



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTIETH LEGISLATURE, 2020**

ON THE FOLLOWING MEASURE:

H.B. NO. 2200, RELATING TO THE STATE BUDGET.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Thursday, January 30, 2020 **TIME:** 2:00 p.m.

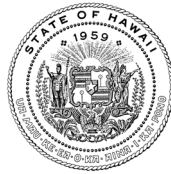
LOCATION: State Capitol, Room 308

TESTIFIER(S): Clare E. Connors, Attorney General, or
David T. Moore, Administrative Services Manager

Chair Sylvia Luke, Vice Chair Ty J.K. Cullen and Members of the Committee:

We support the Governor's Fiscal Biennium 2019-2021 budget package,
including Governor's Messages as submitted.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

ROBERT YU
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)

**TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 2200**

**January 30, 2020
2:00 p.m.
Room 308**

RELATING TO THE STATE BUDGET

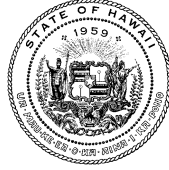
The Department of Budget and Finance (B&F) supports House Bill (H.B.) No. 2200.

H.B. No. 2200 adjusts and requests appropriations for FB 2019-21 funding requirements for operations and capital improvement program (CIP) projects of Executive Branch agencies and programs. The bill also incorporates appropriations from other departmental budget acts which were deemed necessary for program operations and CIP appropriations from Act 40, SLH 2019.

H.B. No. 2200 requests funding to support priority programs, such as education, environment, health, human services, public safety and transportation. This bill proposes additional funding necessary to support these and other critical public services and improve State programs. As such, B&F supports this measure.

Thank you for your consideration of our comments.

DAVID Y. IGE
GOVERNOR



CURT T. OTAGURO
COMPTROLLER
AUDREY HIDANO
DEPUTY COMPTROLLER

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
CURT T. OTAGURO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE HOUSE COMMITTEE ON FINANCE

JANUARY 30, 2020, 2:00 P.M.
CONFERENCE ROOM 308, STATE CAPITOL

HOUSE BILL NO. 2200

RELATING TO THE STATE BUDGET

Chair Luke, Vice Chair Cullen and members of the Committee. The Department of Accounting and General Services (DAGS) is in support of House Bill (H.B.) 2200, Relating to the State Budget, as it pertains to the Department.

H.B. 2200 adjusts and requests appropriations for the supplemental operating and capital improvement budgets of the Executive Branch for FB 2019-21 and includes appropriations from other departmental budget acts deemed necessary for program operations and capital improvements.

We respectfully request this Committee's favorable consideration of our requests for resources in support of our goal to provide quality and consistency in the delivery of essential support services to other State departments and agencies, which include funding for lump sum health and safety repairs for the Aloha Stadium and the modernization and replacement of all State financial management systems for the Executive Branch departments, and the realignment of resources for efficiency and accountability.

Thank you for your consideration of our comments in support of H.B. 2200.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

DAVID Y. IGE
GOVERNOR
MIKE MCCARTNEY
DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: dbedt.hawaii.gov

Telephone: (808) 586-2355
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Statement of
MIKE MCCARTNEY
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE

Thursday, January 30, 2020
2:00 PM
State Capitol, Conference Room 308

In consideration of
HB2200
RELATING TO THE STATE BUDGET.

Chair Luke, Vice Chair Cullen and members of the Committee.

The Department of Business, Economic Development and Tourism supports the Governor's Executive FY 21 Supplemental Budget Operating Budget Adjustment Requests and FY21 Supplemental Budget Proposed CIP Lapses and New CIP Requests.

The operating budget requests which adds one (1) permanent FTE and \$7,990,115 to the base budget are important to moving our economy forward. In addition, there are three new CIP requests, including a \$10,000,000 request to fund a carrier neutral cable landing infrastructure which is critical to provide the needed digital access for Hawaii's citizens. These requests are noted on the attached Schedules B and S.

HB 2200 adjusts and requests appropriations for Fiscal Biennium 2019-2021 funding requirements for operations and capital improvement projects.

Thank you for the opportunity to testify.

**FY 21 SUPPLEMENTAL BUDGET
DEPARTMENT SUMMARY OF OPERATING BUDGET ADJUSTMENT REQUESTS
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM**

MOF	FY 20			FY 21		
	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
Current Services Operating Budget Ceilings by MOF						
A	106.00	36.00	21,555,322	105.00	36.00	17,162,831
B	19.00	58.00	240,596,568	19.00	58.00	240,461,954
N	5.00	5.00	5,464,265	5.00	5.00	5,464,265
P	-	9.00	4,695,214	-	9.00	4,695,214
R	-	-	1,000	-	-	1,000
S	-	-	-	-	-	-
T	-	-	241,000	-	-	241,000
U	-	-	-	-	-	-
W	39.00	41.00	19,420,737	39.00	41.00	19,485,737
X	-	-	-	-	-	-
TOTAL	169.00	147.00	291,974,106	168.00	147.00	287,512,001

Req Cat	B&F Code	Prog ID/Org	Dept Pri	Description	MOF	FY 20			FY 21			Governor's Decision				
						FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FY 20		FY 21		
												FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)
TRADE-OFF/TRANSFER & CONVERSION OF UNBUDGETED POSITIONS REQUESTS:																

SUBTTLTRADE-OFF/TRNSFRS & CONV. OF UNBGT'D PSNS:

-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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Request Category Legend:
 TO Trade-Off/Transfer
 UP Conversion of Unbudgeted Positions

By MOF		FY 20	FY 21	FY 20	FY 21	FY 20	FY 21
General	A	-	-	-	-	-	-
Special	B	-	-	-	-	-	-
Federal Funds	N	-	-	-	-	-	-
Other Federal Funds	P	-	-	-	-	-	-
Private	R	-	-	-	-	-	-
County	S	-	-	-	-	-	-
Trust	T	-	-	-	-	-	-
Inter-departmental Transfer	U	-	-	-	-	-	-
Revolving	W	-	-	-	-	-	-
Other	X	-	-	-	-	-	-

Req Cat	B&F Code	Prog ID/Org	Dept Pri	Description	MOF	FY 20			FY 21			Governor's Decision					
						FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FY 20			FY 21		
												FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
OTHER REQUESTS:																	
OR		BED143TE	1	HSBIR Phase II and III Matching Grants	A						1,000,000					1,000,000	
OR		BED143TE	2	Manufacturing Assistance Program Grants	A						500,000					500,000	
OR		BED143TE	3	Excelsior Grant	A						300,000					300,000	
OR		BED143TE	4	Additional Funds for Position created in FY20 and Operations	A				1.00		150,000				-	36,000	
OR		BED144PL	5	Add one Planner V Position and Funds to Support OP Special Plan Initiatives	A				1.00		29,808				-	-	
OR		BED144PL	6	Add one Planner IV Position and Funds to Support OP Special Plan Initiatives	A				1.00		26,478			-	-	-	
OR		BED144PL	7	Add one Secretary III Position and Funds to Support the Office of Planning	A				1.00		20,682			-	-	-	
OR		BED144PL	7	Add one Office Assistant IV Position and Funds to Support the Office of Planning	A									1.00		16,332	
OR		BED144PZ	8	Change MOF for CZM Program Manager Salary from FF to GF	A				1.00		93,204			-	-	-	
OR		BED144PZ	8	Change MOF for CZM Program Manager Salary from FF to GF	N				(1.00)		(93,204)			-	-	-	
OR		BED144PL	9	Add Funds for Office of Planning Travel to Land Use Commission Hearings	A						6,012					-	
OR		BED142AA	10	Request Funds for Economic Analysis and Strategic Focus Implementation	A						300,000					-	
OR		BED142AA	11	Request for Additional Funds for SBRRB	A						13,000					-	
OR		BED120SI	12	Request Additional funds to Cover Payroll	A						65,000					65,000	
OR		BED120SI	13	Funding request for support in community and stakeholder engagement	B						175,000					175,000	
OR		BED120SI	14	Funding request for analysis/assessment of recycling of clean energy waste	B						175,000					175,000	
OR		BED120SI	15	Funding request to support the Greenhouse Gas Sequestration Task Force	B						200,000					200,000	
OR		BED120SI	16	Special fund ceiling increase for the Hawaii State Energy Office	B						160,000					160,000	
OR		BED120SI	17	Trust fund ceiling for the Volkswagen Environmental Mitigation Trust Agreement	T						5,154,669					5,154,669	
OR		BED120SI	18	Funding request for conducting an energy assurance/energy emergency exercise	B						75,000					75,000	
GI		BED160HA	19	Increase in Expenditure Ceiling for Personal Services	W						65,307					-	
GI		BED160HD	20	Increase in Expenditure Ceiling for Personal Services	W						48,864					48,864	
GI		BED160HF	21	Increase in Expenditure Ceiling for Personal Services	W						30,125					-	
OR		BED103DA	22	Request Funding for Personnel	A						34,250					34,250	
OR		BED103DA	23	Temporary Position to Draft LUC Procedural Handbook	A					1.00	26,478				-	-	

Req Cat	B&F Code	Prog ID/Org	Dept Pri	Description	MOF	FY 20			FY 21			Governor's Decision					
						FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FY 20			FY 21		
												FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
OR		BED120SI	24	Funding request to support the State Climate Commission	B						50,000						50,000

SUBTOTAL OTHER REQUESTS:

-	-	-	4.00	1.00	8,605,673	-	-	-	1.00	-	7,990,115
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Request Category Legend:	
GI	Governor's Initiatives
HS	Health, Safety, Court Mandate
FY	Full Year Funding for New Positions
SY	Second Year Funding
OR	Other Requests

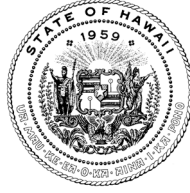
By MOF												
General	A	-	-	-	5.00	1.00	2,564,912	-	-	-	1.00	1,951,582
Special	B	-	-	-	-	-	835,000	-	-	-	-	835,000
Federal Funds	N	-	-	-	(1.00)	-	(93,204)	-	-	-	-	-
Other Federal Funds	P	-	-	-	-	-	-	-	-	-	-	-
Private	R	-	-	-	-	-	-	-	-	-	-	-
County	S	-	-	-	-	-	-	-	-	-	-	-
Trust	T	-	-	-	-	-	5,154,669	-	-	-	-	5,154,669
Inter-departmental Transfer	U	-	-	-	-	-	-	-	-	-	-	-
Revolving	W	-	-	-	-	-	144,296	-	-	-	-	48,864
Other	X	-	-	-	-	-	-	-	-	-	-	-

