compared to 82% of higher income adults;
- (3) In that same year, 51% of low-income adults lost teeth due to dental disease, while only 32% of high-income adults did; and
- (4) From 2006 to 2012, there was a 67% increase in emergency room visits for dental problems, accounting for a \$4.5 million increase, bringing total expenditures for such visits alone to \$8.5 million.

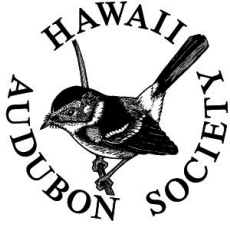
Further, the DOH outlined a number of measures that could greatly improve the oral health status of Hawaii's residents. Foremost among them was the continued support and expansion of preventative dental care to low-income populations, best achieved through the restoration of adult dental services in Medicaid.

This issue is of special importance to all community health centers because a majority provide dental services. Between 2007 and 2015, the number of patients receiving dental care at community health centers more than doubled, rising from 20,000 patients to over 40,000. As 57% of community health center patients are enrolled in either Medicaid or CHIP Programs, this bill will provide much needed funding and sustainability for services to the most needy in the State.

Additionally, [ORGANIZATION] is a staunch believer in the social determinants of health, those economic and social conditions that influence an individual and a community's health status. The inclusion of funding to Line Item HMS401 for adult dental services would provide additional benefits to both individuals and the community as a whole by making it easier for individuals to obtain employment reduce absenteeism to school or work, and improving social standing.

Thank you for the opportunity to testify. I'd be happy to answer any questions you might have.

B.J. Ott, Acting CEO
Community Clinic of Maui, Inc.
Mālama I Ke Ola Health Center
1881 Nani Street
Wailuku, HI 96793
808-872-4018



For the Protection of Hawaii's Native Wildlife
HAWAII AUDUBON SOCIETY

850 Richards Street, Suite 505, Honolulu, HI 96813-4709
Phone/Fax: (808) 528-1432; hiaudsoc@pixi.com
www.hawaiiadubon.org

LATE

THE SENATE
TWENTY-EIGHTH LEGISLATURE
REGULAR SESSION OF 2017

COMMITTEE ON FINANCE
Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair

Wednesday, March 18, 2017
9:00 a.m., Conference Room 308, State Capitol

H.B. No. 100
Relating to the State Budget

Chairperson Luke, Vice Chairperson Cullen, and members of the committee, my name is Linda Paul and I am testifying in favor of H.B. 100 as a volunteer, President of and in behalf of the approximately 2000 members of the Hawaii Audubon Society. Among other expenditures HB 100 authorizes a one-time spending ceiling increase in FY18 to restore the unencumbered and previously-approved FY15 funds for the Legacy Lands Conservation Program that remain in the LLC Fund that were not spent and are not appropriated for other purposes.

The Society also supports the Governor's and DLNR's request for a permanent spending ceiling increase of \$1.7 million for FY18 and subsequent years to support the important and chronically underfunded LLC program. Many of Hawaii's natural resources are lost when private lands are sold and developed. Frequently these lands are the last remnants of vanishing ecosystems and habitats of threatened and endangered species. The ground-nesting pueo on Oahu has been declared endangered because most of its habitat either has been lost to urban development or is about to be lost. The Society itself was the recipient of a private legacy land gift that was specifically purchased to restore and preserve a parcel of rare native dry land seabird habitat on the southern coast of Oahu. Because of that gift and the efforts of many volunteers a colony of wedge-tail shearwaters now thrive among the newly-planted native plants on that parcel. Please pass HB 100 and thank you for giving me the opportunity to testify.

Linda M. B. Paul
808-262-6859



S E A C
Special Education Advisory Council
919 Ala Moana Blvd., Room 101
Honolulu, HI 96814
Phone: 586-8126 Fax: 586-8129
email: spin@doh.hawaii.gov

March 8, 2017

LATE

**Special Education
Advisory Council**

Ms. Martha Guinan, *Chair*
Ms. Dale Matsuura, *Vice Chair*
Dr. Patricia Sheehey, *Vice
Chair*
Ms. Ivalee Sinclair, *Vice Chair*

Ms. Brendelyn Ancheta
Dr. Robert Campbell, *liaison
to the military*
Ms. Deborah Cheeseman
Ms. Annette Cooper
Ms. Gabriele Finn
Mr. Sage Goto
Ms. Valerie Johnson
Ms. Bernadette Lane
Ms. Kaili Murbach
Ms. Stacey Oshio
Ms. Kau'i Rezentos
Ms. Charlene Robles
Ms. Rosie Rowe
Mr. James Street
Dr. Todd Takahashi
Dr. Daniel Ulrich
Mr. Steven Vannatta
Mr. Gavin Villar
Dr. Amy Wiech
Ms. Jasmine Williams
Ms. Susan Wood

Amanda Kaahanui, Staff
Susan Rocco, Staff

Representative Sylvia Luke, Chair
Committee on Finance
State Capitol
Honolulu, HI 96813

RE: HB 100 - Relating to the State Budget

Dear Chair Luke and Members of the Committee,

The Special Education Advisory Council (SEAC), Hawaii's State Advisory Panel under the Individuals with Disabilities Education Act (IDEA), respectfully asks for your favorable consideration of restoring the following items that were removed from the Executive Request in the Governor's Message dated February 7, 2017:

1) **EDN 200 - Add Funds for Seclusion and Restraints Training and Certification (FY 18: \$385,000, FY 19: \$385,000)**

SEQ # 100-001, Budget Worksheet Page 292

This appropriation is vital to the implementation of Act 206. The law provides for all school staff to receive training in the proper use of physical restraints as well as non-violent crisis intervention, and to develop and maintain a database to document all incidents involving the use of restraints. In addition to restoring \$300,000 cut from the Executive Request, SEAC asks that you provide an additional \$85,000 to fund one full-time equivalent position to oversee the provision of training and data collection, and to complete the reporting requirements outlined ACT 206.


2) **EDN 700 - 20 Permanent Positions and Funds for Pre-K Programs (FY 19: \$1,040,593)**

SEQ # 101-001, Budget Worksheet Page 321

These funds will add 20 permanent positions to expand the Pre-Kindergarten Program. SEAC believes that increasing the availability of quality early learning programs will create more opportunities for young children with disabilities to have their school readiness needs met in inclusive settings.

Thank you for the opportunity to provide testimony on this important legislation. If you have questions or concerns, please contact us.

Respectfully,


Martha Guinan
Chair


Ivalee Sinclair
Legislative Committee Chair

LATE

**Testimony on House Bill No. 0100
RELATING TO THE STATE BUDGET.
Wednesday, March 8, 2017, 9:00 a.m.
State Capitol, Conf. Room 308**

Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Sheila Beckham and I am the CEO of Waikiki Health. I am requesting that funding be provided in House Bill No. 0100 to reinstate adult dental services for Medicaid enrollees in the State of Hawaii by funding the Governor's request for Line Item HMS401.

In 2015, the Department of Health (DOH) released a report entitled "*Hawaii Oral Health: Key Findings*", which revealed that Hawaii has an enormous shortfall in the area of dental benefits. Among other things, DOH found that:

- (1) In 2012, 52% of low-income adults saw a dentist as compared to 82% of higher income adults;
- (2) In that same year, 51% of low-income adults lost teeth due to dental disease, while only 32% of high-income adults did; and
- (3) From 2006 to 2012, there was a 67% increase in emergency room visits for dental problems, accounting for a \$4.5 million increase, bringing total expenditures for such visits alone to \$8.5 million.

Further, the DOH outlined a number of measures that could greatly improve the oral health status of Hawaii's residents. Foremost among them was the continued support and expansion of preventative dental care to low-income populations, best achieved through the restoration of adult dental services in Medicaid.

As Hawaii's only recipient of Ryan White HIV/AIDS funding, Waikiki Health knows only too well the impact of poor oral health on health status. Many of our HIV positive patients, are unable to take medication because they cannot eat due to severe loss of dentition. With tooth extraction the only option those on Medicaid are faced with, they have no choice but to have decayed teeth pulled resulting in the inability to chew.

Additionally, Waikiki Health is a staunch believer in the social determinants of health, those economic and social conditions that influence an individual and a community's health status. The inclusion of funding to Line Item HMS401 for adult dental services would provide additional benefits to both individuals and the community as a whole by making it easier for individuals to obtain employment, reduce absenteeism to school or work, and improving social standing.

Thank you for the opportunity to testify. I'd be happy to answer any questions you might have.



LATE

Dear Representative Luke, Representative Cullen and Members of the House Committee on Finance:

My name is James Kilgore and I am the Executive Director of Full Life. Full Life is a non-profit organization serving people with developmental disabilities and their families on Hawai'i Island for the nearly 17 years. I am writing to provide support to the following budget item in **HB 100 scheduled for hearing on March 8th, 2017 at 9:00AM:**

HTH 501 – Developmental Disabilities, Page 29, Item No. 16

I support funding for the DD Division because people with disabilities and their families deserve to have choice and high quality service providers who are consistent, well trained, and effective. The Medicaid 1915(c) waiver provides home and community based services for people with intellectual and developmental disabilities who would otherwise be served in institutions. This budget allows supports necessary for people with developmental disabilities to live, work, learn, and recreate in our communities.

It is important to add that funds for the rebased provider payment rates are outlined in the budget worksheet on page 463 of 1018, SEQ# 101-001. This begins to reflect the actual cost to provide services in Hawaii.

On page two is a table including examples of the impact of funding or not funding the Developmental Disabilities Division Budget for Waiver Rate adjustments.

Rates have not been adjusted in over ten years and the costs for providing services have increased. Additionally, the increased funding will bring an additional \$14.9 Million in revenue to the State of Hawaii in Federal FMAP matches. This rate adjustment is a small step toward funding the actual costs of necessary services that increase opportunities for inclusion in the life of the community and provide quality supports to many people with developmental disabilities and their families.

Thank you for your valuable time and consideration,

James Kilgore

Table 1: Examples of the possible impact of the Developmental Disabilities Budget

FUND DEVELOPMENTAL DISABILITIES BUDGET	DON'T FUND DEVELOPMENTAL DISABILITIES BUDGET
Higher quality services for people with developmental and intellectual disabilities and their families	Poorer quality services for people with developmental and intellectual disabilities and their families
More choice in types of services and service providers	Less choice in services and fewer service providers
Direct Support Professionals and caretakers paid fair wages for making a difference in the lives of community members every day	Direct Support Professionals and caretakers paid less than fast food workers
Help families by providing consistency and stability in services	Inconsistency and constant changes in services
Providers able to recruit and retain quality support staff	Caretaker turnover at rates between 21% and 38%
Bring in an additional \$14.9 Million in revenue to the State of Hawaii in Federal Matches	Inefficient use of tax payer's resources leaving federal funds on the table
Reimburse fair rates to providers as evidenced in an empirical rate study of Hawaii Waiver rates. Sustain providers who are considering ending service provisions	Continue to reimburse nonprofit and other providers less than the actual cost to provide services. How much longer can that last? Some providers may stop providing services due to the lack of funding.
Provide the services needed to the people who need services -Live, work, and play in our communities	Fewer people served who need services and those with services have less services than needed

LATE

Testimony of Brad Suizu, Princeville Utilities Company, Inc.
Supporting H.B. 100/S.B. 192 Relating to the State Budget
House Committee on Finance or Senate Committee on Ways & Means
Wednesday, March 8, 2017, 9:00 AM, Room 308

Honorable Sylvia Luke, Chair and Vice Chair, Ty JK Cullen, Finance Committee, Hawaii State Legislature,

Princeville Utilities Company, Inc. is in strong support of H.B. 100/S.B. 192, particularly the proposed funding to the Department of Land and Natural Resources' and Department of Agriculture's invasive species and watershed protection programs.

Invasive species affect everyone. Our water supply is at risk because our forests are at risk, our locally-grown crops are attacked by pests and diseases, our heritage trees like 'ōhi'a are threatened by disease, and our health and well-being can be harmed by stinging insects and mosquito-borne diseases. However, we recognize that together we can make a difference if we make it a high priority for our government and ourselves to prevent new introductions, control the worst pests already present, educate ourselves and others, and use good science to support our collective efforts.

We are a partner of the Kauai Invasive Species Committee that works in natural areas, agricultural lands and communities to prevent, detect, and control the establishment and spread of invasive species threats to the environment, economy, and quality of life in Hawai'i.

As an active participant in the Kauai Watershed Alliance, we support the work of DLNR and Department of Agriculture's invasive species and watershed protection programs. We need to continue to protect and preserve our natural area reserves. The forested Makua watersheds are essential to meeting the ever increasing demand for drinking water in Hawai'i. We humbly ask for your kind consideration in supporting the request of the Department of Land and Natural Resources.

The DLNR Division of Forestry and Wildlife's budget request seeks essential base operating and CIP funding for invasive species and watershed protection programs. We are pleased to work with the State to leverage these funds several times over with matching funds from county, federal and private sources help to help meet our collective goals.

Thank you for your support.

LATE

Testimony Presented Before the
House Committee(s) on Finance
Wednesday, March 8, 2017

By
Randall F. Holcombe, MD, MBA
Director, University of Hawaii Cancer Center
University of Hawai'i System/Campus

HB 100 – RELATING TO THE STATE BUDGET

Chair Luke, Vice Chair Cullen and members of the committee:

The University of Hawai'i Cancer Center strongly supports the appropriation for the UH Cancer Center in this bill.

The UH Cancer Center is one of only 69 institutions in the United States that hold the prestigious National Cancer Institute (NCI) designation, and is the only NCI-designated center in the Pacific. The NCI designation provides cancer researchers in Hawai'i with greater access to federal funding and research opportunities. More importantly, it gives the people of Hawai'i and the Pacific region access to many innovative and potentially life-saving clinical trials without the necessity of traveling to the mainland.

Each year more than 6,000 Hawaii residents are diagnosed with cancer, and more than 2,000 will die from the disease. Cancer is the second leading cause of death in Hawaii, and accounts for one of every five deaths statewide. Hawaii's racial/ethnic mixture makes us unique (as compared with national norms) in the types and incidents of cancer. As a NCI-designated cancer research center, the UH Cancer Center brings ground-breaking studies and new cancer-fighting drugs and treatment to our community, making it possible for Hawaii's people to receive the most advanced treatments for cancer without the need to travel to the mainland away from home and at great expense.

The UH Cancer Center works to reduce the burden of cancer through research and patient care. The UH Cancer Center annually enrolls more than 300 patients in new clinical trials. Currently there are about 100 ongoing clinical trials enrolling both adults and children. These clinical trials always guarantee the national standard of best care and the opportunity to benefit from a better treatment. The Cancer Center is actively following over 1,000 patients who have enrolled in clinical trials in the past. The Cancer Center is also working on identifying potential cancer drugs from Hawaii's natural resources, including compounds from plants, such as poha berry, noni and sea sponge, all of which have shown promise against cancer. Several patents are pending based on the UH Cancer Center's findings and research.

A number of Cancer Center researchers focus on key cancers that impact Hawaii.

Our work contributes to a global knowledge that leads to the development of new life-saving treatments and therapies. Ongoing research at the Center provides important insights on the use and impact of e-cigarettes and other tobacco products in Hawaii. For example, our research found Hawaii teens used e-cigarettes at nearly triple the rate of mainland teens. The Center has established a partnership with the state Department of Health to educate Hawaii residents on smoking cessation and the risks of tobacco use.