TOTAL ADJUSTMENTS:

-	-	-	4.00	1.00	8,605,673	-	-	-	1.00	-	7,990,115
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By MOF												
General	A	-	-	-	5.00	1.00	2,564,912	-	-	-	1.00	1,951,582
Special	B	-	-	-	-	-	835,000	-	-	-	-	835,000
Federal Funds	N	-	-	-	(1.00)	-	(93,204)	-	-	-	-	-
Other Federal Funds	P	-	-	-	-	-	-	-	-	-	-	-
Private	R	-	-	-	-	-	-	-	-	-	-	-
County	S	-	-	-	-	-	-	-	-	-	-	-
Trust	T	-	-	-	-	-	5,154,669	-	-	-	-	5,154,669
Inter-departmental Transfer	U	-	-	-	-	-	-	-	-	-	-	-
Revolving	W	-	-	-	-	-	144,296	-	-	-	-	48,864
Other	X	-	-	-	-	-	-	-	-	-	-	-

Req Cat	B&F Code	Prog ID/Org	Dept Pri	Description	MOF	FY 20			FY 21			Governor's Decision					
						FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FY 20			FY 21		
												FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
GRAND TOTAL = BASE + TRO/TRNF & CONV UNBGT						169.00	147.00	291,974,106	172.00	148.00	296,117,674	169.00	147.00	291,974,106	169.00	147.00	295,502,116
PSN + ALLOW NON-DISCR + FED ADJ + OTHER REQ																	
By MOF																	
				General	A	106.00	36.00	21,555,322	110.00	37.00	19,727,743	106.00	36.00	21,555,322	106.00	36.00	19,114,413
				Special	B	19.00	56.00	240,596,568	19.00	56.00	241,296,954	19.00	56.00	240,596,568	19.00	56.00	241,296,954
				Federal Funds	N	5.00	5.00	5,464,265	4.00	5.00	5,371,061	5.00	5.00	5,464,265	5.00	5.00	5,464,265
				Other Federal Funds	P	-	9.00	4,695,214	-	9.00	4,695,214	-	9.00	4,695,214	-	9.00	4,695,214
				Private	R	-	-	1,000	-	-	1,000	-	-	1,000	-	-	1,000
				County	S	-	-	-	-	-	-	-	-	-	-	-	-
				Trust	T	-	-	241,000	-	-	5,395,669	-	-	241,000	-	-	5,395,669
				Inter-departmental Transfer	U	-	-	-	-	-	-	-	-	-	-	-	-
				Revolving	W	39.00	41.00	19,420,737	39.00	41.00	19,630,033	39.00	41.00	19,420,737	39.00	41.00	19,534,601
				Other	X	-	-	-	-	-	-	-	-	-	-	-	-



DAVID Y. IGE
GOVERNOR

JOSH GREEN
LT. GOVERNOR

**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

335 MERCHANT STREET, ROOM 310
P.O. BOX 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
cca.hawaii.gov

CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Finance
Thursday, January 30, 2020
2:00 p.m.
State Capitol, Conference Room 308**

**On the following measure:
H.B. 2200, RELATING TO THE STATE BUDGET**

Chair Luke and Members of the Committee:

My name is Catherine Awakuni Colón, and I am the Director of the Department of Commerce and Consumer Affairs (DCCA or Department). The Department supports this bill.

The purposes of this bill are to: (1) adjust and request appropriations for fiscal biennium 2019-21 funding requirements for operations and capital improvement projects of executive branch agencies and programs; and (2) include appropriations from other departmental budget acts deemed necessary for program operations and capital improvements.

For the Committee's information, the relevant program appropriations for the DCCA are on pages 105 and 106 of this measure.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR



KENNETH S. HARA
MAJOR GENERAL
ADJUTANT GENERAL

STEPHEN F. LOGAN
COLONEL
DEPUTY ADJUTANT GENERAL

STATE OF HAWAII
DEPARTMENT OF DEFENSE
OFFICE OF THE ADJUTANT GENERAL
3949 DIAMOND HEAD ROAD
HONOLULU, HAWAII 96816-4495

TESTIMONY ON HOUSE BILL 2200
A BILL RELATING TO THE DEPARTMENT OF DEFENSE OPERATING BUDGET

PRESENTATION TO
THE HOUSE COMMITTEE OF FINANCE

BY

MAJOR GENERAL KENNETH S. HARA
ADJUTANT GENERAL AND DIRECTOR OF STATE EMERGENCY MANAGEMENT AGENCY

JANUARY 30, 2020

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

I am Major General Kenneth S. Hara, State Adjutant General and the Director of the Hawaii Emergency Management Agency. I am testifying in **SUPPORT** of House Bill 2200.

Major adjustments contained in our Operating Budget which appropriates funds for the Department of Defense's Executive Branch include the following:

Item 1. State Military Rate (SMR) Employee Pay Augmentation using Federal and State Funds. This request is due to SMR pay raises in accordance with HRS 121-10 Section 76-16 (1). SMR employees do not follow the state civil service pay schedule.

DEF 110 AA FY 21 \$78,082A
DEF 110 AB FY 21 \$123,649P
DEF 110 AC FY 21 \$8,254A

Item 2. Add temporary 100% Federally Funded CIP Assistant position is needed to track the execution of Army CIP projects.

FY 21 1.0 temp, \$37,852A

Item 3. Add Permanent 100% Federally Funded Engineer IV for Builder Sustainment Management Program.

FY 21 1.0 perm, \$105,147P

Item 4. Add both Federal and State funds to address the increase in Federal Ceiling and State funds due to increase in fringe benefit rate and to align salary increases for HI Youth Challenge program employees with the rest of the nation.

FY 21 \$930,325A
FY 21 \$1,167,828P

Item 5. This request will allow DOD to use its Emergency Disaster Trust Fund. This request will implement and upgrade the NG State Active Duty Payroll System.

FY 21 \$1,649,500T

Item 6. Replacement of State-Wide Alert and Warning System (SAWS siren satellite modems used for activation and control).

FY 21 \$1,900,000A

Item 7. Repave parking area next to ceremony committal area.

FY 21 \$125,000A

Item 8. Add 6.0 Temporary positions for the HIEMA Disaster positions.

FY 21 6.0 temp, \$284,100A

Item 9. Delete 3.0 Temporary Disaster Positions due to the project's completion.

FY 21 1.5 temp, \$79,320A

FY 21 1.5 temp, \$59,112P

Item 10. Amend Legislative Adjustment. This request is to correct an error.

FY 21 Add 2.0 Perm A Delete 2.0 Temp A

FY 21 Add 1.0 Perm P Delete 1.0 Temp P

Item 11. Re-appropriate DOD Disaster Funds to enable DOD to pay the State of Hawaii's Emergency Disaster bills related primarily to the 2018-2019 Kilauea Lava Flow in FY 2020.

FY 20 \$5,720,435A

Highlights of the Executive CIP Budget Request: The Department requested two (2) Capital Improvement Projects totaling \$28,775,000 in GO Bonds (MOF A) and \$3,825,000 in Other Federal Funds (MOF P) for FY21 Supplemental Budget.

Our most important CIP priority is the VA Long-term Care Facility (also known as the Hawaii State Veterans Home) located in Kapolei, Oahu. This project will build Hawaii's second State Veterans Home, adding 120 beds and supporting long-term care services for veterans in Hawaii. The project will add an additional \$26,275,000 in GO Bonds (MOF A) and \$3,825,000 in Other Federal Funds (MOF P) to account for project cost increase due to changes in project site location and size (from 2.5 acres to 7 acres), inflation and changes in VA program requirements. If supplemental funding is not received, the State will be required to return the \$44,753,618 awarded in federal grant. Design is completed and construction is anticipated to start as early as late 2020 pending additional supplemental GO Bonds.

Our second CIP priority is the Disaster Warning and Communications Devices project for the Hawaii Emergency Management Agency (HIEMA). This project will add \$2,500,000 in GO Bonds (MOF A) to install new, replace and/or upgrade outdoor siren warning systems statewide. This project will expand the coverage and reliability of the warning and control system, as well as modernize and alleviate siren coverage gap areas in Hawaii. The additional information required pertaining to the 18 tables of data are attached.

Thank you for the opportunity to support HB 2200. If you have any questions or need additional information to our response, please contact our Administrative Services Officer Rusty Spray at (808) 369-3458 or at rusty.spray@hawaii.gov



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

Date: 01/30/2020
Time: 02:00 PM
Location: 308
Committee: House Finance

Department: Education

Person Testifying: Dr. Christina M. Kishimoto, Superintendent of Education

Title of Bill: HB 2200 RELATING TO THE STATE BUDGET.

Purpose of Bill: To adjust and request appropriations for Fiscal Biennium 2019-21 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs and to include appropriations from other departmental budget acts deemed necessary for program operations and capital improvements.

Department's Position:

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

Thank you for the opportunity to testify on behalf of the Department of Education (Department) in support of House Bill 2200. The measure adjusts and requests appropriations for the fiscal biennium (FB) 2019-2021 for the operations and capital improvement program (CIP) projects of Executive Branch agencies by amending Act 5, SLH 2019 and other budget authorizations effective during FB 2019-2021.

The measure supports our obligations to students in our public education system and to realize the power and promise of public education by providing additional resources to address a number of priorities that include but are not limited to the following:

- Achieving equity for our most vulnerable and underserved students through the funding of teacher shortage differentials;
- Providing additional resources at the school level via the Weighted Student Formula for our English language learners and homeless students;
- Addressing the issue of youth suicide awareness and prevention;
- Promoting gender equity through expanded Title IX training;
- Modernizing our Financial Management System by funding the annual licensing costs for the replacement system; and
- Advancing the Department's focus on providing respectful school environments for all students through the CIP budget area.

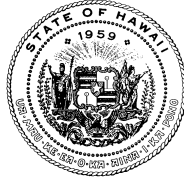
In addition, the Department supports the consolidation of Act 5, SLH 2019 and the other budget authorizations into this one measure, which will provide better clarity on the Department's

appropriations.

As our budget makes its way through the legislative process, we look forward to working with the Hawaii State Legislature on shaping the future for quality education for the students in Hawaii's public schools.

We appreciate the opportunity to testify and will be available to answer any questions.

The Hawai'i State Department of Education is committed to delivering on our promises to students, providing an equitable, excellent, and innovative learning environment in every school to engage and elevate our communities. This is achieved through targeted work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at www.hawaiipublicschools.org.



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

Testimony in SUPPORT of H.B. 2200
RELATING TO THE STATE BUDGET

REPRESENTATIVE SYLVIA LUKE, CHAIR
HOUSE COMMITTEE ON FINANCE

Hearing Date: January 30, 2020
Time: 2:00pm

Room Number: 308

1 **Fiscal Implications:** Sufficient appropriations are required to assure that health and the
2 environment of all those in Hawaii is protected and enhanced, and in particular that emergency
3 ambulance services are continued, the health of families and our kupuna remains a priority, our
4 precious water resources are protected, that we are providing a comprehensive continuum of care
5 for those in need of mental health and substance abuse treatment, and that we are optimizing
6 opportunities for Federal fund match and reimbursement.

7 **Department Testimony:** The Department of Health (DOH) supports House Bill 2200, Relating
8 to the State Budget. This measure appropriates funds for the operating and capital improvement
9 budget of the Executive Branch for Supplemental FY21 beginning July 1, 2020 and ending June
10 30, 2021.

11 For FY21, the DOH supports the Governor's Executive Supplemental Budget Request and
12 wishes to highlight several priorities by Administration:

13 Health Resources Administration:

- 14 • The Family Health Services Division is requesting to change the Title X Family
15 Planning Program from MOF: N to MOF: A for 3.00 positions and other current

1 expenses to continue to assist in the establishment and operations of voluntary family
2 planning projects offering comprehensive family planning methods and services. (-3.00
3 positions and -\$2.2M; MOF: N) (3.00 positions and \$1.6M; MOF: A)

- 4 • The Emergency Medical Services and Injury Prevention Systems Branch is requesting
5 additional general funds to meet collective bargaining requirements and recurring
6 personnel cost for the service providers contracted to provide pre-hospital emergency
7 medical service. (\$15.7M; MOF: A)

- 8 • The Emergency Medical Services and Injury Prevention Systems Branch is also
9 requesting additional general funds to meet recurring other current expenses cost
10 requirements for the service providers contracted to provide pre-hospital emergency
11 medical service. (\$3.9M; MOF: A)

12
13 Environmental Health Administration:

- 14 • The Environmental Management Division is requesting an increase appropriation ceiling
15 for the Water Pollution Control Revolving Loan Fund (Clean Water State Revolving
16 Fund; CWSRF) to enable full utilization of loan funds for water pollution control
17 infrastructure. The funding enables construction of water pollution control infrastructure
18 to protect and abate pollution of ground and coastal water resources and to protect and
19 promote public health and safety in the State of Hawaii. (\$50M; MOF: W)
- 20 • The Environmental Management Division is also requesting a one-year increase of \$5M
21 in appropriation ceiling for the Deposit Beverage Container Special Fund. This non-
22 recurring increase will enable transition of annual start date from July to August for

1 recycler contracts to avoid delays in payment. This will enable the DBC program to
2 avoid a delay in invoice payments to the recycling companies. (\$5M; MOF: B)

3
4 Behavioral Health Administration:

- 5 • The Developmental Disabilities Division is requesting to extend and increase the
6 expenditures ceiling for Intellectual and Developmental Disabilities (I/DD) Medicaid
7 Waiver Administrative Claiming Special Fund per Act 165, SLH 2019. The expenditure
8 ceiling in Act 165, SLH 2019 is set at \$900,000 for FY 2020. The request is to make this
9 special fund recurring in Department of Health-Developmental Disabilities Division's
10 (DOH-DDD) base budget beyond FY2020, and request to increase the expenditure
11 ceiling from the current \$900,000 to \$2,500,000. This will allow the DOH-DDD to
12 maximize the use of federal Medicaid administrative claiming to operate HCBS waiver
13 for persons with intellectual and developmental disabilities (I/DD), and ensure
14 compliance with all federal Medicaid requirements. In addition, the new expenditures
15 ceiling includes the estimates of Special Fund Assessments Pursuant to Sections 36-27
16 and 36-30, HRS. (\$2.5M; MOF: B)
- 17 • The Adult Mental Health Division is requesting a time limited increase in the
18 appropriation ceiling for the Mental Health and Substance Abuse Special Fund for
19 implementation of new pilot services on a fee basis and for related improvements that
20 expand short term-stabilization beds, mental health crisis diversion and related intensive
21 case management services. (\$10M; MOF: B)

1 General Administration:

- 2 • The Executive Office on Aging (EOA) is requesting to add \$1.5M in general funds for
3 the Kupuna Caregiver Program (KCGP). Act 126, SLH 2019 revised the KCGP benefit
4 to qualified caregivers from \$70 per day to a maximum of \$210 per week. With the
5 flexibility of a weekly allotment and the directive to serve additional caregivers
6 statewide, EOA projects to serve an additional 95 new individuals for a total of 155
7 caregivers/care recipients per year in FY20 and would like to continue in FY21 and
8 beyond. (1.5M; MOF: A)
- 9 • The EOA is also requesting to extend the Executive Office on Aging Administrative
10 Claiming Special Fund beyond FY 2020. Act 089, SLH 2019 established the Executive
11 Office on Aging Administrative Claiming Special Fund. EOA is requesting to extend the
12 funds beyond FY20 as it seeks to obtain Federal matching funds on administrative
13 expenditures incurred by the ADRC that pertain to Medicaid administrative activities.
14 (\$1.4M; MOF: B)

15

16 Capital Improvement Projects:

- 17 • In FY21, \$7,090,000 in construction funds is requested to close the second of two
18 landfills at Kalaupapa - the C&D (Construction and Demolition) landfill. Design is
19 already funded and in progress. The much smaller MSW (Municipal Solid Waste) landfill
20 was successfully closed in October 2016 for \$1.6 million.

- 1 • In FY21, \$860,000 in construction funds is requested to reroof the warehouse and care
2 facility at Kalaupapa. These buildings must remain in operation until there are no longer
3 patients at Kalaupapa. Design is already funded, and the project is ready to bid out.
- 4 • In FY21, \$1,930,000 is requested in design funds for fire alarm/electrical systems
5 improvements at the four major Oahu Health Centers (Diamond Head, Lanakila,
6 Leeward, Windward) and for sewer system improvements at Waimano Ridge.
- 7 Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII

JOSH GREEN
LT. GOVERNOR
STATE OF HAWAII



WILLIAM J. AILA, JR.
CHAIRMAN
HAWAIIAN HOMES COMMISSION

TYLER I. GOMES
DEPUTY TO THE CHAIRMAN

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF WILLIAM J. AILA, JR, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON FINANCE
HEARING ON JANUARY 30, 2020 AT 2:00PM IN CR 308

IN SUPPORT OF

HB 2200, RELATING TO THE STATE BUDGET

January 29, 2020

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

Thank you for the opportunity to testify on House Bill 2200, the Governor's Supplemental Budget request, which includes funding for our two (2) programs, HHL 602 – Planning and Development for Hawaiian Homesteads and HHL 625 – Administrative and Operating Support. The Governor's Supplemental Budget request for FY 2021 includes \$18,644,280 in general funds to cover the department's existing personnel, administrative and operating costs.

In addition to the request for general funds, the budget bill includes requests for \$4.824 million in special funds, \$3.74 million in trust funds, \$23.318 million in authorization to receive federal funds from the Native American Housing and Self-Determination Act (NAHASDA), and \$25 million in CIP funding for FY 2021.

The Hawaiian Homes Commission approved the "Sufficient Sums" budget request, which DHHL submitted to the Governor and the Legislature as detailed in our budget testimony that can be reviewed at: https://www.capitol.hawaii.gov/session2020/testimony/Info_Testimony_WAM-HWN_01-13-20_HHL.pdf. While DHHL's obligation to make this request is clear, the operating budget included in the Governor's Supplemental Budget request is an appropriate base line given our current staffing levels and funding.

We are most appreciative of the support given by the Legislature to the Hawaiian homes program. Thank you for your consideration of our testimony.

DAVID Y. IGE
GOVERNOR



RYKER WADA
DIRECTOR
ANDREW T. GARRETT
DEPUTY DIRECTOR

**STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES
DEVELOPMENT**

235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

January 29, 2020

**TESTIMONY TO THE
HOUSE COMMITTEE ON FINANCE**

For Hearing on Thursday, January 30, 2020
2:00 p.m., Conference Room 308

BY

RYKER WADA
DIRECTOR

**House Bill No. 2200
Relating to the State Budget**

TO CHAIR LUKE, VICE CHAIR CULLEN AND MEMBERS OF THE COMMITTEE:

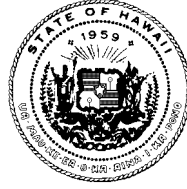
The purpose of House Bill No. 2200 is to adjust and request appropriations for Fiscal Biennium 2019-21 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs and to include appropriations from other departmental budget acts deemed necessary for program operations and capital improvements.

The Department of Human Resources Development (DHRD) **strongly supports** this measure as it relates to DHRD's supplemental budget and the inclusion of appropriations authorized by Act 57, SLH 2019.

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

CATHY BETTS
DEPUTY DIRECTOR

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

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

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 2200 – RELATING TO THE STATE BUDGET**

Hearing: January 30, 2020, 2:00 p.m.
Conference Room 308, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this bill which is the executive budget. Attached is a comprehensive spread sheet of the department's base budget for State Fiscal Year (SFY) 20 and SFY21, as well as the department's supplemental budget requests for SFY21. Also included are existing and requested Capital Improvement Projects. Below is the budget narrative that describes the department's budget highlights and our supplemental budget requests. The Hawaii Public Housing Authority will submit its own budget narrative.