As the types and incidence of cancer among our local population varies significantly from populations on the mainland, the focus of our research has been to target our diverse ethnic groups. For instance, we have found that colon cancer in Native Hawaiian men is higher than in other ethnic groups. Our researchers are investigating ways to reduce the high rate of cancer deaths in this population.

The funds requested for the UH Cancer Center will be used to reduce the annual shortfall in current operations at the Cancer Center caused by a reduction in the cigarette tax revenue. Cigarette tax revenue is statutorily provided for debt service and (as available) for operations of the facility the Cancer Center occupies in Kaka'ako. Cigarette tax revenue has declined each year since 2009 from approximately \$20 million to approximately \$14.8 million currently. The legislative request will enable the Cancer Center to reduce and, with additional measures, eliminate the annual operating deficits. It will also enable the Cancer Center to facilitate recruitment of physicians scientists with the expertise to conduct early phase clinical trials. Currently most patients from Hawaii who may be eligible to participate in these trials have to travel to the mainland. Additionally, the funding will enable the expansion of the clinical trials infrastructure for cancer patients on Oahu and permit possible expansion to the neighbor islands.

In order to be successful so that it can continue to serve the needs of Hawaii's population, we must maintain the NCI designation of Hawaii's cancer center. The incidence of cancer is increasing significantly and may double during the next twenty years, according to recent estimates by the International Agency for Cancer. It is imperative that the UH Cancer Center maintain its NCI designation to foster research relevant to those in Hawai'i and to provide our state's residents with access to the most innovative clinical trials here in Hawai'i, in order to reduce the incidence of cancer in Hawai'i.

We respectfully urge this Committee to approve the appropriation for the UH Cancer Center in HB 100.

LATE

The House Committee on Finance
March 8, 2017
Room 308

HB 100
TESTIMONY IN SUPPORT OF THE APPROPRIATION FOR THE
UNIVERSITY OF HAWAII CANCER CENTER

Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Adelia C. Chung and I am writing in strong support of the appropriation for the UH Cancer Center in this bill. I serve as a member of the Friends of the University of Hawaii Cancer Center Board of Directors.

The UH Cancer Center is one of only 69 institutions in the United States that hold the prestigious National Cancer Institute (NCI) designation, and is the only NCI-designated center in the Pacific. The NCI designation provides cancer researchers in Hawai'i with greater access to federal funding and research opportunities. More importantly, it gives the people of Hawai'i and the Pacific region access to many innovative and potentially life-saving clinical trials without the necessity of traveling to the mainland.

Each year more than 6,000 Hawaii residents are diagnosed with cancer, and more than 2,000 will die from the disease. Cancer is the second leading cause of death in Hawaii, and accounts for one of every five deaths statewide. Hawaii's racial/ethnic mixture makes us unique (as compared with national norms) in the types and incidents of cancer. As a NCI-designated cancer research center, the UH Cancer Center brings ground-breaking studies and new cancer-fighting drugs and treatment to our community, making it possible for Hawaii's people to receive the most advanced treatments for cancer without the need to travel to the mainland away from home and at great expense.

The UH Cancer Center works to reduce the burden of cancer through research and patient care. In 2014, the UH Cancer Center, working with Hawaii's hospitals, gave Hawaii's adult and pediatric cancer patients approximately 100 different national clinical trials locally. Currently there are about 100 ongoing clinical trials enrolling both adults and children. These clinical trials always guarantee the national standard of best care and the opportunity to benefit from a better treatment. The Cancer Center is actively following over 1,000 patients who have enrolled in clinical trials in the past. The Cancer Center is also working on identifying potential cancer drugs from Hawaii's natural resources, including compounds from plants, such as poha berry, noni and sea sponge, all of which have shown promise against cancer. Several patents are pending based on the UH Cancer Center's findings and research.

A number of Cancer Center researchers focus on key cancers that impact Hawaii. Our work contributes to a global knowledge that leads to the development of new life-saving treatments and therapies. Ongoing research at the Center provides important

insights on the use and impact of e-cigarettes and other tobacco products in Hawaii. For example, our research found Hawaii teens used e-cigarettes at nearly triple the rate of mainland teens. The Center has established a partnership with the state Department of Health to educate Hawaii residents on smoking cessation and the risks of tobacco use.

As the types and incidence of cancer among our local population varies significantly from populations on the mainland, the focus of our research has been to target our diverse ethnic groups. For instance, we have found that colon cancer in Native Hawaiian men is higher than in other ethnic groups. Our researchers are investigating ways to reduce the high rate of cancer deaths in this population.

Key components of the Cancer Center's financial plan are: 1) ensure continued success and productivity in conducting cancer research that benefits the people of Hawai'i, 2) position UH Cancer Center for successful application for continued National Cancer Institute (NCI) designation and 3) attain zero deficit operations within three years. Successful implementation of the plan will reassure potential philanthropic donors, legislators, the Honolulu business community and community stakeholders of the long-term sustainability of the Cancer Center. The legislative request will enable the Cancer Center to reduce and with additional measures, eliminate the annual operating deficits. It will also enable the Cancer Center to facilitate recruitment of physicians scientists with the expertise to conduct early phase clinical trials. Currently most patients from Hawaii who may be eligible to participate in these trials have to travel to the mainland. Additionally, the funding will enable the expansion of the clinical trials infrastructure for cancer patients on Oahu and permit possible expansion to the neighbor islands.

Cigarette tax revenue is statutorily provided for debt service and (as available) for operations of the facility the Cancer Center occupies in Kaka'ako. Cigarette tax revenue has declined over the years from approximately \$20 million to approximately \$14.8 million currently. In light of the fiscal shortfalls, management has been working diligently to implement operational restructuring to reduce the shortfalls. In order to be successful so that it can continue to serve the needs of Hawaii's population, we must maintain the NCI designation of Hawaii's cancer center.

The incidence of cancer is increasing significantly and may double during the next twenty years, according to recent estimates by the International Agency for Cancer. It is imperative that the UH Cancer Center maintain its NCI designation to foster research relevant to those in Hawai'i and to provide our state's residents with access to the most innovative clinical trials here in Hawai'i, in order to reduce the incidence of cancer in Hawai'i.

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

From: mailinglist@capitol.hawaii.gov
 Sent: Tuesday, March 7, 2017 9:08 AM
 To: FINTestimony
 Cc: frankiestapleton@gmail.com
 Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Frances K. (Frankie) Stapleton	Dist. 4 Council, Hawaii County Democratic Party	Comments Only	No

Comments: Aloha e Chair Sylvia Luke, Vice Chair Cullen and Member of the House Committee on Finance, speaking on behalf of the District 4 Council of the Hawaii County Democratic Party, we plead for a \$250,000 line item to be added to the Department of Budget and Finance for the funding of the Hawaii Health Authority. Our #1 public concern in reaction to the Trump Administration's actions regarding health care on all levels is that all of Hawaii's citizens are facing a healthcare crisis of unprecedented urgency! We strongly urge you to add to the Governor's budget a line item for \$250,000 for the Hawaii Health Authority (HHA), to help it fulfill its critical mandate to develop a comprehensive State-based plan for a healthcare system for Hawaii. The HHA was established by HRS Chapter 322H and this Legislature wisely administratively attached the HHA to the Department of Budget & Finance precisely to protect it from bureaucratic pressures from the Department of Health. The HHA uniquely serves as a small, independent policy-planning board composed of 9 volunteer members with diverse expertise in medicine and related fields. It is beholden to no specific director or political ally. We urge the House Finance Committee to insert this authorization of \$250,000 to allow the HHA to hire a full-time Executive Director at up to \$80,000, two staff persons at up to \$60,000 each, and to provide an additional \$50,000 for other administrative and contractual expenditures. Under HRS 322H-2(b), the HHA is tasked with the responsibility to develop a comprehensive health plan that includes: (1) Establishment of eligibility for inclusion in a health plan for all individuals; (2) Determination of all reimbursable services to be paid by the authority; (3) Determination of all approved providers of services in a health plan for all individuals; (4) Evaluation of health care and cost effectiveness of all aspects of a health plan for all individuals; and (5) Establishment of a budget for a health plan for all individuals in the State. This is a huge task, and \$250,000 would be a bargain amount to get this done. The purpose of the HHA is to research and plan comprehensive universal healthcare as an alternative strategy to the current system. As the Trump Administration threatens to make the most volatile and unpredictable changes Hawaii could be facing, we can't afford to abolish the only State agency that we have that is specifically designed to propose innovative solutions to already imminent and likely intractable problems. Mahalo nui for your consideration of this step in the right direction for Hawaii's public's healthcare needs, a most urgent problem as the GOP administration puts its dismantling of our nation's social safety net into action. Respectfully, Frankie Stapleton Dist. 4 Chair, Hawaii County Democratic Party

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LATE

The House Committee on Finance
March 8, 2017
Room 308

HB 100
TESTIMONY IN SUPPORT OF THE APPROPRIATION FOR THE
UNIVERSITY OF HAWAII CANCER CENTER

Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Dr. Lenora Loo, and I am an Associate Professor (Specialist) at the University of Hawaii Cancer Center. As a trained molecular biologist my research is focused on understand the biological mechanisms that contribute to cancer-related health disparities experienced by certain populations in our unique multiethnic community of Hawaii.

The UH Cancer Center has been an important partner within the healthcare community of the state, and has made a tremendous difference in the lives of many cancer patients and their families. Because of the ethnic diversity in Hawaii we face different challenges as the types and incidents of cancer and cancer mortality rates may not be like those seen in other states. The UH Cancer Center is uniquely suited to study this diversity in healthcare needs.

The UH Cancer Center is one of only 69 institutions in the United States that hold the prestigious National Cancer Institute (NCI) designation, and is the only NCI-designated center in the Pacific. The NCI designation provides cancer researchers in Hawai'i with greater access to federal funding and research opportunities. More importantly, it gives the people of Hawai'i and the Pacific region access to many innovative and potentially life-saving clinical trials without the necessity of traveling to the mainland.

Each year more than 6,000 Hawaii residents are diagnosed with cancer, and more than 2,000 will die from the disease. Cancer is the second leading cause of death in Hawaii, and accounts for one of every five deaths statewide. As a NCI-designated cancer research center, the UH Cancer Center brings ground-breaking studies and new cancer-fighting drugs and treatment to our community, making it possible for Hawaii's people to receive the most advanced treatments for cancer without the need to travel to the mainland away from home and at great expense.

The UH Cancer Center brings innovative clinical trials to Hawaii. In 2014, the UH Cancer Center, working with Hawaii's hospitals, gave Hawaii's adult and pediatric cancer patients approximately 100 different national clinical trials locally. Currently there are about 100 ongoing clinical trials enrolling both adults and children. These clinical trials always guarantee the national standard of best care and the opportunity to benefit from a better treatment. The Cancer Center is actively following over 1,000 patients who have enrolled in clinical trials in the past. The Cancer Center is also working on identifying potential cancer drugs from Hawaii's natural resources, including

compounds from plants, such as poha berry, noni and sea sponge, all of which have shown promise against cancer. Several patents are pending based on the UH Cancer Center's findings and research.

Because the types and incidence of cancer among our local population varies significantly from populations on the mainland, the focus of our research has been to target our diverse ethnic groups. For instance, one of our researchers has found that the use of electronic smoking devices among adolescents in Hawaii is triple that of adolescents on the mainland. This tells us that we need to reach out to our younger population to address this problem. Additionally, the UH Cancer Center's researchers have found that colon cancer in Native Hawaiian men is higher than in other ethnic groups. Thus, researchers are focused on investigating ways to reduce the high rate of cancer deaths in this population.

The funds requested for the UH Cancer Center will be used to reduce the annual shortfall in current operations at the Cancer Center caused by a reduction in the cigarette tax revenue. The cigarette tax revenue has been declining since 2009. Although cost-saving measures have been implemented, state funding support is required to address the operational needs of the Cancer Center which were planned when the facility was envisioned. In order to be successful so that it can continue to serve the needs of Hawaii's population, we must maintain the NCI designation of Hawaii's cancer center.

The incidence of cancer is increasing significantly and may double during the next twenty years, according to recent estimates by the International Agency for Cancer. It is imperative that the UH Cancer Center maintain its NCI designation to foster research relevant to those in Hawai'i and to provide our state's residents with access to the most innovative clinical trials here in Hawai'i, in order to reduce the incidence of cancer in Hawai'i.

I respectfully urge this Committee to approve the appropriation for the UH Cancer Center in HB 100.

LATE

The House Committee on Finance
March 8, 2017
Room 308

HB 100
TESTIMONY IN SUPPORT OF THE APPROPRIATION FOR THE
UNIVERSITY OF HAWAII CANCER CENTER

Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Diane Ono, and I am writing in strong support of the appropriation for the UH Cancer Center in this bill. As some of you are aware, the reason I am a longtime proponent of the work of the UH Cancer Center is because my daughter Mari Galiher was on a clinical trial through the UH Cancer Center. Mari's leukemia was successfully treated over the course of a two and a half year clinical trial from 1997 to 1999. Today Mari is 24 years old, holds two University of Hawai'i degrees and is gainfully employed in Honolulu. I know there are many others in our state like her, who have benefited from the fine work of the UH Cancer Center.

We, as a state, must support and properly fund our very own National Cancer Institute-designated cancer center. It is imperative for the health and wellbeing of the people of our state that we have a cancer center under the auspices of our state university doing cutting edge research of our diverse and unique population.

The UH Cancer Center is one of only 69 institutions in the United States that hold the prestigious National Cancer Institute (NCI) designation, and is the only NCI-designated center in the Pacific. The NCI designation provides cancer researchers in Hawai'i with greater access to federal funding and research opportunities. More importantly, it gives the people of Hawai'i and the Pacific region access to many innovative and potentially life-saving clinical trials without the necessity of traveling to the mainland.

As legislators and leaders of our state, I call upon you to appreciate the jewel that we have here, the UH Cancer Center, and ask that you do everything in your power to protect, fund and support it so that the Cancer Center can sustain itself into the future and thrive. The payback for the people of Hawai'i will be tremendous in the lives that can be saved and the potential for discovery that will lead to cures and better treatment options for the people of Hawai'i.

Thank you for allowing me to submit this testimony and for giving it due consideration.

Diane Ono
2534 East Manoa Road
Honolulu, HI 96822
Phone: 808-585-1087

LATE

The House Committee on Finance
March 8, 2017
Room 308

HB 100
TESTIMONY IN SUPPORT OF THE APPROPRIATION FOR THE
UNIVERSITY OF HAWAII CANCER CENTER

Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Ryan Maclaughlin, and I am writing in strong support of the appropriation for the UH Cancer Center in this bill. I am a current member of the Friends of the University of Hawaii Cancer Center Board of Directors.

The UH Cancer Center is one of only 69 institutions in the United States that hold the prestigious National Cancer Institute (NCI) designation, and is the only NCI-designated center in the Pacific. The NCI designation provides cancer researchers in Hawai'i with greater access to federal funding and research opportunities. More importantly, it gives the people of Hawai'i and the Pacific region access to many innovative and potentially life-saving clinical trials without the necessity of traveling to the mainland.

Each year more than 6,000 Hawaii residents are diagnosed with cancer, and more than 2,000 will die from the disease. Cancer is the second leading cause of death in Hawaii, and accounts for one of every five deaths statewide. Hawaii's racial/ethnic mixture makes us unique (as compared with national norms) in the types and incidents of cancer. As a NCI-designated cancer research center, the UH Cancer Center brings ground-breaking studies and new cancer-fighting drugs and treatment to our community, making it possible for Hawaii's people to receive the most advanced treatments for cancer without the need to travel to the mainland away from home and at great expense.