PURPOSE: The purpose of this bill is to adjust and request appropriations for Fiscal Biennium 2019-21 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs and to include appropriations from other departmental budget acts deemed necessary for program operations and capital improvements.

Supplemental FY 2021 Budget Highlights: DHS uses four broad considerations in prioritizing its budget requests:

1. Preservation and improvements to the safety net:

- a. **Strengthening the response to homelessness:** To continue the gains the state has made to reduce the number of individuals and families experiencing homelessness, and the time individuals and families experience homelessness, we include requests to maintain and expand current homeless services and we propose additional after-care support services for families with minor children who exit shelters into permanent housing.
- b. **Continued support toward juvenile justice reform:** The Office of Youth Services continues efforts to transform the juvenile justice system from a punitive to a therapeutic model, and to expand services for youth at risk and young adults at risk of entering the justice system; the budget includes capital improvements to the Hawaii Youth Correctional Facility to address renovation to structures for residential juvenile re-entry and a female residential mental health program.
- c. **Improving and maintaining safety and health through services for families and children engaged with Child Welfare Services:** Hawaii's Title IV-E waiver ended with the end of the federal waiver program on September 30, 2019. Innovative services and strategies developed during the waiver period will require additional investment of state funds to maintain levels of services available during the waiver program. Pursuant to Act 177, Session Laws of Hawaii (SLH) 2018, that established the 5-year East Hawaii CWS Pilot Project, in 2019 the Legislature appropriated funds for the 4 permanent line worker positions for East Hawaii Pilot. For Supplemental FY2021, we request 2 additional positions. An Assistant Section Administrator and a Social Service Assistant V will allow supervisors to focus on clinical supervision with their line workers to support case decision making, which will also improve morale and work conditions to retain staff.
- d. **Adding nursing staff to the Adult Protective Services reporting line:** As the aging population in Hawaii increases, there has been an increase in reports of physical abuse, neglect, and financial abuse of vulnerable adults in the community; adding additional nursing staff to the adult intake unit will assist in the timely review and analysis of reports for referral to investigation or other resources.

2. Enhancing supportive services:

Supporting transition from public benefits to employment: Per Act 128, SLH 2018, the Legislature reestablished the successful Exit and Retention Bonus program for families that transition to employment and remain off public benefits; the 2018 Legislature appropriated funding for system modifications to run the program, however, funds for the benefits were not appropriated. We

request program funds to provide the benefits, the bonuses and funds for families no longer eligible to receive federal benefits.

- 3. Transforming government through continued modernization of IT systems, program redesign, program development, and human resources:**
- a. **Continued investment in the DHS Enterprise System to integrate the delivery of human services:** We are in the 2nd phase of the significant investment to upgrade the DHS Information Technology (IT) infrastructure by adding the public welfare programs to the DHS Enterprise platform initiated through the Affordable Care Act of 2010. Once integrated and operational, most public benefits will be accessible through a universal application process, with reduced determination times and errors;
 - b. **Maintenance and Security of the DHS Enterprise System:** With IT systems and, increasing threats to government IT systems, it is of utmost priority and continuing obligation to maintain and upgrade the system's operations, and to secure the system's integrity and private information of individuals; additional qualified staff and training resources are required to maintain the necessary competency and expertise; and
 - c. **Director's Office Administrative staff:** Appropriations are required to fund the permanent exempt DHS Enterprise Officer (Act 81, SLH 2019) and the temporary exempt position of limited English proficiency project manager coordinator situated in the Director's Office; these positions assist the Director and Deputy Director, and support the divisions, commissions, and attached agencies, to move DHS to an integrated and multigenerational human services delivery system and to remain compliant with federal and state civil rights laws regarding language access; the goal is to reduce time families and children spend in poverty, and to address the root causes of poverty to reduce overall poverty, and abuse and neglect in Hawaii.

4. Leveraging federal funding:

Access to federal funds for continued DHS Enterprise System development: We are strategically using federal Medicaid match funding to support the development of the integrated DHS Enterprise System, operations, security, and training.

DHS supplemental FY2021 budget requests are a result of and in support of three ongoing transformative initiatives:

- **'Ohana Nui**

Initiated in 2016, 'Ohana Nui uses a multigenerational lens to end intergenerational poverty and Act 82 (2019) amended section 26-14, HRS, to include:

"The Department shall administer programs through an integrated and multigenerational approach designed to improve the social well-being, economic security, and productivity of the people of the State and to reduce the incidence of intergenerational poverty and dependence upon public benefits."

The 'Ohana Nui philosophy is based on support for families in five social determinants of well-being:

- **Housing** – DHS incorporates the state-wide Housing First philosophy which prioritizes the placement of families and individuals experiencing homelessness into permanent housing as the priority, versus a focus on families meeting conditions or pre-requisites that were often barriers to housing placement. Research shows that housing stability is key to an individual's or family's success in other areas (i.e., sobriety, employment, wellness, education, community engagement, etc.);
- **Food and nutrition** – Whether for an individual or a family, food security must also be addressed. DHS BESSD provides SNAP to qualifying individuals and families;
- **Health and wellness** – Through our Med-QUEST division, individuals and families may be eligible for Medicaid or other benefits that support health and wellness;
- **Education and economic stability** – As education is a known driver of economic opportunity, supports provided by DHS in this area include SNAP and TANF assistance benefits from BESSD and vocational rehabilitation services from DVR; and
- **Social capital** – Research shows that an individual's or a family's ability to stay on the path to well-being and weather the difficulties that life presents are increased when they have networks of social support. Networks that encourage the development of values, skills, and behaviors consistent with the goal of long-term self-sufficiency must continually be strengthened.

Concurrently addressing the needs of the whole family places that family on a path to self-sufficiency and gives that family the best chance of breaking the intergenerational cycle of poverty that many families we serve experience. This approach aims to yield the best outcomes for individuals, families, and communities. In the long-term, as individuals and families are better able to meet their human and

economic potential, we will see families experiencing economic mobility and improved health outcomes, resulting in increased revenue to the state and cost savings by reduction of chronic diseases and other negative social impacts.

- **Strategic Plan**

In 2017, DHS embarked on its first department-wide strategic plan. The Strategic Plan is guided by article IX, section three of the Hawai'i State Constitution, the 'Aloha Spirit' statute (section 5-7.5, HRS), and the 'Ohana Nui multigenerational framework.

In fiscal year 2019, DHS continued to enhance service integration and delivery to achieve sustainable outcomes for the people we serve to improve the self-sufficiency and well-being of Hawai'i's individuals and families.

- **DHS Integrated Enterprise Solution**

DHS continues to invest in upgrading its legacy IT systems. As one of the major benefits of the financial incentives made available to states through the Affordable Care Act, once completed, the DHS Integrated Enterprise Solution will support our ability to serve residents across programs and divisions through an integrated eligibility process and case management applications. The DHS Integrated Enterprise Solution provides a vision and a means for the future that will connect residents quickly to all available resources.

In fiscal year 2019, we continued to leverage federal funds through the Affordable Care Act (90 fed/10 state match) and started the planning and development to integrate the BESSD financial, SNAP, and child care programs onto the DHS Enterprise platform that currently hosts the Med-QUEST Division's KOLEA Medicaid eligibility application.

Other transformative activities that underpin the changes at DHS are:

- **Business Process Transformation**

Throughout DHS we are transforming business processes with a customer-centered approach.

In fiscal year 2019, we continued to implement customer-centered changes among DHS business units to update and align our processes and train our staff to develop consistency in service delivery.

- **Generative Partnerships**

Generative partnerships are intrinsic to the 'Ohana Nui framework. We continue to leverage partnerships with other state agencies, private agencies, and community-based organizations to address service gaps, such as professional

development, basic and financial literacy, data analytics, and infrastructure development.

- **Organizational Change Management**

Through organizational change management and communication, DHS is reshaping its culture by preparing and working with its workforce to implement needed changes as a part of the 'Ohana Nui framework, the DHS Integrated Enterprise Solution, and business process transformation. Through organizational change management, DHS staff and partner providers are embracing these three major initiatives, to provide improved services, programs, and other necessary support to individuals and families to end intergenerational poverty in Hawai'i.

A. Non-General Funds

The reports on non-general funds for DHS pursuant to section 37-47, HRS, are contained in the link below:

<https://budget.hawaii.gov/budget/reports-to-the-legislature/1983-2/>

B. Budget Process

Divisions and attached entities submit budget requests, with rationale and prioritization, to the Director and to the Budget, Planning and Management Office (BPMO) for review. After discussion with BPMO and each division administrator, the Director prioritizes the department's budget requests by applying the budget guidelines identified above as well as a second layer of prioritization by benefits to clients, support to staff, and infrastructure improvements. The proposed budget requests are then submitted to the Department of Budget and Finance. The Department of Budget and Finance makes budget recommendations on the DHS requests for the Governor's final decisions. The proposed budget aligns with the Governor's priorities and our 'Ohana Nui framework.

C. Budget Requests

The Hawai'i Public Housing Authority will provide testimony separately.

CIP Budget Requests

Hawai'i Youth Correctional Facility (HYCF)

HMS 503 – HYCF

PRIORITY		Program ID	Description	MOF	FTE (P)	FTE (T)	\$ Amount
1	HYCF	FY21.2	HYCF Maluhia Cottage Air Conditioning and Electrical Improvements	C			780,000
2	HYCF	FY21.1	HYCF Canoe House Renovations	C			1,080,000

HYCF 1 - Maluhia Cottage Air Conditioning and Electrical Improvements

This CIP request is to fund the renovation of the Maluhia Cottage electrical and air conditioning systems and to support the creation of an eight-bed secured adjudicated female youth residential Mental Health program in partnership with the Department of Health, Child, Adolescent, and Mental Health Division. The cottage was built in 1928 as the home for the Superintendent and about a decade ago, a secure attachment was added that created cells for 17 beds. A secured compound was erected around the house, reclassifying the structure to a class III Correctional Structure. Currently, it is the residence of the HYCF Administrator as mandated by the 2009 federal consent decree. HYCF's Juvenile Justice Reform has reduced the need for the administrator to maintain a 24-hour presence on campus, and this opens opportunity for additional programming on the campus.

HYCF 2 - HYCF Canoe House Renovations

This CIP request is to fund the interior and exterior renovations of the HYCF Canoe House that was built in 1928 and to prepare to open an eight- to ten-bed transitional program for adjudicated and committed youth. In the past nine decades, the Canoe House has seen many programmatic changes to its purpose. The canoe house currently serves as the Youth Correctional Officer Training Cottage. It is already equipped with bathroom, showers, kitchen areas, and office space, but the building needs upgrades and an interior residential component.

Operating Budget Request

Office of Youth Services (OYS)

HMS 501 – OYS

PRIORITY		Program ID	Description	MOF	FTE (P)	FTE (T)	\$ Amount
6	OYS	501YA-01	Funds to continue Juvenile Justice System Improvement	A			450,000

501YA-01 - Funds to continue Juvenile Justice System Improvement

PRIORITY NO. 6

Act 201, SLH 2014, provided funding for juvenile justice reform to improve and enhance Hawaii's juvenile justice system, including strengthening community supervision and

probation practices, sustaining effective practices, and reducing the reliance on secure confinement.

The 26% reduction in admissions to the Hawaii Youth Correctional Facility (HYCF) is one of the concrete results of Act 201, SLH 2014. Act 119, SLH 2015, transferred \$600,000 from HMS503 (HYCF) to HMS501 (OYS) to invest in up-front services to strengthen the juvenile justice system reform efforts. Act 126, SLH 2015, appropriated another \$1.2M (non-recurring funds) for FB16-17 to match the initial funding of Act 201, SLH 2014. However, for FB18-19, the Legislature did not include an appropriation of \$1.2 million, resulting in decreased funding for community-based services to address truancy, substance abuse, and probation compliance.

This request will allow for the continuation of efforts to sustain improvements at various points in the juvenile justice system, including continued funding for gender specific therapeutic services in partnership with the Judiciary's 5th Circuit Girl's Court; immediate in-home family intervention services to prevent out-of-home placements for youth involved with the juvenile justice system; ongoing quality assurance process for residential and detention facility; and professional development opportunities for restorative justice.

Trade-off / Transfer & Conversion of Unbudgeted Positions Requests

DHS PRIORITY	Program ID	Description	MOF	FY2021		
				FTE (P)	FTE (T)	\$ Amount
2	OYS-HYCF	503YB-01	A			(27,120)
						27,120

This request is to re-describe two Youth Correctional Officer (YCO) positions to two Institution Farm Activity Leader positions. More farm activity leaders are needed in anticipation of creating a commercial entrepreneurship based on the HYCF Farm and Ranch. The farm unit personnel needs to increase to handle the growth of the current cattle herd and multiple farming, including hydroponic and aquaponic, projects. The transfer residual YCO salaries of \$27,120 from personal services to other current expenses will be used to offset the increased utility costs due to expansion of farming activities.

Hawai'i State Commission on the Status of Women (HSCSW)

HMS 888 – HSCSW

DHS PRIORITY		Program ID	Description	MOF	FY2021		
					FTE (P)	FTE (T)	\$ Amount
16	HSCSW	888CW-01	Address Personal Services Shortfall; Add 1.00 Perm Prog Spclt IV (92109K)	A	1.00		50,473

888CW-01 - Add 1.00 Permanent Program Specialist IV (92109K)

PRIORITY NO. 16

Additional funding in the amount of \$7,125 to cover payroll adjustments that carry over from year to year.

For current positions, DHS Fiscal Management Office Accounting Staff recommended \$7,125 be requested to cover the salaries of the Executive Director and Secretary II. By the end of FY2021, the program will be short \$7,125 in personal services.

If this request is not met, HSCSW will not be able to fully administer funds for urgent projects as instructed by section 367-3(7), HRS, and duties under section 367-3(2), HRS, to create public awareness, will be impacted. The Commission will not be able to continue its public education for governmental, nongovernmental, and community members on sex trafficking response, data collection and intervention, as well as sexual harassment prevention training. This will severely limit our coordinating role on these important issues to stop gender-based violence.

One full-time position for Program Specialist IV

The Program Specialist IV would assist the Executive Director in devising a legislative plan, drafting the plan into legislative form, gathering support for legislation, tracking and providing testimony on legislation that impacts women and girls.

This position is needed because the Commission is currently unable to meet its mandate under 367-3(1), HRS, to act as a central coordinating body for governmental and nongovernmental activities relating to the status of women, and section 367-3(3), HRS, to recommend legislative and administrative action on equal treatment for women. The Executive Director is the only staff member able to draft, research, and provide legislative testimony on law and policy reform related to women. If the Commission is unable to obtain this position, our duties and important legislation to advance women's status will not be advanced.

In 2019, the Legislature tasked the Commission with convening a Homebirth Taskforce to address the law around midwifery and collect data. The taskforce requires at least two days per week of work to prepare drafts of the required report, evaluate input, organize logistics of meetings, and travel of members. CSW has struggled to meet the demands of convening this taskforce without additional staff or funding.

Benefits, Employment & Support Services Division (BESSD)

HMS 224 – Homeless Services

The state's approach to homeless services is founded on the coordinated entry system and the Housing First model, that is to find permanent housing, and then to attend to the needs of the individual and family to maintain housing stability, through access to public services, employment, civil legal services, and appropriate healthcare.

DHS PRIORITY		Program ID	Description	MOF	FY2021		
					FTE (P)	FTE (T)	\$ Amount
7	BESSD	224HS-02	State Homeless Database and Maintenance	A			350,000
8	BESSD	224HS-01	Stored Property and Debris Removal Services for State Lands	A			5,000,000

224HS-02 - State Homeless Database and Maintenance

PRIORITY NO. 7

State Homeless and Database and Maintenance is imperative to understand the size, characteristics, and needs of the homeless population at the local, state, and national levels. This information is also used to complete various required State and Federal reports. A State Database and Maintenance system will ensure that Homeless Programs office continues to collect necessary and accurate information regarding this population.

In September, Partners in Care (PIC), Oahu’s Continuum of Care (CoC), decided to split from the statewide system with a “cloned” version of the original HMIS. The U.S. Department of Housing and Urban Development (HUD), that requires communities that receive federal funds to maintain Continuum of Care (CoC) and HMIS systems, endorsed this decision and allowed the split to occur. Non-profit organizations contracted by the DHS-Homeless Programs Office (HPO) to provide an array of homeless services throughout the state, are in geographic areas served by PIC (CoC for the City & County of Honolulu) and Bridging the Gap (BTG), the CoC for neighbor island counties. Thus, HPO data from contracted services will now be held in two separate systems maintained by the CoCs, and will now require the HPO to collect data from both CoC HMIS systems.

The State database will be utilized to collect and report data and performance measure outcomes for all DHS-HPO homeless programs Statewide.

224HS-01 - Stored Property and Debris Removal Services for State Lands
PRIORITY NO. 8

The funds requested will maintain a stored property program statewide, to address unauthorized encampments on state lands. Funds will be utilized to contract a vendor for stored property, purchase necessary supplies and equipment to support property storage and debris removal activities, and will support the installation of signage and fencing to prevent encampments from becoming established. The stored property program is critical to maintain lands under the state's jurisdiction and to prevent litigation for potential due process violations. In other jurisdictions, communities that did not have a process and program in place for stored property on public lands have been vulnerable to litigation. In light of this, maintaining temporary property storage is consistent with the evolving best practice to deal with homelessness in a compassionate and respectful manner.

HMS 903 – General Support for Self Sufficiency Services

DHS PRIORITY	BESSD	Program ID	Description	MOF	FY2021		
					FTE (P)	FTE (T)	\$ Amount
4	BESSD	903FA-02	Add'l General Funds & Federal Ceiling Increase for Homeless Shelter After-Care Services	A			570,000
				N			1,330,000
5	BESSD	903FA-01	Add'l General Funds & Federal Ceiling Increase for Exit and Retention Bonus Payments	A			225,120
				N			900,480

903FA-02 - Homeless Shelter After-Care Services

PRIORITY NO. 4

Currently, shelter services are only provided when families are temporarily residing in the shelter. The continuum of care to include after-care extended shelter services will allow families to transition and settle into longer-term housing and provide the opportunity for the families to receive additional resources, referrals, and support such as social capital to ensure they do not return to being homeless.

The requested funds will cover the after-care extended shelter services. State funded expenditures will be claimed to meet Hawaii's State TANF¹ Maintenance of Effort (MOE) requirement. We estimate about 70% of the families that may receive shelter services would be eligible for federally-funded services; therefore, 30% of the projected cost will need to be funded with general funds as these families may not be eligible for federal funds.

The requested federal funds are currently available from the Federal TANF Block Grant. Any funds carried over from the previous years can also be used for this request.

903FA-01 - General Funds and Federal Ceiling Increase for Exit and Retention Bonus Payment

PRIORITY NO. 5

Act 128, SLH 2018, re-established the Exit and Retention Bonuses program in BESSD. The 2018 Legislature appropriated funds to make required system changes to administer the program, however, it did not make an appropriation for the benefits; this request is to fund the program benefits.

Previously, the Exit and Retention Bonuses program was established under the "Reward Works" initiative in 2009. Employed TANF recipient families who successfully exit TANF due to earnings, were eligible to apply for the exit bonus. These families were also eligible to apply for additional bonuses if they maintained their employment status for 3 months, 6 months, 12 months, and 24 months. The retention bonuses increased as the retention period increased. Though highly successful, due to lack of funds, the Exit and Retention Bonuses ended in 2012.

The modifications to the HANA system are projected to complete in March 2020, and the adoption of the proposed rule amendments is projected for June 2020. The implementation of the Exit and Employment Retention Bonus Program may be

¹ Temporary Assistance for Needy Families (TANF) is federally funded, time limited, cash assistance program for families with minor children. TANF requires non-disabled parents to engage in work activities as a program requirement.

implemented in early SFY 2021, provided funds for the bonus payments are appropriated.