The UH Cancer Center works to reduce the burden of cancer through research and patient care. In 2014, the UH Cancer Center, working with Hawaii's hospitals, gave Hawaii's adult and pediatric cancer patients approximately 100 different national clinical trials locally. Currently there are about 100 ongoing clinical trials enrolling both adults and children. These clinical trials always guarantee the national standard of best care and the opportunity to benefit from a better treatment. The Cancer Center is actively following over 1,000 patients who have enrolled in clinical trials in the past. The Cancer Center is also working on identifying potential cancer drugs from Hawaii's natural resources, including compounds from plants, such as poha berry, noni and sea sponge, all of which have shown promise against cancer. Several patents are pending based on the UH Cancer Center's findings and research.

A number of Cancer Center researchers focus on key cancers that impact Hawaii. Our work contributes to a global knowledge that leads to the development of new life-saving treatments and therapies. Ongoing research at the Center provides important

insights on the use and impact of e-cigarettes and other tobacco products in Hawaii. For example, our research found Hawaii teens used e-cigarettes at nearly triple the rate of mainland teens. The Center has established a partnership with the state Department of Health to educate Hawaii residents on smoking cessation and the risks of tobacco use.

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

FIN-Jo

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 9:02 AM
To: FINTestimony
Cc: xaxazela@hotmail.com
Subject: *Submitted testimony for HB100 on Mar 8, 2017 09:00AM*

LATE

HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Grant Thompson	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 9:41 AM
To: FINTestimony
Cc: chenoa@bluestartups.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Chenoa Farnsworth	Blue Startups	Support	No

Comments: I support increased funding for the HI Growth Initiative, BED 145, Seq. # 100-001. HI Growth has been instrumental in jumpstarting Hawaii's entrepreneurial ecosystem and supporting its development into the vibrant community it is today. Hawaii boasts award winning accelerators. Accelerator graduate companies are growing and hitting milestones that are triggering further investment from private investors. Hawaii's private sector sees value in supporting innovation and has invested in several local startups and investment funds. A 2016 UHERO report showed the HI Growth Initiative produced a 12X leverage on state dollars. For all these reasons, we strongly support this budget request. All this would not have happened without the strong support of the HI Growth Initiative.

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 9:32 AM
To: FINTestimony
Cc: dkanealii02@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Diane Kanealii	Kailapa Community Association	Support	No

Comments: On behalf of the beneficiaries of the Hawaiian Homes Trust, in Kawaihae, we support and ask for your support in passing HB100 to FULLY fund the Department of Hawaiian Homes (DHHL) budget request. DHHL a-is the only department in the State that is mandated to be fully funded as part of the agreement when Hawai'i became the 50th State. It is your duty to fulfill the agreement and provide the full funding needed to the DHHL in order for DHHL to be able to fulfill its obligations to support the needs of the beneficiaries of the trust. Mahalo Kailapa Community Association

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 9:01 AM
To: FINTestimony
Cc: prayforrain@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
David Cunningham	GVS	Support	No

Comments: As the founder of the GVS Accelerator (located in Kona and Honolulu) I would like to offer my whole-hearted support of HB100 (Ref BED 145, HI Growth Initiative). Our program alone has 14 Hawai'i companies that were not in existence before the support of Hi Growth. Our accelerator program has offered a return on investment many times over and have brought millions of investment dollars to the 50th state. That would not have happened without Hi Growth. The Hawaii Strategic Development Corp has indeed been strategic and has forged out an entirely new sector outside of tourism, real estate and defense. Hi Growth is not a concept or just an idea. HI Growth is a thriving and real movement that is offering opportunity to this and future generations. HSDC and Hawaii Growth should be celebrated for all their accomplishments. Please generously support the additional funding of HSDC and HI Growth and continue to fuel Hawaii's entrepreneurs. Mahalo for your consideration and please contact me if I can be of help. David Cunningham Life long Hawai'i resident and entrepreneur

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 11:02 AM
To: FINTestimony
Cc: catgraham48@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Catherine Susan Graham	FACE/Housing Now Coalition	Support	No

Comments: Aloha Chair Luke and Finance Committee Members, I am in support of the Governor's Budget, especially as it pertains to funding for Affordable Housing, Infrastructure Improvements, Public Housing upgrades and maintenance, the Alder St. project and homeless service programs. As you know the need for Affordable Housing is at crisis levels as are the number of individuals and families living on the streets or in their cars. Please be bold and appropriate large sums of money to address these issues. The Housing Now Coalition is advocating for a minimum to be the amounts that the Governor requested. However, we are clear that it will take much more to make a dent in our problems. Please be bold and generous. Mahalo, Catherine Graham

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LATE

TO: Honorable Representative Sylvia Luke, Chair
Honorable Representative Ty J.K. Cullen, Vice Chair
Committee Members on Finance

DATE: Wednesday, March 8, 2017

TIME: 9: 00 am

PLACE: State Capitol, Conference Room 308

SUBJECT: Testimony in support of H.B. 100, Item No. 25. Overall Program Support for Aging, Disability & Long Term Care Services.

Chair Luke, Vice Chair Cullen, and Committee Members on Finance

Thank you for the opportunity to submit a written testimony in support of H.B. 100, Item No. 25, Overall Program Support for Aging, Disability & Long Term Care Services.

H.B. 100, Item 25 includes the much needed funding for KUPUNA CARE and ADRC, specifically to provide basic services for older adults.

Please support the additional \$4.2 million to the \$4.8 million base amount for a total of \$9 million. The additional funds of \$1.7 million to the base of \$1.4 million for total of \$3.3 million for ADRC allow older adults in Hawaii to remain in the community.

Project Dana, a volunteer caregivers program appeals to the Finance Committee for your approval of H.B. 100, Item No. 25.

Thank you very much.

Rose Nakamura, Administrator
Project Dana

LATE

The House Committee on Finance
March 8, 2017
Room 308

**HB 100
TESTIMONY IN SUPPORT OF THE APPROPRIATION FOR THE
UNIVERSITY OF HAWAII CANCER CENTER**

Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Mary Worrall, and I am writing in strong support of the appropriation for the UH Cancer Center in this bill. I serve on the board of directors of the Friends of the University of Hawaii Cancer Center.

The UH Cancer Center is one of only 69 institutions in the United States that hold the prestigious National Cancer Institute (NCI) designation, and is the only NCI-designated center in the Pacific. The NCI designation provides cancer researchers in Hawai'i with greater access to federal funding and research opportunities. More importantly, it gives the people of Hawai'i and the Pacific region access to many innovative and potentially life-saving clinical trials without the necessity of traveling to the mainland.

Each year more than 6,000 Hawaii residents are diagnosed with cancer, and more than 2,000 will die from the disease. Cancer is the second leading cause of death in Hawaii, and accounts for one of every five deaths statewide. Hawaii's racial/ethnic mixture makes us unique (as compared with national norms) in the types and incidents of cancer. As a NCI-designated cancer research center, the UH Cancer Center brings ground-breaking studies and new cancer-fighting drugs and treatment to our community, making it possible for Hawaii's people to receive the most advanced treatments for cancer without the need to travel to the mainland away from home and at great expense.

The UH Cancer Center works to reduce the burden of cancer through research and patient care. In 2014, the UH Cancer Center, working with Hawaii's hospitals, gave Hawaii's adult and pediatric cancer patients approximately 100 different national clinical trials locally. Currently there are about 100 ongoing clinical trials enrolling both adults and children. These clinical trials always guarantee the national standard of best care and the opportunity to benefit from a better treatment. The Cancer Center is actively following over 1,000 patients who have enrolled in clinical trials in the past. The Cancer Center is also working on identifying potential cancer drugs from Hawaii's natural resources, including compounds from plants, such as poha berry, noni and sea sponge, all of which have shown promise against cancer. Several patents are pending based on the UH Cancer Center's findings and research.

A number of Cancer Center researchers focus on key cancers that impact Hawaii. Our work contributes to a global knowledge that leads to the development of new life-saving treatments and therapies. Ongoing research at the Center provides important

insights on the use and impact of e-cigarettes and other tobacco products in Hawaii. For example, our research found Hawaii teens used e-cigarettes at nearly triple the rate of mainland teens. The Center has established a partnership with the state Department of Health to educate Hawaii residents on smoking cessation and the risks of tobacco use.

As the types and incidence of cancer among our local population varies significantly from populations on the mainland, the focus of our research has been to target our diverse ethnic groups. For instance, we have found that colon cancer in Native Hawaiian men is higher than in other ethnic groups. Our researchers are investigating ways to reduce the high rate of cancer deaths in this population.

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Cigarette tax revenue is statutorily provided for debt service and (as available) for operations of the facility the Cancer Center occupies in Kaka'ako. Cigarette tax revenue has declined over the years from approximately \$20 million to approximately \$14.8 million currently. In light of the fiscal shortfalls, management has been working diligently to implement operational restructuring to reduce the shortfalls. In order to be successful so that it can continue to serve the needs of Hawaii's population, we must maintain the NCI designation of Hawaii's cancer center.

The incidence of cancer is increasing significantly and may double during the next twenty years, according to recent estimates by the International Agency for Cancer. It is imperative that the UH Cancer Center maintain its NCI designation to foster research relevant to those in Hawai'i and to provide our state's residents with access to the most innovative clinical trials here in Hawai'i, in order to reduce the incidence of cancer in Hawai'i.

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

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 11:12 AM
To: FINTestimony
Cc: wichman@ntbg.org
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

LATE

HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Chipper Wichman	National Tropical Botanical Garden	Support	No

Comments: Dear Finance Committee: The National Tropical Botanical Garden strongly supports H.B. 100/S.B. 192, particularly the proposed funding to the Department of Land and Natural Resources' and Department of Agriculture's invasive species and watershed protection programs. NTBG works closely with the Kauai Watershed Alliance and the Kauai Invasive Species Committee to protect the rare and endangered native biodiversity of Kauai. Funding in HB100 for control of invasive species is critical as they affect everyone. Our water supply is at risk because our forests are at risk, our locally-grown crops are attacked by pests and diseases, our heritage trees like 'ōhi'a are threatened by disease, and our health and well-being can be harmed by stinging insects and mosquito-borne diseases. However, we recognize that together we can make a difference if we make it a high priority for our government and ourselves to prevent new introductions, control the worst pests already present, educate ourselves and others, and use good science to support our collective efforts. Please support natural resource preservation and management through this funding bill. What we have here is unique in the world and we have to take care of it. Aloha, Chipper Wichman President, CEO and Director National Tropical Botanical Garden

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FIN-Jo

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 10:19 AM
To: FINTestimony
Cc: lopekana@hawaii.rr.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
George Robertson	Friends of Hakalau Refuge	Support	No

Comments: Testimony of the Friends of Hakalau Forest National Wildlife Refuge Supporting DLNR Watershed and Invasive Species Programs in H.B. 100 Relating to the State Budget House Committee on Finance Wednesday, March 8, 2017, 9:00 am, Room 308 The Friends of Hakalau Forest National Wildlife Refuge is a nonprofit organization that was formed to promote and support conservation of native forest ecosystems in Hawaii. To be most effective, we work in close cooperation with private and public landowners at the statewide level. In this regard, the role played by the State of Hawaii is critically important. The Friends of Hakalau Forest National Wildlife Refuge strongly supports the priority budget requests of the Department of Land and Natural Resources included within the General Budget Bill HB100. This funding will make possible effective control of invasive species and ensure continuity of highly successful watershed management programs. Thank you for the opportunity to comment.

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FIN-Jo

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 11:39 AM
To: FINTestimony
Cc: pacosta@aleabridge.org
Subject: *Submitted testimony for HB100 on Mar 8, 2017 09:00AM*



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Augustus Acosta	ALEA Bridge	Support	No

Comments:

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FIN-Jo

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 9:14 AM
To: FINTestimony
Cc: rossdavis777@yahoo.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Gene Ross K. Davis	Individual	Support	No

Comments: Aloha Mai Kakou, I am requesting your Consideration and Support of HB100, Your financial assistance is needed that the HHC Act of 1921 can fulfill its mission and utilize it's income for addressing the wait list. Mahalo

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 12:13 PM
To: FINTestimony
Cc: jeri@arcofkona.org
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Jeri Raymond	Individual	Support	No

Comments: I am in SUPPORT of HB 100 relating to the specific budget items noted below. HTH 905 – Developmental Disabilities Council. Page 31, item No. 23. I support the DD Council for several reasons. First and most importantly for our Participants is having the opportunity to work with the support of the DD Council in order for each of them to, have a voice that is heard. The basic needs of all Citizens of the United States are as follows: Employment, Transportation, Housing available closer to their employment, Continuing Education opportunities, and Medical and importantly, Preventative Dental. The supportive services are important because they have and shall continue to empower and provide Inclusion and Integration in their Communities in Hawaii. The Self-Advocate not only voices their opinions for themselves, but their peers, family and friends. Mahalo, Jeri Raymond, MA

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 12:07 PM
To: FINTestimony
Cc: bianca@kahea.org
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Bianca Isaki	Individual	Support	No

Comments: Aloha Committee members, I'm writing to support increasing the Legacy Land Conservation Program spending ceiling as follows: FY18 \$9,028,250 spending ceiling (\$5.1 million existing spending ceiling limit + \$2,228,250 FY15 restoration + \$1.7 million permanent increase) FY19 & later \$6.8 million spending ceiling (\$5.1 existing spending ceiling limit + \$1.7 million permanent increase) The one-time increase is needed to restore FY15 funds. If the restoration does not occur FY17 grants for Hawaii Island and Maui projects will be adversely affected. The permanent increase is needed because conveyances taxes have increased, but the ceiling has remained the same. Further, the permanent increase is needed because there are many more worthy projects than funds available, the majority from the neighbor islands, where the greatest opportunities for land conservation exist. Finally, the permanent increase is needed because projects are in jeopardy of losing matching federal funding. Aloha, Bianca Isaki

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 12:03 PM
To: FINTestimony
Cc: davidlhenkin@yahoo.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
David Henkin	Individual	Support	No

Comments: Chair Luke, Vice Chair Cullen and members of the committee, I am testifying in support of increasing the Legacy Land Conservation Program spending ceiling as follows: FY18 - \$9,028,250 spending ceiling (\$5.1 million existing spending ceiling limit + \$2,228,250 FY15 restoration + \$1.7 million permanent increase) FY19 & later - \$6.8 million spending ceiling (\$5.1 existing spending ceiling limit + \$1.7 million permanent increase) Thank you for this opportunity to testify.