We estimate about 80% of the 1,050 would be eligible for federally-funded bonuses; therefore, 20% of the projected bonus payments will need to be funded with General funds. First year SFY 2021, \$900,480 should be funded with federal TANF funds and \$225,120 with general funds.²

Division of Vocational Rehabilitation (DVR)

HMS 238 – Disability Determination

DHS PRIORITY		Program ID	Description	MOF	FY2021		
					FTE (P)	FTE (T)	\$ Amount
20	DVR	238GB-01	Transfer permanent Office Assistant III 23609 position from HMS 238 to HMS 802.	N	(1.00)		(48,384)
25	DVR	238GB-02	FTE reduction from HMS238. #51830 to transferred to OIT w/general funds request. Companion to 904AA-08.	N	(1.00)		(57,324)

HMS 802 – Vocational Rehabilitation

DHS PRIORITY		Program ID	Description	MOF	FY2021		
					FTE (P)	FTE (T)	\$ Amount
20	DVR	802GA-04	Establish and Fund 1.00 Permanent SSA III Position (#23609) on Maui. Companion 238GB-01.	A	0.33		10,375
				N	0.67		33,704
21	DVR	802GA-02	State Appropriation and Conversion of Four Temporary Positions to Permanent Positions	A	1.32	(1.32)	55,784
				N	2.68	(2.68)	113,260
23	DVR	802GA-03	Correction for Position Number 15811 and Pseudo Number 92049K	A	(0.33)	0.33	
				N	(0.67)	0.67	
NA	DVR	802GA	Housekeeping – clean-up of HMS 802 FTEs	A	(0.45)		
				N	0.45		

² Please note - regarding 903FA-01 - General Funds and Federal Ceiling Increase for Exit and Retention Bonus Payment: A discrepancy was discovered in the figures on the Form A for this request. The justification was corrected based on the FY19 caseload but corrections to the requested amount were not updated on the operating cost summary. The difference in the amounts are: FY21 80 A Funds and FY21 320 N Funds; and FY22 (-10,600) A Funds, and FY22 (-45,400) in N Funds.

238GB-01 & 802GA-04 - Transfer permanent Office Assistant III 23609 position from HMS 238 to HMS 802.

PRIORITY NO. 20

The permanent Office Assistant III position (#23609) has been vacant since 2003 because HMS 238 did not receive hiring authority from the Social Security Administration, the program's funding source. In 2005, HMS 238 transitioned to electronic processing, thus, the OA III position is no longer needed to provide clerical support for the two sections.

This request is to re-describe an Office Assistant III position to a Social Service Aid III position and transfer the position from HMS 238 to HMS 802. This position is needed for DVR's Maui Branch to support individuals with disabilities in Maui County needing vocational rehabilitation services to obtain competitive integrated employment on par with individuals without disabilities. Currently, Maui County residents with disabilities have higher unemployment rates, and/or are not engaged in pursuing employment; it is a goal of DVR to build parity in Hawaii's workforce for individuals with disabilities. The SSA III position will improve DVR's efforts to provide timely and quality services to individuals with disabilities to prepare for, obtain, and maintain employment.

238GB-02 - Transfer and Adjust MOF-FTE for 1.00 Perm Information Technology Band B (51830) w/ companion request 904AA-08

PRIORITY NO. 25

Position number 51830 - Information Technology Band B, Systems Analyst was an IT position in the Division of Vocational Rehabilitation (DVR). The Social Security Administration (SSA) ceased 100% funding, MOF N, for this position effective February 28, 2019. This position is vital to DVR and needs supervision and direction from the DHS Office of Information & Technology (OIT). This request is to transfer this position from HMS802 to HMS904 with split funding, 65% MOF A and 35% MOF N.

802GA-02 - State Appropriation and Conversion of Four Temporary Positions to Permanent Positions

PRIORITY NO. 21

DVR is requesting the conversion of four (4.00) temporary positions to permanent status: 1) Position number 120668 - Office Assistant III; 2) Position number 120738 - Office Assistant III; 3) Position number 120754 - Vending Facilities Specialist III; and 4) Position number 120762 - Vocational Rehabilitation Specialist IV. The temporary positions are difficult to fill and retain because of the temporary nature and today's tight labor market. When an internal permanent position becomes available, the trend has been that individuals in the temporary position apply for and are offered a permanent position within DVR or another DHS division or State agency, leaving DVR's temporary

position vacant, initiating another recruitment process to fill the temporary position. The approval for this request for conversion will assist DVR in providing sustained services, increase the types of services and number of consumers served through the mandated partnering with the Department of Education, Department of Labor, and Department of Health. The permanent staff will assist the Division in meeting these efforts and serving additional consumers.

These four positions were authorized as 100% federally-funded by Act 103, SLH 2012. Then, these positions were converted from 100% federally-funded to split-funded (.33A/.67N) by Act 134, SLH 2013. No additional general funds, however, were provided to go along with the temporary general fund FTEs. Hence, we are also requesting general funds for these four positions.

802GA-03 - Correction for Position 15811 and Pseudo Number 92049K
PRIORITY NO. 23

This is a correction. The 2019 Legislature's budget worksheet reduced temporary FTE for position number 15811, but should have reduced the permanent FTE since it is a permanent position. The pseudo number 92049K was created to balance the FTE summary worksheet. This budget request is being submitted to correct the error and adjust the FTE count by reducing 1.00 (-0.33A/-0.67N) to the permanent FTE of position number 15811 and increasing 1.00 (0.33A/0.67N) to the temporary FTE of position number 92049K.

802GA – Clean-up of HMS 802 position FTEs

This request is for housekeeping purposes. DVR intends to adjust the Means of Financing (MOF) split of the 45 positions, changing from 0.34A / 0.66N to 0.33A / 0.67N to align with how the positions are authorized in Act 134, SLH 2013.

Med-QUEST Division (MQD)

HMS 902 – General Support for Health Care Payments

DHS PRIORITY	Program ID	Description	MOF	FY2021		
				FTE (P)	FTE (T)	\$ Amount
19	MQD	902IA-02	Delete unestablished temporary Project Manager 94563K from HMS 902	A		(7,000)
				N		(100,800)
24	MQD	902IA-01	Delete unestablished temporary System Architect 94564K from HMS 902 because the position has been budgeted and is established as permanent Information Security & Privacy Compliance Officer 122451 under HMS 904.	A		(7,500)
				N		(108,000)

902IA-02 - Transfer Unestablished Temporary Project Manager 94563K from HMS 902 to HMS 904 as a Permanent Resource Manager, Position 122450.

PRIORITY NO. 19

This is a housekeeping request to delete unestablished temporary Project Manager 94563K from HMS 902.

902IA-01 - Delete Unestablished Temporary Position from HMS 902

PRIORITY NO. 24

This request is to delete HMS 902 pseudo number 94564K System Architect because the position has been budgeted and is established as permanent Information Security & Privacy Compliance Officer 122451 under HMS 904.

Social Services Division (SSD)

Trade-off / Transfer & Conversion of Unbudgeted Positions Requests

DHS PRIORITY	BUS UNIT	Program ID	Description	MOF	FY 2021		
					FTE (P)	FTE (T)	\$ Amount
1	SSD	301SA-01	Transfer Out 11.00 Vacant Permanent Positions and Funding to HMS 901. Companion to 601TA-01 and 901MA-01.	A	(6.30)		(383,125)
				N	(4.70)		(581,722)
1	SSD	601TA-01	Transfer Out 5.00 Vacant Permanent Positions and Funding to HMS 901. Companion to 301SA-01 and 901MA-01.	A	(5.00)		(408,224)
1	SSD	901MA-01	Transfer In 16.00 Vacant Permanent Positions and Funding from HMS 301 and HMS 601. Companion to 301SA-01 and 601TA-01.	A	11.30		791,349
				N	4.70		581,722

Trade-off / Transfer & Conversion of Unbudgeted Positions Requests

This request is to transfer positions from Adult Protective and Community Services Branch (APCSB) and Child Welfare Services Branch (CWSB) to Division Administration to provide program planning support by consolidating the program development functions currently housed in APCSB and CWSB. This will combine three entities to manage and support both APCSB and CWSB line staff in program development, offering clarification, rules design, and application to reconstitute the planning function.

HMS 301 – Child Protective Services

DHS PRIORITY	BUS UNIT	Program ID	Description	MOF	FY2021		
					FTE (P)	FTE (T)	\$ Amount
1	SSD	301SA-04	Add 1.00 perm Asst. Sec. Admr. 92117K and 1.00 perm SSA V 92118K for Administrative Support of East Hawaii Child Welfare Services Section Pilot Project.	A	2.00		58,848
3	SSD	301SA-02	Increase the special fund ceiling for the Spouse and Child Abuse Special Fund to bring appropriation into alignment with Act 084 (19) for FY 21.	B			3,000,000
13	SSD	301SA-05	Business Process Redesign (BPR) - Comprehensive Child Welfare Information System (CCWIS)	A			475,000
				N			475,000

301SA-04 - Add 1.00 Permanent Assistant Section Administrator, Position 92117K, and 1.00 Permanent SSA V, Position 92118K, for Administrative Support of East Hawai'i Child Welfare Services Section Pilot Project

PRIORITY NO. 1

This request will establish an Assistant Section Administrator and a Social Service Assistant V in East Hawaii to provide the Section Administrator and Supervisors with administrative support, including but not limited to tracking and monitoring section outcomes for Continuous Quality Improvement (CQI) and Program Improvement Plan (PIP); coaching to support transfer of learning after the completion of trainings; organizing and leading targeted roll-outs of new policies; and tracking changes in practice. This will allow supervisors to focus on clinical supervision with their workers to support case decision making and case direction. The added supervision will support staff morale and retention.

301SA-02 - Increase the Special Fund Ceiling for the Spouse and Child Abuse Special Fund to Bring Appropriation in Alignment with Act 84, SLH 2019

PRIORITY NO. 3

Additional special fund ceiling for FY 21 is being requested based on Act 84, SLH 2019, for the federal reimbursements received through Title IV-E of the Social Security Act in the following fiscal year from which the Title IV-E funds were expended. The requested ceiling increase addresses the \$3,000,000 allowed by the amended statute and would augment the original revenue from the Department of Health vital records fees.

301SA-05 - Funds for Business Process Redesign

PRIORITY NO. 13

The current electronic system of Child Welfare Services Branch (CWSB) is nearly 30 years old, lacking the functional capacity to support the demands placed upon the current workforce. In preparation for the procurement and design of the new system, a Business Process Redesign (BPR) assessment of the current system will help identify gaps and remedies to streamline the business process and improve quality of services to keep children safe and strengthen families. Completing this assessment prior to the design of the new system will prevent numerous change orders after the build-out, resulting in a lower cost to the state and improved service delivery while the system is being built.

HMS 601 – Adult and Community Care Services

DHS PRIORITY		Program ID	Description	MOF	FY2021		
					FTE (P)	FTE (T)	\$ Amount
12	SSD	601TA-02	Add 1.00 Permanent RN IV to provide nursing support for adult protective services investigations in APCSB West Hawaii Section	A	1.00		\$50,742

601TA-02 - Add 1.00 permanent RN IVs to provide nursing support for adult protective services' investigations in APCSB West Hawaii Section.

PRIORITY NO. 12

West Hawaii is currently the only APCS section without a nurse on staff. Characteristics of vulnerable adults reported to APS demonstrates the need for comprehensive nursing health assessments of the vulnerable adults' health problems, functional capacity, and urgency of care needed in relation to the reported abuse. This position will fulfill the unmet vulnerable adult client needs provided by a nurse in West Hawaii.

HMS 901 – General Support for Social Services

DHS PRIORITY		Program ID	Description	MOF	FY2021		
					FTE (P)	FTE (T)	\$ Amount
22	SSD	901MA-02	Change Means of Financing for 118589 Purchase of Service Specialist, 119000 SW V, and 46378 POS Specialist and re-describe 46378 POS Specialist (Dependent on 901MA-01.)	A	1.80		95,775
				N	(1.80)		(112,939)

901MA-02 - Change Means of Financing for 118589 Purchase of Service Specialist, 119000 SW V, and 46378 POS Specialist and re-describe 46378 POS Specialist (Dependent on 901MA-01.)

PRIORITY NO. 22

We request the means of financing for the three positions be changed to 60% A/40% N because the program cannot earn federal funds at the 100% federal fund rate to cover the salaries of the positions.

DHS is requesting a transfer of position 119000 from HMS 301 to HMS 901. (Refer to companion requests 301SA 01 and 901MA 01.)

Act 49, SLH 2017 authorized the transfer of positions 118589 and 46378 from Child Protective Services (HMS 301) to General Support for Social Services (HMS901). Prior to the 2017 Legislative session, positions 118589, 46378, and 119000 were budgeted in

HMS 301 as 100% federally funded. HMS 901 cannot support 100% federally funded positions.

DHS Administration

HMS 904 – DHS General Administration

DHS PRIORITY		Program ID	Description	MOF	FY2021		
					FTE (P)	FTE (T)	\$ Amount
9	ADMIN	904AA-01	Fund 1.00 Perm Exempt Enterprise Officer (122713) for OIT IT Modernization and DHS Transformation	A	1.00		155,000
11	ADMIN	904AA-02	Add 1.00 Perm HR Specialist IV (92106K) for HRO Fingerprinting	A	1.00		31,296
14	ADMIN	904AA-06	Fund 1.00 Temp Exempt Limited English Proficiency Project Manager Coordinator (120833)	A		1.00	66,468
25	ADMIN	904AA-08	Transfer and Adjust MOF-FTE for 1.00 Perm Information Technology Band B (51830) w/ companion request 238GB-02	A	0.65		37,261
				N	0.35		32,101

904AA-01 - Fund 1.00 Permanent Exempt Enterprise Officer, Position 122713, for IT Modernization and DHS Transformation

PRIORITY NO. 9

Position number 122713 - Enterprise Officer (EO) is essential for the coordination, strategic direction, planning, management, and oversight of all IT initiatives that include but are not limited to governance issues, data analytics, business process transformation, organization change management, and IT workforce training initiatives. The EO oversees the department's data, enterprise architecture, project portfolio, information security, technological and applications infrastructure, and the network. Act 81, SLH 2019, established the permanently exempt position.

904AA-02 - Add 1.00 Permanent HR Specialist IV (92106K) for HR Fingerprinting

PRIORITY NO. 11

Position number 92106K – HR Specialist IV will be responsible for conducting comprehensive background checks, including Federal Bureau of Investigation (FBI) fingerprint background checks, as required by Internal Revenue Service (IRS) Publication 1075 and section 346-2.5, HRS, for all individuals selected to fill any of the department's approximate 650 positions required to access federal tax information, and approximately 150 individual background checks for recertification, required every ten

years. This request includes funds for the fees and costs associated with the fingerprinting process and FBI document retrieval, estimated at \$23.70 per background check. DHS must have adequate, trained HR staff to conduct thorough background checks, thereby mitigating potential negligent hiring claims and ensuring that the interests of our clients and the public are protected.

904AA-06 - Fund 1.00 Temporary Exempt Limited English Proficiency Project Manager Coordinator, Position 120833

PRIORITY NO. 14

Position number 120833 – Limited English Proficiency Project Manager Coordinator. Title VI of the Civil Rights Act of 1964 and sections 321 C-1 to 7, HRS, prohibits discrimination based on a person's race, color, or national origin in programs and activities that receive federal financial assistance. The federal and state laws include requirements to provide meaningful access to DHS programs and services for LEP applicants, requiring translation of all vital documents for applicants. This position shall be responsible for determining language needs for DHS clients and applicants for benefits and services; establishing and maintaining policies and procedures addressing service delivery to LEP individuals; developing proficiency standards and implementing formal procedures for the assessment and certification of interpreter and/or translator proficiency levels; improving and expanding the network of translation and interpreter services; coordinating the identification and simplification of vital documents to be translated with the various DHS divisions; and exploring the possibility of sharing LEP resources department-wide and where feasible, with other state departments.

904AA-08 - Transfer and Adjust MOF-FTE for 1.00 Perm Information Technology Band B (51830) w/ companion request 238GB-02

PRIORITY NO. 25

Position number 51830 - Information Technology Band B, Systems Analyst was an IT position in the Division of Vocational Rehabilitation (DVR). The Social Security Administration (SSA) ceased 100% funding, MOF N, for this position effective February 28, 2019. This position is vital to DVR and needs OIT supervision and direction. This request is to transfer this position from HMS802 to HMS904 with split funding, 65% MOF A and 35% MOF N. (Also discussed above.)

DHS Overall

Federal Fund Adjustment Requests

DHS PRIORITY	BUS UNIT	Program ID	Description	MOF	FY 2021		
					FTE (P)	FTE (T)	\$ Amount
1	BESSD	224HS-10	Form FF Reconciliation	N			70,552
1	BESSD	236LC-10	Form FF Reconciliation	N			43,818
1	DVR	802GA-10	Form FF Reconciliation	N			46,605
1	MQD	902IA-10	Form FF Reconciliation	N			26,295,869
1	MQD	902IA-10	Form FF Reconciliation	P			56,013
1	SSD	301SA-10	Form FF Reconciliation	P			293,775
1	SSD	303WP-10	Form FF Reconciliation	N			1,319,986
1	SSD	901MA-10	Form FF Reconciliation	N			67,559

Form FF Reconciliation

PRIORITY NO. 1

Additional federal fund ceiling is being requested based on a comparison of federal fund appropriations under Act 5, SLH 2019 for FY21 and currently anticipated federal funds for FY21.

Thank you for your consideration of the above requests and the opportunity to provide testimony on this bill.

Department of Human Services
Program ID Totals

Prog ID or Req. No.	Program Title or Request Title	MOF	Base Budget FY20*			Base Budget FY21**			Supplemental Request FY21			FY21 Total (Base + Supplemental Request)		
			Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$
HMS 202	Aged, Blind and Disabled Payments	A	-	-	\$ 4,029,480	-	-	\$ 4,029,480	-	-	\$ -	-	-	\$ 4,029,480
HMS 204	General Assistance Payments	A	-	-	\$ 23,889,056	-	-	\$ 23,889,056	-	-	\$ -	-	-	\$ 23,889,056
HMS 204	General Assistance Payments	B	-	-	\$ 3,000,000	-	-	\$ 3,000,000	-	-	\$ -	-	-	\$ 3,000,000
HMS 206	Federal Assistance Payments	N	-	-	\$ 5,703,592	-	-	\$ 5,703,592	-	-	\$ -	-	-	\$ 5,703,592
HMS 211	Cash Support for Families Pursuing Self-Sufficiency	A	-	-	\$ 22,694,156	-	-	\$ 22,694,156	-	-	\$ -	-	-	\$ 22,694,156
HMS 211	Cash Support for Families Pursuing Self-Sufficiency	N	-	-	\$ 44,000,000	-	-	\$ 44,000,000	-	-	\$ -	-	-	\$ 44,000,000
HMS 220	Rental Housing Services	A	2.00	-	\$ 4,486,122	2.00	-	\$ 4,487,455	-	-	\$ -	2.00	-	\$ 4,487,455
HMS 220	Rental Housing Services	N	181.00	4.50	\$ 80,540,197	181.00	4.50	\$ 80,637,015	-	-	\$ -	181.00	4.50	\$ 80,637,015
HMS 220	Rental Housing Services	W	15.00	-	\$ 4,714,828	15.00	-	\$ 4,716,166	-	-	\$ -	15.00	-	\$ 4,716,166
HMS 222	Rental Assistance Services	A	2.25	-	\$ 2,089,869	2.25	-	\$ 1,089,869	-	-	\$ -	2.25	-	\$ 1,089,869
HMS 222	Rental Assistance Services	N	23.75	1.00	\$ 26,393,471	23.75	1.00	\$ 26,397,150	-	-	\$ -	23.75	1.00	\$ 26,397,150
222GB-10	Form FF Reconciliation	N									\$ 12,295,856	-	-	\$ 12,295,856
222RA (01)	Add General Funds for the State Rent Supplemental Program	A									\$ 750,000	-	-	\$ 750,000
HMS 224	Homeless Services	A	11.00	-	\$ 29,573,111	11.00	-	\$ 26,573,111	-	-	\$ -	11.00	-	\$ 26,573,111
HMS 224	Homeless Services	N	-	-	\$ 649,448	-	-	\$ 649,448	-	-	\$ -	-	-	\$ 649,448
HMS 224	Homeless Services	P	-	-	\$ 2,366,839	-	-	\$ 2,366,839	-	-	\$ -	-	-	\$ 2,366,839
224HS-10	Form FF Reconciliation	N									\$ 70,552	-	-	\$ 70,552
224HS-02	State Homeless Database and	A									\$ 350,000	-	-	\$ 350,000
224HS-01	Stored Property and Debris Removal Services for State Lands	A									\$ 5,000,000	-	-	\$ 5,000,000
HMS 229	HPHA Administration	A	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
HMS 229	HPHA Administration	N	76.00	41.00	\$ 40,373,761	76.00	41.00	\$ 40,373,761	-	-	\$ -	76.00	41.00	\$ 40,373,761
HMS 229	HPHA Administration	W	51.00	19.00	\$ 6,345,633	51.00	19.00	\$ 6,345,633	-	-	\$ -	51.00	19.00	\$ 6,345,633
229HA (01)	Establish 3.00 New Permanent Part-Time Janitorial Positions for Central Maintenance, Oahu	A								1.50	\$ 31,797	-	1.50	\$ 31,797
229HA (02)	Establish 1.00 New Permanent Part-Time Janitorial Supervisor Position for Central Maintenance, Oahu	A								0.50	\$ 11,733	-	0.50	\$ 11,733
HMS 236	Case Management for Self-	A	296.33	-	\$ 16,131,531	296.33	-	\$ 16,131,531	-	-	\$ -	296.33	-	\$ 16,131,531