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FIN-Jo

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 12:01 PM
To: FINTestimony
Cc: ericctp@gmail.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Eric Hiroki Christiansen	Individual	Comments Only	No

Comments: We are asking for a 'Line item budget insert of \$150,000.00 to fund HRS322 The Hawaii Health Authority'

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FIN-Jo

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Sent: Tuesday, March 7, 2017 12:17 PM
To: FINTestimony
Cc: jeri@arcofkona.org
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Lois	Individual	Support	No

Comments: I am in SUPPORT of HB 100 relating to the specific budget items noted below. HTH 905 – Developmental Disabilities Council. Page 31, item No. 23. I support the DD Council for several reasons. First and most importantly for our Participants is having the opportunity to work with the support of the DD Council in order for each of them to, have a voice that is heard. The basic needs of all Citizens of the United States are as follows: Employment, Transportation, Housing available closer to their employment, Continuing Education opportunities, and Medical and importantly, Preventative Dental. The supportive services are important because they have and shall continue to empower and provide Inclusion and Integration in their Communities in Hawaii. The Self-Advocate not only voices their opinions for themselves, but their peers, family and friends. Mahalo, Lois Philip

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 12:26 PM
To: FINTestimony
Cc: jeri@arcofkona.org
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Shannon Salas	Individual	Support	No

Comments: I am in SUPPORT of HB 100 relating to the specific budget items noted below. HTH 905 – Developmental Disabilities Council. Page 31, item No. 23. I support the DD Council for several reasons. First and most importantly for our Participants is having the opportunity to work with the support of the DD Council in order for each of them to, have a voice that is heard. The basic needs of all Citizens of the United States are as follows: Employment, Transportation, Housing available closer to their employment, Continuing Education opportunities, and Medical and importantly, Preventative Dental. The supportive services are important because they have and shall continue to empower and provide Inclusion and Integration in their Communities in Hawaii. The Self-Advocate not only voices their opinions for themselves, but their peers, family and friends. Mahalo, Shannon Salas

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To: FINTestimony
Cc: jeri@arcofkona.org
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Shannon Salas	Individual	Support	No

Comments: I am in SUPPORT of HB 100 relating to the specific budget items noted below. HTH 905 – Developmental Disabilities Council. Page 31, item No. 23. I support the DD Council for several reasons. First and most importantly for our Participants is having the opportunity to work with the support of the DD Council in order for each of them to, have a voice that is heard. The basic needs of all Citizens of the United States are as follows: Employment, Transportation, Housing available closer to their employment, Continuing Education opportunities, and Medical and importantly, Preventative Dental. The supportive services are important because they have and shall continue to empower and provide Inclusion and Integration in their Communities in Hawaii. The Self-Advocate not only voices their opinions for themselves, but their peers, family and friends. Mahalo, Shannon Salas

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 12:22 PM
To: FINTestimony
Cc: jeri@arcofkona.org
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Damian .s.Extor	Individual	Support	No

Comments: I am in SUPPORT of HB 100 relating to the specific budget items noted below. HTH 905 – Developmental Disabilities Council. Page 31, item No. 23. I support the DD Council for several reasons. First and most importantly for our Participants is having the opportunity to work with the support of the DD Council in order for each of them to, have a voice that is heard. The basic needs of all Citizens of the United States are as follows: Employment, Transportation, Housing available closer to their employment, Continuing Education opportunities, and Medical and importantly, Preventative Dental. The supportive services are important because they have and shall continue to empower and provide Inclusion and Integration in their Communities in Hawaii. The Self-Advocate not only voices their opinions for themselves, but their peers, family and friends. Can we have affordable housing, is another serious question Mahalo, Damian Extor

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To: FINTestimony
Cc: jeri@arcofkona.org
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Josh Goetz	Individual	Support	No

Comments: I am in SUPPORT of HB 100 relating to the specific budget items noted below. HTH 905 – Developmental Disabilities Council. Page 31, item No. 23. I support the DD Council for several reasons. First and most importantly for our Participants is having the opportunity to work with the support of the DD Council in order for each of them to, have a voice that is heard. The basic needs of all Citizens of the United States are as follows: Employment, Transportation, Housing available closer to their employment, Continuing Education opportunities, and Medical and importantly, Preventative Dental. The supportive services are important because they have and shall continue to empower and provide Inclusion and Integration in their Communities in Hawaii. The Self-Advocate not only voices their opinions for themselves, but their peers, family and friends. Mahalo, Josh Goetz

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 1:15 PM
To: FINTestimony
Cc: jeri@arcofkona.org
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Sanoe Wong	Individual	Comments Only	No

Comments: I am in SUPPORT of HB 100 relating to the specific budget items noted below. HTH 905 – Developmental Disabilities Council. Page 31, item No. 23. I support the DD Council for several reasons. First and most importantly for our Participants is having the opportunity to work with the support of the DD Council in order for each of them to, have a voice that is heard. The basic needs of all Citizens of the United States are as follows: Employment, Transportation, Housing available closer to their employment, Continuing Education opportunities, and Medical and importantly, Preventative Dental. The supportive services are important because they have and shall continue to empower and provide Inclusion and Integration in their Communities in Hawaii. The Self-Advocate not only voices their opinions for themselves, but their peers, family and friends. Mahalo, Sanoe Wong

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FIN-Jo

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 12:39 PM
To: FINTestimony
Cc: jimcooper@mindspring.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Jim Cooper	Individual	Support	No

Comments: I, Jim Cooper, support KIRC bill (HB100). Please support this important measure to provide financial support and stability of the restoration and protection of the Kaho'olawe Island Reserve, which will benefit all of Hawai'i's people for generations to come. ... As the only Island Reserve set up entirely in trust for a Native Hawaiian Sovereign Entity, the KIRC is well poised to change the economic landscape and life quality of Native Hawaiians and the communities in which they reside by means of a truly unique experience on the island of Kaho'olawe. The State must maintain the responsibility of supporting the Kaho'olawe Rehabilitation Trust Fund. Mahalo, Jim Cooper

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FIN-Jo

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 1:21 PM
To: FINTestimony
Cc: hlg90266@yahoo.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Heather George	Individual	Support	No

Comments: Please FULLY fund this important legislation to help protect our watersheds, thank you!

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LATE

To: The Honorable Sylvia Luke, Chair
The Honorable Ty Cullen, Vice Chair, and Members
House Committee on Finance

Re: HB 100 – State Budget

Position: Request to add \$250,000 line item to Department of Budget & Finance for
Hawaii Health Authority

As a resident of Honolulu I am writing to ask you to add to the Governor's budget a line item for \$250,000 for the Hawaii Health Authority (HHA), to help it fulfill its critical mandate to develop a comprehensive State-based plan for a healthcare system for Hawaii.

Mahalo for your consideration,

Carie Sarver
3945 Lurline Drive
Honolulu, HI 96186

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 1:14 PM
To: FINTestimony
Cc: jeri@arcofkona.org
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Robbie Sanoria	Individual	Support	No

Comments: I am in SUPPORT of HB 100 relating to the specific budget items noted below. HTH 905 – Developmental Disabilities Council. Page 31, item No. 23. I support the DD Council for several reasons. First and most importantly for our Participants is having the opportunity to work with the support of the DD Council in order for each of them to, have a voice that is heard. The basic needs of all Citizens of the United States are as follows: Employment, Transportation, Housing available closer to their employment, Continuing Education opportunities, and Medical and importantly, Preventative Dental. The supportive services are important because they have and shall continue to empower and provide Inclusion and Integration in their Communities in Hawaii. The Self-Advocate not only voices their opinions for themselves, but their peers, family and friends. Mahalo, Robbie Sanoria

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LATE

Support for HB 100

I am in SUPPORT of HB 100 relating to the specific budget items noted below. HTH 905 – Developmental Disabilities Council. Page 31, item No. 23. The reason I support the DD Council is because of their incomparable contributions to persons with disabilities in the State of Hawaii such as advocacy groups (such as SAAC), events (such as Day at the Capitol), and educational opportunities (such as teaching individual to run their own ISP meetings, assisting individuals with gaining competitive employment and offering opportunities in community outreach.

Also, within the budget worksheet page 529 of 1018 sequence number 80-001 to convert the temporary Program Specialist IV position to a permanent Program Specialist IV position. This Self-Advocate liaison position is important to me because this position is integral in offering self-advocates (individuals with developmental disabilities) the opportunity to come together for the purpose of advocacy, education, leadership, and outreach. Since this position has been in place, self-advocates have reported an increase in understanding of personal rights, ability to make a choice, a rise in self-esteem, and control over their own right. Family members have also reported pride in the accomplishments of their children as well as more hope for the future of their children (such as the ability to get a job, live independently, or have a relationship) based on the skills they have observed since their child has become involved in these activities.

HTH 501-Developmental Disabilities. Page 29, Item number 16. I support funding for the DD Division because The Medicaid 1915(c) Waiver provides home and community based services for people with intellectual and developmental disabilities who have been served by institutions in the past.

It is also important to fund the rebase for the provider rates, as outlined in the budget worksheet page 469 of 1018, sequence number 101-001. My provider agency needs this rate increase to assure they can continue to provide supportive services individuals with Developmental Disabilities and their families. Rates for services have not been adjusted in over ten years. Many things are impacting costs such as minimum wage increases and the cost of living. Medicaid requires Waiver programs to have payments that are sufficient to have enough providers of services. If the state can't demonstrate it can pay the state share, the Waiver is at risk of non-approval, or the state might need to limit services or put people on waiting lists. Last year, DDD program drew down over \$55,000,000 in federal Medicaid funds. Without those funds, people with I/DD will need to be served through only state funds, and may not be able to live in the community. This is important because there are many people who want to provide high quality service, but it can be very difficult to provide good quality services with good quality staff at the current reimbursement rates. Please allow us to provide the services that people deserve and to ensure that people are able to meet their personal goals by granting the request in the Governor's Executive Budget for the Developmental Disabilities Division (HTH 501) to add general funds for the Medicaid Intellectual and Developmental (I/DD)

1915(c) Waiver. This request is to provide the state match for services to address the actual cost of providing services.

Thank you for your time and attention to this matter.

Sincerely,

Joanne Getty

FIN-Jo

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 2:22 PM
To: FINTestimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for HB100 on Mar 8, 2017 09:00AM*



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

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Sent: Tuesday, March 7, 2017 2:12 PM
To: FINTestimony
Cc: lilia@papakolea.org
Subject: *Submitted testimony for HB100 on Mar 8, 2017 09:00AM*



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Lilia Kapuniai	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 1:45 PM
To: FINTestimony
Cc: lwhite@kirc.hawaii.gov
Subject: *Submitted testimony for HB100 on Mar 8, 2017 09:00AM*



HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Lopaka White	Individual	Support	No

Comments:

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LATE

I, Jan Becket, support KIRC bill HB100.

Please support this important measure to provide financial support and stability of the restoration and protection of the Kaho'olawe Island Reserve, which will benefit all of Hawai'i's people for generations to come.

As the only Island Reserve set up entirely in trust for a Native Hawaiian Sovereign Entity, the KIRC is well poised to change the economic landscape and life quality of Native Hawaiians and the communities in which they reside by means of a truly unique experience on the island of Kaho'olawe. The State must maintain the responsibility of supporting the Kaho'olawe Rehabilitation Trust Fund.

As the only island listed on the National Register of Historic Places in its entirety, containing nearly 3,000 archaeological sites and features, it is imperative that the State preserves this important resource for current and future generations through this financial support system.

Without the KIRC's ongoing protection of Kaho'olawe's coastal ecosystem, including the adjacent nearshore environment and coral reefs that can be covered with, and choked by, derelict fishing gear, nets, a huge variety of plastics and other debris items, species including the endangered Hawaiian monk seal, threatened green sea turtle, endangered hawksbill sea turtle, endangered humpback whale, endangered Hawaiian dark-rumped petrel, and endangered Newell's shearwater will be put at risk. It is imperative that a trust fund be stabilized to continue this work.

Kaho'olawe is a unique ecosystem preserving immensely valuable cultural and biological resources. It is surrounded by the richest marine ecosystems remaining in the Main Hawaiian islands and providing replenishment of fish and invertebrates to other islands' waters. The KIRC's massive restoration program designed to revitalize the ecology and cultural history of the island will benefit all of Hawai'i's people for generations to come. Please support this bill.

Jan Becket
Hawai'i resident

LATE

March 7, 2017

Aloha Representative Luke, Representative Cullen and Members of the House Committee on Finance:

My name is Marty Kennedy and I am a service supervisor for the Arc of Kona. We provide services for the DDD population in an effort to facilitate fuller independence and provide opportunities for a fuller life for those we serve. I am writing to provide support to the following budget item in HB 100 scheduled for hearing on March 8th, 2017 at 9:00AM:

HTH 501 - Developmental Disabilities, Page 29, Item No. 16

I support funding for the DD Division the Medicaid 1915(c) waiver provides home and community based services for people with intellectual and developmental disabilities who would otherwise be served in institutions. This budget allows supports necessary for people with developmental disabilities to live, work, learn, and recreate in our communities.

It is important to rebase provider payment rates as outlined in the budget worksheet on page 463 of 1018, SEQ# 101-001. This begins to reflect the actual cost to provide services in Hawaii.

These services are important because it has helped many people to be able to explore jobs, interests, and live more independently. I have one young man that we serve who would be home all day and all evening as his mom does not drive and she is a single parent. Due to the services we provide, he is able to come to Adult Day Health, learn job skills, be active in his community with Special Olympics and volunteer at the Humane Society. He has a full, happy life thanks to Medicaid Waiver support.

Thank you for taking the time to review this letter.

Sincerely,



Marty Kennedy
72-1041 Pu'ukala Rd
Kailua-Kona, HI 96740



From: mailinglist@capitol.hawaii.gov
 Sent: Wednesday, March 8, 2017 8:27 AM
 To: FINTestimony
 Cc: shane.nelsen@gmail.com
 Subject: *Submitted testimony for HB100 on Mar 8, 2017 09:00AM*

HB100

Submitted on: 3/8/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Shane Nelsen	Individual	Support	No

Comments:

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BOARD OF WATER SUPPLY

CITY AND COUNTY OF HONOLULU
630 SOUTH BERETANIA STREET
HONOLULU, HI 96843
www.boardofwatersupply.com



March 8, 2017

KIRK CALDWELL, MAYOR

BRYAN P. ANDAYA, Chair
ADAM C. WONG, Vice Chair
DAVID C. HULIHEE
KAPUA SPROAT
KAY C. MATSUI

ROSS S. SASAMURA, Ex-Officio
FORD N. FUCHIGAMI, Ex-Officio

ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer

ELLEN E. KITAMURA, P.E.
Deputy Manager and Chief Engineer

LATE

The Honorable Sylvia Luke, Chair
and Members
Committee on Finance
House of Representatives
Hawaii State Capitol, Room 306
415 Beretania Street
Honolulu, Hawaii 96813

Dear Chair Luke and Members:

Subject: House Bill 100, Relating to the State Budget

The Board of Water Supply supports the funding provisions in House Bill 100 that currently allocate \$2.4M for Watershed Partnerships Programs, an additional request of \$500,000 for watershed protection, and \$7.5M in Capital Improvement Project funds for watershed fences to protect and maintain Hawaii's watershed areas that are the source of our drinking water supply.

The funding levels currently provided for watershed protection in House Bill 100 are essential to maintaining progress toward the goal of increasing water recharge for the state, and are critical components of a multi-pronged strategy to improve Hawaii's long-term water security.

Thank you for your consideration of our testimony on House Bill 100.

Very truly yours,

ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer



HOUSE COMMITTEE ON FINANCE
Wednesday, March 8, 2017 9AM Room 308
In SUPPORT HB 100 Relating to State Budget

LATE

Aloha Chairwoman Luke, and members of the Finance committee,

The Sierra Club of Hawai'i **strongly supports HB 100** for DLNR funding requests for the Legacy Lands Conservation Program (LLCP), the DOFAW programs for watershed management, CIP fencing work, and invasive species prevention, control, research, and positions with Kaho'olawe Island Reserve Council, as well as various environmental education programs and activities.

Legacy Land Conservation Program

The two Executive Requests for Legacy Land funds in subpart LNR 101 seek to authorize 1. A one-time spending ceiling increase to use lapsed funds totaling \$2,228,250 from FY 2015; and 2. A permanent spending ceiling increase of the Legacy Land Conservation Fund by \$1,700,000 for FY 2018 and FY 2019.

History and Benefits of the LLCF

A "Land Conservation Fund" was established by the State of Hawai'i in 1973 for the purpose of protecting natural, cultural, and agricultural resources. This Fund remained dormant until 2005, when the Legislature, by a nearly unanimous vote, passed the Legacy Land Act to allocate 10% of conveyance taxes into the Fund and created the Commission to oversee the Fund's uses.¹ The LLCF provides matching funds with federal and private landowners to protect and conserve land in fee simple or by negotiation of a conservation easement. Lands protected through the LLCF contain vital characteristics of (i) watershed protection, (ii) parks, (iii) coastal areas, (iv) habitat protection, (v) agricultural sites, (vi) culturally significant sites, and/or (vii) open space.² Since its creation, the Fund has protected and conserved over 26,000 acres of land in 43 different projects throughout Hawai'i.³

Investing in land conservation reaps economic benefits by providing conservation jobs, recreation and tourism opportunities, and environmental advantages that promote human and

¹ HI ST § 173A-5

² <http://www.sunsetranchHawai'i.com/uncategorized/state-of-Hawai'i-legacy-land-conservation-fund/>

³ <http://dlnr.Hawai'i.gov/ecosystems/llcp/>

animal health.⁴ A 2010 national study found that every \$1 of funds spent on land conservation returns almost \$4 in economic value.⁵ Conservation lands offsets the needs to expend billions of dollars annually by means of providing natural water quality protection and supply, flood protection, fish production, habitat provisions, storm protection, carbon sequestration, pollination, dilution of wastewater, and erosion control. The economic benefits of land conservation is even more significant to Hawai‘i, as natural resources are the main draw for tourism.

LLCP One-Time Spending Increase for FY18

Due to a program vacancy at DLNR, the Fund has \$2,228,250 leftover in the budget from FY15 for previously approved FY15 projects. These monies are unspent and are not appropriated for other purposes. If the monies are not restored, previously approved pending FY15 projects could be jeopardized, including two projects from Moloka‘i (969 acres at Kalua‘aha Ranch and 800 acres of Pua‘ahala Watershed in Kamalō); a project from Hawai‘i Island (Wai‘ōpae, 322 acres in Puna); a 1.8 acre project in Hanalei, Kaua‘i, and two projects from O‘ahu (3,716 acres of Pupukea Mauka and 181 acres of Ka Iwi Coast Mauka). If the one-time spending increase is not approved for these previously approved projects, the Commission will be forced to make difficult choices between those projects and the approved projects for FY17, which include conservation lands in east Hana and Wai‘ehu, Maui; Ka‘ū, Hāmākua, and South Kona, Hawai‘i Island; and Kahuku, O‘ahu.

LLCP Permanent Spending Ceiling Increase

The Club believes the permanent spending ceiling increase is necessary because there are more worthy projects than there is funding available. The vast majority of projects proposed come from the neighbor islands, where conservation is critical to sustaining the way of life for rural communities dependent on natural resources. As the value of land continues to increase in Hawai‘i, the Fund’s ceiling must increase to compensate and conserve land now before costs become too prohibitive. Additionally, the Fund’s current budget limitations can impede the opportunities to secure matching funding offered from federal or private sources.

Division of Forest and Wildlife (DOFAW) Base Requests

The Club supports DOFAW base budget requests, subparts LNR 172, 402, 407 & 804, for watershed and natural resource management. The native forests, which capture rain and cloud moisture, are the source of nearly all of the islands’ supply of fresh water into our aquifers.⁶

⁴ http://www.tpl.org/sites/default/files/VA%20ROI_report.pdf

⁵ Return on the Investment from the Land & Water Conservation Fund, The Trust for Public Land, http://conservationtools.org/library_items/1034/files/953

⁶ http://www.nature.org/media/hawaii/last_stand_web_lo.pdf

Native forests and natural area reserves also provide critical habitat for endangered species endemic to Hawai‘i. It is essential to preserve baseline funding to protect the watersheds system.

DOFAW Additional Requests for Hawai‘i Invasive Species Council, ROD, Mosquito Eradication, and Watershed Forests

Hawai‘i currently faces several imminent threats from invasive species to our native forests, watersheds, and endemic species. Rapid ‘Ōhi‘a Death (ROD),⁷ caused by a fungus, is rapidly killing ‘ōhi‘a forests that are home to numerous endangered species on Hawai‘i Island.

Mosquitos also pose an existential threat to endangered forest birds and seabirds, by spreading avian malaria, avian pox virus, and the west Nile virus. The Club supports designating additional funding (LNR 402) to combat and eradicate ROD and mosquito-borne pathogens to protect our endangered species. In conjunction with these efforts, it is also necessary to increase funding for the Hawai‘i Invasive Species Council to support those projects as well as working to combat other invasive species like Albizia, fire ants, and coconut rhinoceros beetles. Without additional funding, invasive species will only worsen and rapidly damage our fragile ecosystems. Finally, the Club supports the requests (LNR 407) for additional funding for watershed forest protections, to bring Hawai‘i in line with the State’s goal to protect 30% of priority watersheds by 2030.⁸

Kaho‘olawe Island Reserve Council Base Budget

The Sierra Club supports funding for the Kaho‘olawe Island Reserve Council (KIRC). Restoring Kaho‘olawe is key to Hawai‘i’s overall resilience and sustainability in times of economic and climatic uncertainty. To address past injustice and facilitate future resiliency, the State has an obligation to maintain financial support for the Kaho‘olawe Rehabilitation Trust Fund.

KIRC Management Activities Crucial to Island Sustainability

KIRC's ongoing protection of Kaho‘olawe's coastal ecosystem, including the adjacent nearshore environment and coral reefs that can be covered with, and choked by, derelict fishing gear, nets, a huge variety of plastics and other debris items, species including the endangered Hawaiian monk seal, threatened green sea turtle, endangered hawksbill sea turtle, endangered humpback whale, endangered Hawaiian dark-rumped petrel, and endangered Newell's shearwater provides critical insight for the effectiveness of related management activities on other islands.

Funding KIRC Provides Local Employment Consistent with our Sustainability Goals

Stabilizing the trust fund for these purposes protects Hawai‘i’s economy and advances the goals outlined by the Aloha+ Challenge and the 2050 sustainability goals for Hawai‘i. Collectively, natural resources management activities throughout the state provide over 3,500 un-exportable

⁷ <http://cms.ctahr.hawaii.edu/rod/Home.aspx>

⁸ <https://governor.hawaii.gov/wp-content/uploads/2017/01/Sustainable-Hawaii27i-Initiative-Brochure.pdf>

jobs that are crucial to ensuring Hawai‘i’s resiliency into the future.⁹ We know from previous studies that intact forests providing for aquifer recharge, water filtration, and run-off prevention are valued at more than \$1.8 billion. Nearshore waters, just in terms of eco-tourism, is valued at \$700 million.¹⁰

Kaho‘olawe is a unique ecosystem preserving immensely valuable cultural and biological resources. It is surrounded by the richest marine ecosystems remaining in the Main Hawaiian islands and replenishes the fish and invertebrates enjoyed throughout the state. The KIRC's massive restoration program designed to revitalize the ecology and cultural history of the island will benefit all of Hawai‘i’s people for generations to come.

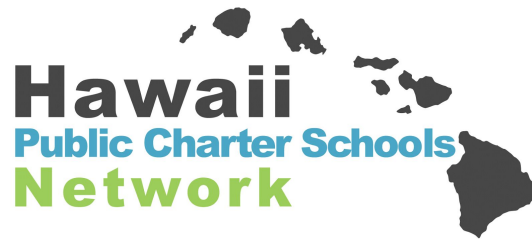
Thank you very much for this opportunity to provide testimony on this important measure.

Mahalo,

Martha Townsend
Director

⁹ <http://www.uhero.hawaii.edu/assets/NRM1-20.2016.pdf>

¹⁰ <http://www.uhero.hawaii.edu/assets/HawaiiEnviroEvaluation.pdf>



March 7, 2017

LATE

To: Hon. Sylvia Luke, Chair
Hon. Ty J.K. Cullen, Vice Chair
Finance Committee Members
House Committee on Finance

From: Jeannine Souki, Executive Director
Hawaii Public Charter Schools Network

**RE: HB 100, Relating to the State Budget – Support Testimony
Conference Room 308 – Hawaii State Capitol – March 8, 2017, 9 AM – Room 308**

Aloha Chair Luke, Vice Chair Cullen and Members,

Mahalo for the opportunity to provide testimony in strong support of multiple items in HB 100. I am Jeannine Souki, Executive Director of Hawaii Public Charter School Network (HPCSN).

HPCSN's mission is to advance high quality education in Hawaii by advocating for and providing support to public charter schools across the state. HPCSN provides information and services to those interested in charter schools in Hawaii; offers member services and resources to improve the quality of the programs and operations of charter schools; and advocates on behalf of charter schools to improve the public and political climate of Hawaii's charter school sector.

HPCSN strongly supports the following budget items in EDN 600 (Charter Schools) and EDN 612 (Charter School Commission):

- **Operating –Facilities funding for charter schools (\$5,479,00)**
 - Facilities funding appropriation does not currently exist and has been a top priority for charter schools. When charter schools were first authorized in 1999, legislative champions planned a system based on school/community based management principles to support conversions of department schools into charter schools, which remained in the DOE facility. Waialae and Lanikai elementary schools were the first conversion charters. Charter school law was amended overtime to recognize Hawaiian-focused learning and ushered several start-up charter schools. In 2012, the state law was overhauled to make way for model law recognize the role of a state charter school authorizer and setting governance and performance framework requirements

for Hawaii's charter schools. But nearly 18 years later, charter schools are still faced with the burden of securing and funding facilities from dollars that are needed for teaching and learning in the classroom.

- The need for facilities funding is growing momentum as we see a steady growth for public charter schools in the state and across the nation. Nearly 11,000 students in Hawaii and approximately 3 million students across the country attend public charter schools. Twenty-eight of 34 charters are start-up schools. Three more start-up charters are preparing to open their doors to students in 2017 and several charter school applications are currently under review.
 - Research shows a significant relationship between the condition of school facilities and student performance. Hawaii's charter school facilities challenges have been documented in the media recent and recognition of facilities funding have been supported by the State Public Charter School Commission and the Board of Education. There's a great need for facilities funding to ensure the learning environment for students is suitable for learning.
 - The state legislature passed Act 234, Sessions Laws of Hawaii 2015, to address facility needs. This year the Commission convened a facilities funding working group to advise how funds for facilities may be distributed if general and bond funds are appropriated during the session.
 - The Federal Charter School Program (CSP) housed in the U.S. Department of Education offers challenge grants to states that provide facilities funding support for charter schools. Currently, 16 states and Washington, D.C. are providing facilities funding support according to the National Alliance of Public Charter Schools in 2016. In FY2016-17, the CSP budget increased by 35 percent and additional increases are being sought for the next federal biennium request. Providing facilities funding for charter schools in our state will better position us to qualify for federal CSP programs in the future.
- **Hard-to-fill incentive pay (\$579,000) and National Board Certified Teacher incentives (\$90,000)**
 - Incentive pay for Hard-to-fill positions in rural schools and teachers with National Board Certification have been long-standing problems in the charter school budget. These should receive a separate appropriation from the charter school per pupil funding because charter schools have varying requirements. Instead of appropriating funding in EDN 600, the recommendation is to allocate these funds to EDN 612 to allow the Commission to distribute funds to schools that are eligible for the distinction.
 - **Newly approved charter school start up grant (\$200,000)**
 - This initiative is a much-needed step to provide funding for start-up grants that help new charter schools approved by the Commission. Previously, Hawaii's public charter schools were eligible for state grants to assist with their significant start-up costs.
 - Public charter schools approved after Act 130 (2012) have shared serious

challenges they face with the start-up of a new school. Even after three years in operation, a start-up public charter school can continue to be challenged by the “chicken-or-egg” dilemma of having to draw facilities costs from very modest per pupil funding and fundraising resources especially as they seek to grow enrollment or add grades over time, which helps charter schools become more sustainable.

- The provision of state start-up grants has helped several public charter schools gain firmer footing in the early years as schools become established in their respective communities.
- **Equitable salary adjustments for the State Public Charter School Commission staff and Hawaii’s Public Charter School leaders, teachers and staff.**
 - As HGEA, HSTA and UPW contracts are up for renewal, we urge that salary adjustments for the charter school sector be kept top of mind. In the past, several positions within charter schools and staff of the commission have been missed in during collective bargaining and consequently through the legislative appropriations process. We urge that all qualified stated entities be treated equitably and respectfully urge for their adequate compensation.

Mahalo for your consideration of our support testimony. Hawaii Public Charter Schools Network works to support public charter schools in the state and be a voice for children and families that seek choice in an independent public school setting. We thank you again for your work and dedication to ensuring public education is supported in Hawaii.



LATE

Bringing back the birds

7 March 2017

Testimony of *American Bird Conservancy*
Supporting H.B. 100/S.B. 192 Relating to the State Budget
House Committee on Finance or Senate Committee on Ways & Means
Wednesday, March 8, 2017, 09:00, Room 308

American Bird Conservancy (ABC) is a 501(c)(3) national non-profit organization dedicated to the conservation of wild native birds and their habitats throughout the Americas. Founded in 1994, ABC is the only U.S. based group dedicated solely to overcoming the greatest threats facing native birds in the Western Hemisphere. Because of Hawai'i's overwhelming needs, ABC created a division in 2009 focused on protecting, managing, and restoring critical habitat for some of Hawai'i's most endangered birds. We have productively engaged with the Department of Land and Natural Resources Division of Forestry and Wildlife on multiple projects throughout the state.

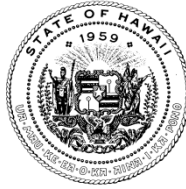
American Bird Conservancy strongly supports H.B. 100/S.B. 192, particularly the proposed funding to the Department of Land and Natural Resources' for watershed management, CIP fencing work, and invasive species prevention, control, research, and education programs and activities.

Hawaiian forests are internationally renowned for their unique and precious native species, especially their birds. Hawai'i is the avian extinction capital of the world, and our native forests and watersheds provide significant habitat for our remaining native species. One of the biggest threats to Hawaiian forests, and the critical watersheds they protect and sustain, is the destructive impacts of invasive species. With increased management and protection, supported by the funding in H.B 100/S.B. 192, these forests could provide even better habitat. These stewardship costs are relatively small, while the potential biological and cultural losses from not protecting them at this critical juncture are huge. DLNR is to be commended for seeking the funds necessary to implement these management actions to ensure that future generations can experience native Hawaiian animals and plants.

The DLNR Division of Forestry and Wildlife's budget request seeks base operating and CIP funding for the protection of our native forests, which are home to most of our native birds, and also the source of nearly all the islands' fresh water. American Bird Conservancy is pleased to work with the State to leverage these funds several times over with matching funds from other foundations, private donors, and federal sources to protect and ensure the survival of Hawai'i's priceless native species.

Mahalo for the opportunity to comment on this important decision. Aloha –

Chris Farmer, Ph.D.
cfarmer@abcbirds.org
Hawai'i Program Director
808-987-1779



Testimony by:
FORD N. FUCHIGAMI
DIRECTOR

Deputy Directors
JADE T. BUTAY
ROSS M. HIGASHI
EDWIN H. SNIFFEN
DARRELL T. YOUNG

IN REPLY REFER TO:

LATE

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

March 8, 2017
9:00 am
State Capitol, Room 308

H.B. 100
RELATING TO THE STATE BUDGET

House Committee on Finance

The Department of Transportation (DOT) strongly **supports** H.B. 100, which appropriates funds for the DOT's operating and capital improvement program in the Governor's Budget for Fiscal Biennium 2017- 2019, as amended by the Governor's Message dated March 2, 2017.

We respectfully request full funding for our HB 100 budget levels. To a large extent, our budget requests are needed to comply with federal standards, support the State's primary tourism industry, and meet the Department's mission to provide a safe, efficient, accessible, and sustainable inter-modal transportation system that ensures the mobility of people and goods, and enhances and/or preserves Hawaii's economic prosperity and quality of life.

Presented below are some budget requests highlighted for your consideration, among others, that are in this bill.

AIRPORTS DIVISION:

KOA at Keahole (TRN 114)

- Construct a Federal Inspection Service (FIS) facility at the Ellison Onizuka Kona International Airport (KOA) at Keahole that meets the Customs and Border Protection technical specifications. KOA will be the second international airport, which will ease congestion from the Honolulu International Airport and increase resiliency in an emergency resulting in improved health and safety. This will have wide-ranging economic benefits on the Hawaii Island and the State as a whole by boosting tourism, increasing visitor expenditures thereby increasing tax revenues and creating jobs.

Add \$50,000,000 in General Obligation Bond Fund (C) in FY 18.

HIGHWAYS DIVISION:

Establishment of the Intelligent Transportation Systems (ITS) Branch to be located in the Joint Traffic Management Center (JTMC) (TRN 595)

- The ITS branch at the JTMC will have shared governance, collaborative management and implementation of a cooperative traffic operations on Oahu by City and State transportation agencies. ITS solutions have become a nationwide best practice in providing a cost effective way to support congestion mitigation operationally and will meet the Department's mission of providing a safe and efficient highway system.

Add 10 FTE permanent positions, operational and equipment funding, \$689,152 in special funds (B) in FY 18 and \$1,243,998B and \$216,000N in federal funds in FY19.

ADMINISTRATION:

Office of Environmental Compliance (TRN 995)

- The DOT under an EPA consent decree (entered on November 5, 2014) was required to establish the Office of Environmental Compliance (ENV) to be responsible for environmental issues department-wide.
- ENV requested two permanent positions that will focus on compliance issues that have department-wide impact. These two positions, Environmental Health Specialist (EHS) IV and Engineer V, will focus on application of best management practice consistently across divisions and collaborate between the immensely diverse division's environmental programs.
- The Federally mandated requirements in the Consent Decree necessitates ENV to secure the services of consultants for environmental services. ENV is responsible to ensure that all DOT operations are in compliance with environmental regulations, to include, hazardous waste management, solid waste management, waste oil handling, water quality, air quality, underground storage tank maintenance, remediation of hazardous substances, noise abatement, cultural and natural resources, endangered species, and safety issues as it relates to hazardous remediation and site investigation. The Consent Decree further required the ENV to have authority and responsibility to oversee compliance with all environmental requirements, including the storm water permits and storm water management plans for Highways, Airports and Harbors Divisions. In addition, ENV is also in-charge of the audits of municipal separate storm sewer system (MS4) permits issued to each of the operational divisions of DOT. Expertise in numerous and varied compliance issues require consultant services who are knowledgeable in specific environmental issues and updated with Federal compliance requirements.

Add two permanent positions to the ENV at \$97,161B in FY 18 and \$194,322B in FY 19.

Add funds for environmental consultant services at \$500,000 for each FY 18 and FY 19.

Office of Public Affairs (TRN 995)

- **Funding for Consultant Services for Community Outreach and Government Affairs**

A consultant would make it possible for DOT to be more proactive in communications with legislators and organized community groups by assisting with responses– and aiding in-house staff with prepping presentations, legislative update memos and more. Much of the work that the consultant would assist with, although crucial to our department’s success, should not interfere with the day-to-day operations of our communications staff. The hiring of a consultant would allow staff to focus on response to inquiries, project management, internal communication and media relations.

The intent for having a consultant is to increase the quality and frequency of communications to the legislative body to ensure all required and necessary information is readily available for use as needed, and a dependable resource is available to assist with any outreach and research that is required to aid the legislative body in making educated decisions according to their timeframe.

Add funds for consultant services for community outreach and government affairs at \$500,000 for each FY 18 and FY19.

Computer Systems and Services (CSS) Office (TRN 995)

- The CSS office requested funding for the following new computer-related solutions to implement a more efficient workflow that is fully automated and paperless within the Administration and the various divisions.

Computer Systems & Services Office (CSS) Requests			
Item #	Description	FY18	FY19
1	Automated Budget-to-Actuals Reporting	\$ 175,000	\$ 65,000
2	Computer Room Air Conditioning Maintenance	\$ 15,000	\$ 15,000
3	Core Network Upgrade		\$ 216,000
4	Director's Document Tracking System	\$ 614,400	\$ 100,000
5	Disaster Recovery & Continuity of Operations Refresh	\$4,268,600	\$ 1,350,000
6	Firewall Upgrade		\$ 90,000
7	NGN Network Hardware	\$ 268,000	
8	Tape Library Hardware	\$ 150,000	
	Total	\$5,491,000	\$ 1,836,000

Add funds for abovementioned CSS budget requests at \$5,491,000B in FY 18 and \$1,836,000B in FY 19.

Thank you for the opportunity to provide testimony.



From: Melanie Padgett <hjgbygiodlfpkze@ujoin.co>
Sent: Wednesday, March 8, 2017 6:46 AM
To: FINTestimony
Subject: Request Amendments to the Proposed Budget!

From: melanieandjamie@live.com <Melanie Padgett>

Message:

The initial budget needs to be funded.

I am requesting amendments to HB100 – Relating to the State Budget.

In a time of uncertain economic factors and slowing income into the state, this is not the time to start an “Innovation Program” for funding almost all programmatic aspects of the Department of Education. By removing the secure funding sources for programs while implementing a new method with no rules, standards, or current staff, a significant delay will result in providing programmatic services for at least one year.

Our children should not suffer from a lack of services due to a lack of foresight to thoughtfully transition to this type of program. The DOE/BOE have a budget request that is well researched and supported by the community.

Keys programs that we **STRONGLY RECOMMEND** receive additional funding in the Budget include:

Program	Description
EDN 100	Office of Hawaiian Education
EDN 150	Preschool Teachers and Ed Assistant (IDEA)
EDN 200	ELL Program
EDN 200	Homeless Liaisons
EDN 300	Community Engagement Office
EDN 300	Data Governance and Strat . Initiative /office of Strategy Innov.
EDN 700	EOEL - public preK expansio

For these reasons, I respectfully request that the committee amend this bill to fund the initial budget requests as requested by the Board of Education and Department of Education.

Melanie Padgett

Project Specialist Maui County Early Childhood Resource Center

Pukalani

Hawaii



From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 8, 2017 6:14 AM
To: FINTestimony
Cc: ahuntemer@aol.com
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/8/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Angela Huntemer	Individual	Support	No

Comments: Aloha, I am writing to support HB100 because it provides funding to some very important projects in land conservation and other things too. My particular interest is in the north shore because that is where I live. As a teacher I have been able to secure funding from federal and other sources to create a shot climate change unit where students learn about climate change and help the coastline at Kahuku Point adapt to rising seas by removing invasive weeds and planting natives. Please support the HB100 so that projects like this and other opportunities can be continued and enhanced. Mahalo

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov



From: Erica Yamauchi <lepyvkpvdnljzlo@ujoin.co>
Sent: Wednesday, March 8, 2017 1:17 AM
To: FINTestimony
Subject: Request Amendments to the Proposed Budget!

From: erica.yamauchi@gmail.com <Erica Yamauchi>

Message:

I am requesting amendments to HB100 – Relating to the State Budget.

In a time of uncertain economic factors and slowing income into the state, this is not the time to start an “Innovation Program” for funding almost all programmatic aspects of the Department of Education. By removing the secure funding sources for programs while implementing a new method with no rules, standards, or current staff, a significant delay will result in providing programmatic services for at least one year.

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EDN 700	EOEL - public preK expansio

For these reasons, I respectfully request that the committee amend this bill to fund the initial budget requests as requested by the Board of Education and Department of Education.

Erica Yamauchi

Social Marketing Director

Honolulu

Hawaii

LATE

To: The Honorable Sylvia Luke, Chair
The Honorable Ty Cullen, Vice Chair, and Members
House Committee on Finance

Re: HB 100 – State Budget

Position: Request to add \$250,000 line item to Department of Budget & Finance for
Hawaii Health Authority

Hearing: Wednesday, March 8, 2017, 9:00 a.m. Conf Room 308

Thank you for this opportunity to testify, with comments on and a request for HB 100, Regarding the State Budget.

I am respectfully and urgently asking you to add to the Governor's budget a line item for \$250,000 for the Hawaii Health Authority (HHA), which will allow for it to develop a plan for Universal Healthcare, as mandated by HRS Chapter 322H.

I have submitted other testimony through the Community Coalition for Hawaii Universal Healthcare, detailing the fiscal, medical, and broad economic reasons why developing a statewide policy of Universal Healthcare is a necessity for Hawaii, especially at this precipitous time on a national scale when so many people's healthcare is in jeopardy. We need to start planning new models for healthcare delivery, and Universal Healthcare, with its massive administrative cost-cutting and relief of doctor shortages, is the only viable route.

Other states are ahead of us in this respect, poised with bills to adopt Universal Healthcare. It is only a matter of time before it becomes a reality elsewhere. Hawaii's time has come, too — and we can either join them at the vanguard, or lag behind, continuing to suffer increasingly unsustainable practices with the status quo.

Briefly, I want to provide another angle, a less widely known perspective, advancing the cause of Universal Healthcare. I am a Medicare and Medicaid recipient, per a permanent disability. My doctor has told me I am most likely never to be regularly or traditionally employed again. However, I could potentially imagine a future in which I work as an independent contractor, perhaps part-time, as my health condition allows. I would like to think such a future might be possible, so that I can monetize my skillsets, and therefore, contribute to the economy. However, I am not able to contemplate this dream, because my eligibility for these healthcare insurances would be jeopardized if I began to work at all. I would risk losing my Medicaid in the process of attempting to wean myself from it, and end up uninsured, falling through the cracks or into a donut hole. This is a perverse, disincentivizing system, which is anathema to people actualizing their potential and reducing their reliance on government assistance.

Universal Healthcare would end such deplorable catch-22 choices. If all citizens were covered in one single, streamlined pool that captures all funding streams, my income or employer status would no longer be relevant to accessing healthcare, and I could hope to become part of the workforce again. I and others who are disabled, choosing self-employment, could become an integrated part of this society. We would no longer fear that becoming more productive would lead to loss of our fundamental need -- which is everyone's fundamental right -- healthcare.

Universal Healthcare is not a pipe-dream: it's a plan for individual and collective economic responsibility.

Please add this very modest sum of \$250,000 as an appropriation to this measure, in support of realizing the aims of the HHA.

Mahalo for your attention and consideration of this extremely timely and serious matter.

Daria A. Fand.
Public Health and Consumer Advocate
Honolulu, HI

House Committee on Finance
The Hon. Sylvia Luke, Chair
The Hon. Ty Cullen, Vice Chair



**Testimony on House Bill No. 0100
RELATING TO THE STATE BUDGET.
Wednesday, March 8, 2017, 9:00 a.m.
State Capitol, Conf. Room 308**

Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Irene Carpenter and I am the CEO of Hamakua Kohala Health Center. I am requesting that funding be provided in House Bill No. 0100 to reinstate adult dental services for Medicaid enrollees in the State of Hawaii by funding the Governor's request for Line Item HMS401.

In 2015, the Department of Health (DOH) released a report entitled "*Hawaii Oral Health: Key Findings*", which revealed that Hawaii has an enormous shortfall in the area of dental benefits. Among other things, DOH found that:

- (1) From 2009 to 2011, only 41% of pregnant women, 29% of pregnant low-income women, and 27% of women in Medicaid or QUEST visited a dentist during their pregnancy;
- (2) In 2012, 52% of low-income adults saw a dentist as compared to 82% of higher income adults;
- (3) In that same year, 51% of low-income adults lost teeth due to dental disease, while only 32% of high-income adults did; and
- (4) From 2006 to 2012, there was a 67% increase in emergency room visits for dental problems, accounting for a \$4.5 million increase, bringing total expenditures for such visits alone to \$8.5 million.

Further, the DOH outlined a number of measures that could greatly improve the oral health status of Hawaii's residents. Foremost among them was the continued support and expansion of preventative dental care to low-income populations, best achieved through the restoration of adult dental services in Medicaid.

This issue is of special importance to all community health centers because a majority provide dental services. Between 2007 and 2015, the number of patients receiving dental care at community health centers more than doubled, rising from 20,000 patients to over 40,000. As 57% of community health center patients are enrolled in either Medicaid or CHIP Programs, this bill will provide much needed funding and sustainability for services to the most needy in the State.

Additionally, [ORGANIZATION] is a staunch believer in the social determinants of health, those economic and social conditions that influence an individual and a community's health status. The inclusion of funding to Line Item HMS401 for adult dental services would provide additional benefits to both individuals and the community as a whole by making it easier for individuals to obtain employment, reduce absenteeism to school or work, and improving social standing.

Thank you for the opportunity to testify. I'd be happy to answer any questions you might have.



From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 10:26 PM
To: FINTestimony
Cc: lucas@kaulana.net
Subject: *Submitted testimony for HB100 on Mar 8, 2017 09:00AM*

HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
C. Kai Lucas	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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LATE

March 7, 2017

To: Representative Sylvia Luke, Chair
 Representative Ty J.K. Cullen, Vice Chair
 Committee on Finance

From: Deborah Zysman, Executive Director
 Hawaii Children's Action Network

Re: HB 100 – Relating to the State Budget
 Hawaii State Capitol, Room 308, March 8, 2017, 9:00 AM

On behalf of Hawaii Children's Action Network (HCAN), we are request amendments to HB100 – Relating to the State Budget.

HCAN is committed to building a unified voice advocating for Hawaii's children by improving their safety, health, and education. In terms of the budget, we would like to comment specifically on the allotments for the Department of Education.

In a time of uncertain economic factors and slowing income into the state, this is not the time to start an "Innovation Program" for funding almost all programmatic aspects of the Department of Education. By removing the secure funding sources for programs while implementing a new method with no rules, standards, or current staff, a significant delay will result in providing programmatic services for at least one year. Our children should not suffer from a lack of services due to a lack of foresight to thoughtfully transition to this type of program. The DOE/BOE have a budget request that is well researched and supported by the community.

Keys programs that we STRONGLY RECOMMEND receive additional funding in the Budget include:

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EDN 150	Preschool Teachers and Ed Assistant (IDEA)
EDN 200	ELL Program
EDN 200	Homeless Liaisons
EDN 300	Community Engagement Office
EDN 300	Data Governance and Strat . Initiative /office of Strategy Innov.
EDN 700	EOEL – public preK expansion

For these reasons, HCAN respectfully requests that the committee amend this bill to fund the initial budget requests as requested by the Board of Education and Department of Education.

HCAN is committed to building a unified voice advocating for Hawaii's children by improving their safety, health, and education. Last fall, HCAN convened input in person and online from more than 50

organizations and individuals that came forward to support or express interest for a number of issues affecting children and families in our state that resulted in the compilation of 2017 Hawai'i Children's Policy Agenda, which can be accessed at <http://www.hawaii-can.org/2017policyagenda>.



From: Kimberly Kuloloia <nwwugpwozloejce@ujoin.co>
Sent: Tuesday, March 7, 2017 9:21 PM
To: FINTestimony
Subject: Request Amendments to the Proposed Budget!

From: littleexplorersmaui@gmail.com <Kimberly Kuloloia>

Message:

Requesting an ammendment to HB100. These children and families are able to afford quality care and early education, please do not take this opportunity away from them. This is not the way and now is not the time to experiment with funds, or a new program.

I am requesting amendments to HB100 – Relating to the State Budget.

In a time of uncertain economic factors and slowing income into the state, this is not the time to start an “Innovation Program” for funding almost all programmatic aspects of the Department of Education. By removing the secure funding sources for programs while implementing a new method with no rules, standards, or current staff, a significant delay will result in providing programmatic services for at least one year.

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For these reasons, I respectfully request that the committee amend this bill to fund the initial budget requests as requested by the Board of Education and Department of Education.

Kimberly Kuloloia

Wailuku

Hawaii



**WAIANAЕ COAST
COMPREHENSIVE
HEALTH CENTER**

www.wcchc.com

LATE

March 7, 2017

House Committee on Finance
The Hon. Sylvia Luke, Chair
The Hon. Ty Cullen, Vice Chair

**Testimony on House Bill No. 0100
RELATING TO THE STATE BUDGET.
Wednesday, March 8, 2017, 9:00 a.m.
State Capitol, Conf. Room 308**

The Waianae Coast Comprehensive Health Center strongly supports that funding be provided through House Bill No. 0100 to reinstate adult dental services for Medicaid enrollees in the State of Hawaii by funding the Governor's request for Line Item HMS401.

Restoring support is sorely overdue to address the 42% of the adult population on the Waianae Coast that has not had a dental visit, which is the highest percentage in the state, whose average is 29%.

Additional justification can be found in the 2015 Department of Health report entitled "*Hawaii Oral Health: Key Findings*", which showed the following:

- (1) From 2009 to 2011, only 41% of pregnant women, 29% of pregnant low-income women, and 27% of women in Medicaid or QUEST visited a dentist during their pregnancy;
- (2) In 2012, 52% of low-income adults saw a dentist as compared to 82% of higher income adults;
- (3) In that same year, 51% of low-income adults lost teeth due to dental disease, while only 32% of high-income adults did; and
- (4) From 2006 to 2012, there was a 67% increase in emergency room visits for dental problems, accounting for a \$4.5 million increase, bringing total expenditures for such visits alone to \$8.5 million.

It is critical to restore adult dental benefits to address dental health needs and its relationship to other health conditions which impact upon one's social determinants of health. This bill will provide additional benefits to both individuals and the community as a whole by making it easier for individuals to obtain employment, reduce absenteeism to school or work, and improving social standing.

Please consider the importance of this bill to the health and well-being of our adult Medicaid enrollees. Mahalo.



From: Kory Payne <pjqujuoiezumxux@ujoin.co>
Sent: Tuesday, March 7, 2017 9:11 PM
To: FINTestimony
Subject: Request Amendments to the Proposed Budget!

From: kpayne@hawaii-can.org <Kory Payne>

Message:

I am requesting amendments to HB100 – Relating to the State Budget.

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EDN 700	EOEL - public preK expansio

For these reasons, I respectfully request that the committee amend this bill to fund the initial budget requests as requested by the Board of Education and Department of Education.

Kory Payne

HCAN Field Coordinator

Waialua

Hawaii



From: Debbie Drummondo <ocvxqjxlmvzqonr@ujoin.co>
Sent: Tuesday, March 7, 2017 8:58 PM
To: FINTestimony
Subject: Request Amendments to the Proposed Budget!

From: ddrummon@hawaii.edu <Debbie Drummondo>

Message:

I am requesting amendments to HB100 – Relating to the State Budget.

In a time of uncertain economic factors and slowing income into the state, this is not the time to start an “Innovation Program” for funding almost all programmatic aspects of the Department of Education. By removing the secure funding sources for programs while implementing a new method with no rules, standards, or current staff, a significant delay will result in providing programmatic services for at least one year.

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EDN 700	EOEL - public preK expansion

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Debbie Drummondo

Dental Asst

Aiea

Hawaii



From: Jo Ann Freed <wunkuvibiucase@ujoin.co>
Sent: Tuesday, March 7, 2017 8:16 PM
To: FINTestimony
Subject: Request Amendments to the Proposed Budget!

From: joann.freed@yahoo.com <Jo Ann Freed>

Message:

We no longer wonder whether these programs are vital to the educational success of our keiki. We KNOW it is the truth. Please do not delay the funding fr these programs. Once the kids get behind, it is so very hard to get them back on track. Pl;ease do your best to support these important early childhood supports.

I am requesting amendments to HB100 – Relating to the State Budget.

In a time of uncertain economic factors and slowing income into the state, this is not the time to start an “Innovation Program” for funding almost all programmatic aspects of the Department of Education. By removing the secure funding sources for programs while implementing a new method with no rules, standards, or current staff, a significant delay will result in providing programmatic services for at least one year.

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Jo Ann Freed

Kailua Kona

Hawaii



From: Judith Wilhoite <qdkyqojesuswotu@ujoin.co>
Sent: Tuesday, March 7, 2017 8:06 PM
To: FINTestimony
Subject: Request Amendments to the Proposed Budget!

From: jwilhoite@familyprogramshi.org <Judith Wilhoite>

Message:

Our children are our future - let's join together to insure they have the tools they need to succeed. Please fund DOE's initial budget requests.

I am requesting amendments to HB100 – Relating to the State Budget.

In a time of uncertain economic factors and slowing income into the state, this is not the time to start an “Innovation Program” for funding almost all programmatic aspects of the Department of Education. By removing the secure funding sources for programs while implementing a new method with no rules, standards, or current staff, a significant delay will result in providing programmatic services for at least one year.

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Judith Wilhoite

Family Advocate

Honolulu

Hawaii



From: Rachel Ebert <rdadouvoykrhyob@ujoin.co>
Sent: Tuesday, March 7, 2017 8:05 PM
To: FINTestimony
Subject: Request Amendments to the Proposed Budget!

From: racheld.msw@gmail.com <Rachel Ebert>

Message:

I am requesting amendments to HB100 – Relating to the State Budget.

In a time of uncertain economic factors and slowing income into the state, this is not the time to start an “Innovation Program” for funding almost all programmatic aspects of the Department of Education. By removing the secure funding sources for programs while implementing a new method with no rules, standards, or current staff, a significant delay will result in providing programmatic services for at least one year.

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Rachel Ebert

Aiea

Hawaii



From: Suzy Seymour <rjmghwruqlkegdu@ujoin.co>
Sent: Tuesday, March 7, 2017 7:45 PM
To: FINTestimony
Subject: Request Amendments to the Proposed Budget!

From: suzarita808@yahoo.com <Suzy Seymour>

Message:

Thank goodness I found 1 part time daycare (Happy Keiki Preschool) for my daughter and only spent about \$300/month rather than \$700/month for 2 days a week of childcare over 5 days a week but that's what we could afford.

I am requesting amendments to HB100 – Relating to the State Budget.

In a time of uncertain economic factors and slowing income into the state, this is not the time to start an “Innovation Program” for funding almost all programmatic aspects of the Department of Education. By removing the secure funding sources for programs while implementing a new method with no rules, standards, or current staff, a significant delay will result in providing programmatic services for at least one year.

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Suzy Seymour

Honolulu

Hawaii



From: Desiree Kawasaki Abreu <hysnoywfrrftice@ujoin.co>
Sent: Tuesday, March 7, 2017 7:43 PM
To: FINTestimony
Subject: Request Amendments to the Proposed Budget!

From: desabreu@gmail.com <Desiree Kawasaki Abreu>

Message:

Thank you for your kind consideration in amending the bill to fund the budget requested by the BOE and DOE. Our keiki are our future. Mahalo Nui Loa.

I am requesting amendments to HB100 – Relating to the State Budget.

In a time of uncertain economic factors and slowing income into the state, this is not the time to start an “Innovation Program” for funding almost all programmatic aspects of the Department of Education. By removing the secure funding sources for programs while implementing a new method with no rules, standards, or current staff, a significant delay will result in providing programmatic services for at least one year.

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Desiree Kawasaki Abreu

DOE Student Services Coordinator

Kula

Hawaii

LATE

From: Nichole Dewitt <nhsawhgtwwuikf@ujoin.co>
Sent: Tuesday, March 7, 2017 7:40 PM
To: FINTestimony
Subject: Request Amendments to the Proposed Budget!

From: nichole.dewitt@gmail.com <Nichole Dewitt>

Message:

I am requesting amendments to HB100 – Relating to the State Budget.

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Nichole Dewitt

Kailua

Hawaii



From: Gale Mc Nish <fqflqmpdyaimvt@ujoin.co>
Sent: Tuesday, March 7, 2017 7:12 PM
To: FINTestimony
Subject: Request Amendments to the Proposed Budget!

From: gale.mcnish@gmail.com <Gale Mc Nish>

Message:

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Gale Mc Nish

Makawao

Hawaii



LATE

ONE WORLD ONE WATER, LLC
677 ALA MOANA BLVD, SUITE 1100
HONOLULU, HI 96713
www.oneworldonewater.org

Testimony on H.B. 100
Relating to State Budget

House Committee on Finance
March 8th, 2017
9:00am
Conference Room 308

Aloha Chair Luke, Vice Chair Cullen, and Members of the House Committee on Finance,

Subject: House Bill (HB) 100 Relating to State Budget

At One World One Water we are dedicated to reinvesting in water infrastructure and restoring natural environments, and **we strongly support HB 100** and the budget allocations of \$2.4M for Watershed Partnerships Programs, the additional request of \$500,000 for watershed protection, and \$7.5M CIP funds for watershed fences. Freshwater resources are already constrained in Hawaii and will only become more limited as climate change persists, meaning we must act now to promote natural water recharge. Watersheds act as a beautiful, green water purifier, making them especially important to preserve. Watersheds are priceless to Hawaii's culture, economy, and environment, and the funds requested in this bill will help preserve them for generations to come.

As an organization committed to improving the quality and efficiency of our global water systems and resources, **we ask your support of HB100** to invest in Hawaii's future.

Please contact us at globalwater@gmail.com should you have any questions or require additional information regarding this matter.

Sincerely,
One World One Water



From: Jason Maga <wqoeapipcsygtoo@ujoin.co>
 Sent: Tuesday, March 7, 2017 7:06 PM
 To: FINTestimony
 Subject: Request Amendments to the Proposed Budget!

From: jmaga9@yahoo.com <Jason Maga>

Message:

I am a parent of a special needs child that has benefited greatly from the services that the DOE has been able to provide my daughter since preschool, starting at age 3. Her significant process is due to the outstanding dedication and support of teachers and administrators that already have limited budgets. Cutting their funding even more is unacceptable and would be extremely disappointing to this constituent. Respectfully, Jason Maga

I am requesting amendments to HB100 – Relating to the State Budget.

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Jason Maga

Honolulu

Hawaii



From: Jordana Ferreira <dieupsspojzvqmd@ujoin.co>
Sent: Tuesday, March 7, 2017 7:02 PM
To: FINTestimony
Subject: Request Amendments to the Proposed Budget!

From: anadroj422@gmail.com <Jordana Ferreira>

Message:

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Jordana Ferreira

Waianae

Hawaii



From: Troy Abraham <jxpjcwkmkjhgpfjz@ujoin.co>
Sent: Tuesday, March 7, 2017 7:02 PM
To: FINTestimony
Subject: Request Amendments to the Proposed Budget!

From: tabraham08@gmail.com <Troy Abraham>

Message:

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Troy Abraham

Hilo

Hawaii

LATE

March 7th, 2018

Dear Chairwoman Luke and Vice Chairman Cullen,

Governor Ige's 2017-2018 CIP allocation includes 17.4 million dollars, which would be earmarked for the proposed Daniel K. Inouye Highway (Saddle Road) Extension. This additional funding qualifies this project for 71.4 million dollars in Federal Highway Administration matching funds.

The Daniel K. Inouye (Saddle Road) Extension completes a important cross-island transportation artery between east and west Hawaii on the Big Island. It will extend Daniel K. Inouye Highway from Mamalahoa Highway to Queen Kaahumanu Highway approximately 10 miles. This will benefit all of the workers who work at the South Kohala hotels and live in east Hawaii, and the military training up at Pohakuloa Training Area. These workers, along with the military, have to use the sub-standard Waikoloa Road to access the Daniel K. Inouye Highway currently.

I hope your committee includes this funding allocation in the final CIP budget, so this much-need highway project can be constructed.

Sincerely,
Aaron Stene



From: Tamra Soo <zcibjldyzjopjna@ujoin.co>
Sent: Tuesday, March 7, 2017 6:54 PM
To: FINTestimony
Subject: Request Amendments to the Proposed Budget!

From: soot001@gmail.com <Tamra Soo>

Message:

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Tamra Soo

kula

Hawaii

LATE



For the Protection of Hawaii's Native Wildlife
HAWAII AUDUBON SOCIETY

850 Richards Street, Suite 505, Honolulu, HI 96813-4709
Phone/Fax: (808) 528-1432; hiaudsoc@pixi.com
www.hawaii Audubon.org

THE HOUSE
TWENTY-NINTH LEGISLATURE
REGULAR SESSION OF 2017

COMMITTEE ON FINANCE
Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair

Wednesday, March 18, 2017
9:00 a.m., Conference Room 308, State Capitol

H.B. No. 100
Relating to the State Budget

Chairperson Luke, Vice Chairperson Cullen, and members of the committee, my name is Linda Paul and I am testifying in favor of H.B. 100 as a volunteer, President of and in behalf of the approximately 2000 members of the Hawaii Audubon Society. Among other expenditures HB 100 authorizes a one-time spending ceiling increase in FY18 to restore the unencumbered and previously-approved FY15 funds for the Legacy Lands Conservation Program that remain in the LLC Fund that were not spent and are not appropriated for other purposes.

The Society also supports the Governor's and DLNR's request for a permanent spending ceiling increase of \$1.7 million for FY18 and subsequent years to support the important and chronically underfunded LLC program. Many of Hawaii's natural resources are lost when private lands are sold and developed. Frequently these lands are the last remnants of vanishing ecosystems and habitats of threatened and endangered species. The ground-nesting pueo on Oahu has been declared endangered because most of its habitat either has been lost to urban development or is about to be lost. The Society itself was the recipient of a private legacy land gift that was specifically purchased to restore and preserve a parcel of rare native dry land seabird habitat on the southern coast of Oahu. Because of that gift and the efforts of many volunteers a colony of wedge-tail shearwaters now thrive among the newly-planted native plants on that parcel. Please pass HB 100 and thank you for giving me the opportunity to testify.

Linda M. B. Paul
808-262-6859

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 7, 2017 5:33 PM
To: FINTestimony
Cc: michele.mclean@co.maui.hi.us
Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Michele McLean	County of Maui / KIRC	Support	No

Comments: Please support the inclusion of funding in the DLNR budget for 15 full-time staff positions for the Kahoolawe Island Reserve Commission (item D9). Mahalo!

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
 Sent: Tuesday, March 7, 2017 5:22 PM
 To: FINTestimony
 Cc: michele@arcofkona.org
 Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/7/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Michele Ku	Arc of Kona	Support	No

Comments: The Arc of Kona strongly supports HB 100 as it relates to the specific budget items noted below. HTH 501- Developmental Disabilities Division, Page 29, Item No. 16. DD Divisions budget increase for rebased provider payment rates as indicated in the budget worksheet on Page 463 of 1018, SEQ# 101-001 is critical to ensuring high quality services for persons with disabilities that are consistent and effective. The individuals we serve, our peers, have the desire and the fundamental right to choose the types of services they receive as well as the provider agencies to deliver those services. In addition, the Medicaid 1915(c) Waiver provides home and community based services for individuals with intellectual and developmental disabilities who without these services would otherwise be institutionalized. In 2009, while there was a minimal increase in rates for a few services, the rates for the vast majority of Medicaid Waiver services have not been increased in over 10 years. The cost of service delivery, however, has increased significantly in that same 10 year period. This budget allows for choice and the quality of services that are imperative in supporting our peers with disabilities in their goals and dreams of acceptance and inclusion in the communities where they choose to live, work, and play. HTH 905- Developmental Disabilities Council, Page 31, Item No. 23 and the conversion of the Program Specialist IV position from temporary to permanent for self-advocacy activities as indicated in the budget worksheet on Page 529 of 1018, SEQ# 80-001. At the Arc of Kona, we have witnessed significant progress in the self-advocacy skills of our peers with disabilities. This progress is in large part due to the mentoring, coaching and opportunities provided by DD Council to our peers with disabilities as they help the individuals we serve have control over their own lives by learning how to make informed choices and decisions. In addition, this position has provided the structure necessary to create a network of self-advocates (individuals with intellectual/developmental disabilities) to come together to have one, strong voice. Your continued support of our peers with disabilities is appreciated. Thank you in advance for your time and consideration. Michele Ku President/CEO Arc of Kona

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www.MauiCounty.us

March 8, 2017

Director of Council Services
Sandy K. Baz

LATE

TO: The Honorable Sylvia Luke, Chair
House Committee on Finance

FROM: Robert Carroll
Council Member

DATE: March 7, 2017

SUBJECT: TESTIMONY IN SUPPORT OF GENERAL BUDGET BILL HB100;
RELATING TO STATE BUDGET.

Thank you for the opportunity to testify as an individual in support of this important measure. The purpose of this measure appropriates funds for the Operating and Capital Improvements budget of the Executive Branch for fiscal years 2017-2018 and 2018-2019.

I strongly support this measure for the following reasons:

1. Particularly the proposed funding to the Department of Land and Natural Resources for watershed management, CIP fencing work and invasive species prevention, control, research and education programs and activities.
2. The County of Maui has benefited and supported partnerships through its Department of Water Supply (DWS) along with State of Hawaii through funding for the following watersheds:
West Maui Mountains Watershed Partnership, Pu'u Kukui Watershed Partnership, East Maui Watershed Partnership/Wahikuli Watershed, Waikamo'i Upcountry East Maui Source, Leeward Haleakala Watershed, East Moloka'i Watershed Partnership, Lana'i Watershed Partnership and the Auwahi Forrest Restoration.
3. The County recognizes the necessity of natural resource stewardship. We understand that that the source of pure pure water is a system of healthy forested watersheds which capture rain and cloud moisture and deliver it efficiently to aquifers and surface sources for subsequent consumption in our daily lives and for the benefit of our island economy.

March 8, 2017

Page 2

4. The East Maui Watershed yields the largest surface water harvest in the state, at 60 billion gallons of fresh clean water annually and is home to 48 streams, 35 of them perennial, 400 intakes, 75 miles of aqueducts and 7 reservoirs. The EMWP formed for the purpose of jointly managing and protecting East Maui Watershed lands from habitat altering weeds and feral ungulates are among the serious threats.
5. The DLNR Division of Forestry and Wildlife's budget request seeks base operating and CIP funding for the protection of our native forest, which are the source of nearly all the islands' supply of fresh water. The watershed protection and invasive species programs supported with State funds and leveraged several times over with matching funds from county, federal and private sources help to ensure healthy, managed natural resources that are critical for isolated island chains such as Hawai'i.

For the foregoing reasons, I strongly support this measure and thank you for your support.

Sincerely,

Robert Carroll
Council Vice Chair, County of Maui

RC:dna



LATE

Dedicated to safe, responsible, humane and effective drug policies since 1993

TO: House Committee on Finance
FROM: Carl Bergquist, Executive Director
HEARING DATE: 8 March 2017, 9AM
RE: HB100, Relating to the State Budget, **Comments**

Dear Chair Luke, Vice Chair Cullen, Committee Members:

The Drug Policy Forum of Hawai'i (DPFHI) offers the following comments regarding one component of the state budget: (Program ID HTH440, SEQ 105-001) \$800,000 for the Alcohol and Drug Abuse Division (ADAD). A quarter of this (\$200,000) is to be dedicated to the creation of a pilot project for a pre-arrest diversion program known as [Law Enforcement Assisted Diversion \(LEAD\)](#). We are members of a 20 plus-organization strong [grass-roots hui, led by the CHOW Project](#), that has been working for many months to bring LEAD to Hawai'i, and as such we welcome the appropriations that this bill provides.

LEAD has been proven to work elsewhere in preventing at-risk individuals from being arrested or re-arrested and instead be diverted to various services including housing, mental health or substance abuse counseling. This harm reduction approach taps into the ongoing work of the service providers like Hina Mauka, Salvation Army, CHOW Project, Helping Hands and others. It not only better serves the needs of the impacted individual, but it lessens the burdens and strains placed on our criminal justice system while also fostering greater trust between law enforcement and the communities they are sworn to serve and protect.

We agree with the Prosecuting Attorney of the City and County of Honolulu ([as stated in written testimony for a related measure SB716](#)) that a program like LEAD is a complement to the community outreach court – the subject of companion bills [HB457 HD1/SB718 SD1](#). We submit that it is wise investment by the legislature to fund both of these worthwhile projects (one operating on the front-end and one on the back-end) to help individuals, reduce recidivism and lower the costs of incarceration for the state.

Mahalo for the opportunity to testify.

PRESIDENT & CEO
Marian E. Tsuji

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LATE

State of Hawaii
Hawaii House of Representatives

COMMITTEE ON FINANCE
Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair

Wednesday, March 8, 2017 9:00 am
Room 308

HB 100, RELATING TO THE STATE BUDGET

Good Morning, Chair Luke, Vice Chair Cullen, and members of the Finance Committee. Lanakila Pacific TLC supports funding for the Developmental Disabilities Division HTH 501 – Developmental Disabilities, Page 29, Item No. 16. The Medicaid 1915(c) Waiver provides Home and Community Based Services for people with Intellectual and Developmental Disabilities who would otherwise be served in institutions. This budget allows necessary supports for these individuals to be active members of their communities, which is a benefit to everyone.

It has been over 10 years since Waiver rates for people with Intellectual and Developmental Disabilities have been adjusted at the state level. It is important to add that funds for the rebased provider payment rates are outlined in the budget worksheet on page 463 of 1018, SEQ# 101-001. This begins to reflect the actual cost to provide services in Hawaii.

Lanakila Pacific is a 76 year old Hawaii-based non-profit organization, whose mission is to build independence for challenged lives. Our programs include Teaching and Learning Centers (TLC) in Wahiawa and Honolulu, which teach over 110 adults with disabilities how to become more independent. TLC teaches life skills and actively give back by volunteering in our communities.

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

Respectfully submitted,

Marian E. Tsuji
President & CEO

Lori Lutu
Director of Teaching and Learning
Centers



From: Michelle Gray <qxcunewumhdhqe@ujoin.co>
Sent: Wednesday, March 8, 2017 8:27 AM
To: FINTestimony
Subject: Request Amendments to the Proposed Budget!

From: michelleplusnumbers@gmail.com <Michelle Gray>

Message:

I am requesting amendments to HB100 – Relating to the State Budget.

In a time of uncertain economic factors and slowing income into the state, this is not the time to start an “Innovation Program” for funding almost all programmatic aspects of the Department of Education. By removing the secure funding sources for programs while implementing a new method with no rules, standards, or current staff, a significant delay will result in providing programmatic services for at least one year.

Our children should not suffer from a lack of services due to a lack of foresight to thoughtfully transition to this type of program. The DOE/BOE have a budget request that is well researched and supported by the community.

Keys programs that we **STRONGLY RECOMMEND** receive additional funding in the Budget include:

Program	Description
EDN 100	Office of Hawaiian Education
EDN 150	Preschool Teachers and Ed Assistant (IDEA)
EDN 200	ELL Program
EDN 200	Homeless Liaisons
EDN 300	Community Engagement Office
EDN 300	Data Governance and Strat . Initiative /office of Strategy Innov.
EDN 700	EOEL - public preK expansion

For these reasons, I respectfully request that the committee amend this bill to fund the initial budget requests as requested by the Board of Education and Department of Education.

Michelle Gray

Honolulu

Hawaii



From: mailinglist@capitol.hawaii.gov
 Sent: Wednesday, March 8, 2017 8:34 AM
 To: FINTestimony
 Cc: manavel_11@msn.com
 Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/8/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Velma Mariano	Paukukalo Hawn Homestead	Comments Only	No

Comments: I AM IN SUPPORT OF HB 100 TO DHHL AND ALL HOMESTEAD BENEFICIARIES

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From: mailinglist@capitol.hawaii.gov
 Sent: Wednesday, March 8, 2017 8:38 AM
 To: FINTestimony
 Cc: wao-hsl@WeAreOne.cc
 Subject: Submitted testimony for HB100 on Mar 8, 2017 09:00AM

HB100

Submitted on: 3/8/2017

Testimony for FIN on Mar 8, 2017 09:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Joseph Kohn MD	We Are One, Inc. - www.WeAreOne.cc - WAO	Support	No

Comments: Strongly Support universal healthcare. www.WeAreOne.cc

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LATE



KAMEHAMEHA SCHOOLS®

House Committee on Finance

Time: 9:00 a.m.

Date: March 8, 2017

Where: House Conference Room 308

TESTIMONY

By Ka'ano'i Walk
Kamehameha Schools

To: Chair Luke, Vice Chair Cullen, and Members of the Committee

RE: **HB 100 RELATING TO THE STATE BUDGET**

Aloha! My name is Ka'ano'i Walk and I am testifying in **support** of HB 100, relating to the State Budget, on behalf of Kamehameha Schools.

We are standing in strong support of the State's funding of Early Learning, Charter Schools, the Office of Hawaiian Education, and the Higher Education Promise Program among all of the states priorities.

Founded in 1887, Kamehameha Schools is an organization striving to advance a thriving Lāhui where all Native Hawaiians are successful, grounded in traditional values, and leading in the local and global communities. We believe that community success is individual success, Hawaiian culture-based education leads to academic success and local leadership drives global leadership.

‘A‘ohe hana nui ke alu ‘ia. No task is too large when we all work together! Mahalo nui.



From: Bernard Uy <mtzzqcpgteagwpw@ujoin.co>
Sent: Wednesday, March 8, 2017 8:54 AM
To: FINTestimony
Subject: Request Amendments to the Proposed Budget!

From: bernard@walltowall.com <Bernard Uy>

Message:

I am requesting amendments to HB100 – Relating to the State Budget.

In a time of uncertain economic factors and slowing income into the state, this is not the time to start an “Innovation Program” for funding almost all programmatic aspects of the Department of Education. By removing the secure funding sources for programs while implementing a new method with no rules, standards, or current staff, a significant delay will result in providing programmatic services for at least one year.

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EDN 200	Homeless Liaisons
EDN 300	Community Engagement Office
EDN 300	Data Governance and Strategic Initiative /office of Strategy Innov.
EDN 700	EOEL - public preK expansion

For these reasons, I respectfully request that the committee amend this bill to fund the initial budget requests as requested by the Board of Education and Department of Education.

Bernard Uy

Honolulu

Hawaii



LATE

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

March 8, 2017 at 9:00 a.m.
State Capitol, Room 308

In consideration of
H.B. 100
RELATING TO THE STATE BUDGET.

HHFDC ***supports*** H.B. 100, the Executive Biennium Budget request. In particular, HHFDC ***strongly supports*** the Governor's Supplemental Capital Improvement Project (CIP) request for FY2018 as follows:

902 Alder Street, Honolulu, Oahu (BED 160/HD) \$15,000,000 (C)

HHFDC intends to use the \$15 million appropriation to finance Phase 1 of the juvenile shelter/services component of this mixed-use residential project located at the site of the old Detention Home. HHFDC's financing resources are able to finance the residential component of the mixed-use project. However, Capital Improvement Project appropriations for the non-housing component of the project are needed in order for the entire project to be able to proceed.

The stated purpose of this appropriation is to provide funding to expand and preserve rental housing opportunities and construct a juvenile services and shelter center for runaway and homeless youths. We would like to clarify that the juvenile shelter is intended to serve young status offenders and low end law violators who are wards of the court and unable to reside with their families in the short term because of safety and other concerns. The services center will be provided through probation and partnering with social services agencies.

Rental Housing Revolving Fund Infusion, Statewide (BED 160/HF) \$50,000,000 (C)

The \$50 million infusion into the Rental Housing Revolving Fund will help finance the development, or the acquisition and rehabilitation, of rental housing. The Rental Housing Revolving Fund provides loans to projects that set aside rental units affordable to extreme and very low-income families.

The loans fill the financing gap to develop an affordable rental housing project. Since its inception, Rental Housing Revolving Fund awards have been made to 78 affordable rental projects comprising a total of 6,232 units statewide.

Dwelling Unit Revolving Fund Infusion, Statewide (BED 160/HD) \$50,000,000 (C)

This appropriation for the Dwelling Unit Revolving Fund (DURF) is to implement Act 132, SLH 2016. Act 132 broadened the uses of DURF to include regional state infrastructure construction in conjunction with housing and mixed-use transit-oriented development projects. This funding will enable the state to address a significant barrier to housing development - the lack of roads, water, sewer, drainage, and utilities.

Low Income Housing Tax Credit Loans, Statewide (BED 160/HF) \$8,400,000 (C)

The Low Income Housing Tax Credit (LIHTC) Loan Program encourages the development and preservation of rental housing for lower income households by providing a cost-effective financing mechanism for projects that are awarded State LIHTCs. Projects which have been awarded State LIHTCs that demonstrate the inability to find investors for their State tax credits may exchange their credits for a LIHTC loan instead.

We respectfully request your favorable consideration of these requests. Thank you for the opportunity to testify.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
March 8, 2017 at 9:00 a.m.

By
Garret T. Yoshimi
Vice President for Information Technology and Chief Information Officer
University of Hawai'i System

HB 100 – RELATING TO THE STATE BUDGET

Chair Luke, Vice Chair Cullen and members of the committee:

The University of Hawai'i strongly supports the Department of Commerce and Consumer Affairs (DCCA) request to expend monies from the Institutional Network (INET) reserve account to fund improvements in the State INET fiber optic network. The design of the requested fiber optic network improvements resulted from an ongoing collaboration among the three State INET agency partners, Enterprise Technology Services (for the State Executive Branch), the Department of Education, and the University of Hawai'i. The improvements represent strategic upgrades to the existing State INET fiber optic network, to enhance reliability, flexibility and availability for all the INET partners.

DCCA administers the statewide cable television franchise agreements for the State of Hawai'i. As a part of its responsibility to administer the agreements, DCCA coordinates statewide investment in the franchisee-provided Institutional Network (INET) on behalf of the three State INET agency partners. DCCA convenes representatives of the State INET agency partners on a regular basis to ensure that the INET fiber optic network continues to serve the strategic connectivity needs of the State.

Please note that this testimony is presented in support of the DCCA INET budget request, and is supplemental to President Lassner's full testimony in support of HB 100.

Thank you for the opportunity to provide this testimony.