Department of Human Services
Program ID Totals

Prog ID or Req. No.	Program Title or Request Title	MOF	Base Budget FY20*			Base Budget FY21**			Supplemental Request FY21			FY21 Total (Base + Supplemental Request)		
			Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$
HMS 236	Case Management for Self-	N	233.67	-	\$ 26,244,772	233.67	-	\$ 26,275,954	-	-	\$ -	233.67	-	\$ 26,275,954
HMS 236	Case Management for Self-	P	-	-	\$ 30,237	-	-	\$ 30,237	-	-	\$ -	-	-	\$ 30,237
236LC-10	Form FF Reconciliation	N									\$ 43,818	-	-	\$ 43,818
HMS 237	Employment and Training	A	-	-	\$ 469,505	-	-	\$ 469,505	-	-	\$ -	-	-	\$ 469,505
HMS 237	Employment and Training	N	-	-	\$ 1,245,750	-	-	\$ 1,245,750	-	-	\$ -	-	-	\$ 1,245,750

Department of Human Services
Program ID Totals

Prog ID or Req. No.	Program Title or Request Title	MOF	Base Budget FY20*			Base Budget FY21**			Supplemental Request FY21			FY21 Total (Base + Supplemental Request)		
			Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$
HMS 238	Disability Determination	N	49.00	-	\$ 8,183,015	49.00	-	\$ 8,197,582	-	-	\$ -	49.00	-	\$ 8,197,582
238GB (01)	Transfer permanent Office Assistant III 23609 position from HMS 238 to	N							(1.00)		\$ (48,384)	(1.00)	-	\$ (48,384)
238GB-02	FTE reduction from HMS238. #51830 to transferred to OIT w/general funds request.	N							(1.00)		\$ (91,718)	(1.00)	-	\$ (91,718)
HMS 301	Child Protective Services	A	223.30	-	\$ 36,903,174	223.30	-	\$ 36,903,174	-	-	\$ -	223.30	-	\$ 36,903,174
HMS 301	Child Protective Services	B	-	-	\$ 1,007,587	-	-	\$ 1,007,587	-	-	\$ -	-	-	\$ 1,007,587
HMS 301	Child Protective Services	N	175.20	-	\$ 44,063,972	175.20	-	\$ 44,098,588	-	-	\$ -	175.20	-	\$ 44,098,588
HMS 301	Child Protective Services	P	-	-	\$ 106,225	-	-	\$ 106,225	-	-	\$ -	-	-	\$ 106,225
301SA-01	Transfer Out 11.00 Vacant Permanent Positions and Funding to HMS 901. Companion to 601TA-	A							(6.30)		\$ (383,125)	(6.30)	-	\$ (383,125)
301SA-01	Transfer Out 11.00 Vacant Permanent Positions and Funding to HMS 901. Companion to 601TA-	N							(4.70)		\$ (581,722)	(4.70)	-	\$ (581,722)
301SA-10	Form FF Reconciliation	P									\$ 293,775	-	-	\$ 293,775
301SA-04	Add 1.00 perm Asst. Sec. Admr. 92117K and 1.00 perm SSA V 92118K for Administrative Support of East Hawaii Child Welfare	A							2.00		\$ 58,848	2.00	-	\$ 58,848
301SA-02	Increase the special fund ceiling for the Spouse and Child Abuse Special Fund to bring appropriation into alignment with Act 084 (19) for FY	B									\$ 3,000,000	-	-	\$ 3,000,000
301SA-05	Business Process Redesign (BPR) - Comprehensive Child Welfare Information System (CCWIS)	A									\$ 475,000	-	-	\$ 475,000
301SA-05	Business Process Redesign (BPR) - Comprehensive Child Welfare Information System (CCWIS)	N									\$ 475,000	-	-	\$ 475,000
HMS 302	General Support for Child Care	A	25.85		\$ 1,847,899	25.85		\$ 1,846,899	-	-	\$ -	25.85	-	\$ 1,846,899
HMS 302	General Support for Child Care	N	25.15	-	\$ 11,921,864	25.15	-	\$ 11,920,864	-	-	\$ -	25.15	-	\$ 11,920,864
HMS 303	Child Protective Services Payments	A	-	-	\$ 47,765,586	-	-	\$ 47,765,586	-	-	\$ -	-	-	\$ 47,765,586
HMS 303	Child Protective Services Payments	N	-	-	\$ 26,110,014	-	-	\$ 26,110,014	-	-	\$ -	-	-	\$ 26,110,014
303WP-10	Form FF Reconciliation	N									\$ 1,319,986	-	-	\$ 1,319,986
HMS 305	Cash Support for Child Care	A	-	-	\$ 25,011,811	-	-	\$ 25,011,811	-	-	\$ -	-	-	\$ 25,011,811

Department of Human Services
Program ID Totals

Prog ID or Req. No.	Program Title or Request Title	MOF	Base Budget FY20*			Base Budget FY21**			Supplemental Request FY21			FY21 Total (Base + Supplemental Request)		
			Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$
HMS 305	Cash Support for Child Care	N	-	-	\$ 38,530,754	-	-	\$ 38,530,754	-	-	\$ -	-	-	\$ 38,530,754
HMS 401	Health Care Payments	A	-	-	\$ 927,597,598	-	-	\$ 982,477,598	-	-	\$ -	-	-	\$ 982,477,598
HMS 401	Health Care Payments	B	-	-	\$ 1,376,660	-	-	\$ 1,376,660	-	-	\$ -	-	-	\$ 1,376,660
HMS 401	Health Care Payments	N	-	-	\$ 1,803,909,546	-	-	\$ 1,803,909,546	-	-	\$ -	-	-	\$ 1,803,909,546
HMS 401	Health Care Payments	P	-	-	\$ 13,216,034	-	-	\$ 13,216,034	-	-	\$ -	-	-	\$ 13,216,034
HMS 401	Health Care Payments	U	-	-	\$ 6,781,921	-	-	\$ 6,781,921	-	-	\$ -	-	-	\$ 6,781,921
HMS 501	In-Community Youth Programs	A	15.50	-	\$ 9,065,605	15.50	-	\$ 8,615,605	-	-	\$ -	15.50	-	\$ 8,615,605
HMS 501	In-Community Youth Programs	N	0.50	0.50	\$ 2,456,919	0.50	0.50	\$ 2,456,919	-	-	\$ -	0.50	0.50	\$ 2,456,919
501YA-01	Funds to continue Juvenile Justice System Improvement	A									\$ 450,000	-	-	\$ 450,000
HMS 503	Hawaii Youth Correctional Facility	A	105.00	-	\$ 9,964,073	105.00	-	\$ 10,082,161	-	-	\$ -	105.00	-	\$ 10,082,161
503YB (01)	Transfer residual YCO salaries to Other Current Expenses	A									\$ (27,120)	-	-	\$ (27,120)
503YB (01)	Transfer residual YCO salaries to Other Current Expenses	A									\$ 27,120	-	-	\$ 27,120
HMS 601	Adult Protective and Community	A	72.48	-	\$ 6,144,028	72.48	-	\$ 6,144,028	-	-	\$ -	72.48	-	\$ 6,144,028
HMS 601	Adult Protective and Community	N	7.02	3.00	\$ 3,986,561	7.02	3.00	\$ 3,988,661	-	-	\$ -	7.02	3.00	\$ 3,988,661
HMS 601	Adult Protective and Community	P	-	-	\$ 1,321,390	-	-	\$ 1,321,390	-	-	\$ -	-	-	\$ 1,321,390
HMS 601	Adult Protective and Community	R	-	-	\$ 10,000	-	-	\$ 10,000	-	-	\$ -	-	-	\$ 10,000
HMS 601	Adult Protective and Community	U	-	-	\$ 387,560	-	-	\$ 387,560	-	-	\$ -	-	-	\$ 387,560
601TA-01	Transfer Out 5.00 Vacant Permanent Positions and Funding to HMS 901. Companion to 301SA-	A							(5.00)		\$ (408,224)	(5.00)	-	\$ (408,224)
601TA (02)	Add 1.00 Permanent RN IV to provide nursing support for adult protective services investigations in	A							1.00		\$ 50,742	1.00	-	\$ 50,742
HMS 605	Community-Based Residential Support Services	A	-	-	\$ 17,810,955	-	-	\$ 17,810,955	-	-	\$ -	-	-	\$ 17,810,955

Department of Human Services
Program ID Totals

Prog ID or Req. No.	Program Title or Request Title	MOF	Base Budget FY20*			Base Budget FY21**			Supplemental Request FY21			FY21 Total (Base + Supplemental Request)		
			Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$
HMS 802	Vocational Rehabilitation	A	37.76	2.31	\$ 4,762,420	37.76	2.31	\$ 4,762,420	-	-	\$ -	37.76	2.31	\$ 4,762,420
HMS 802	Vocational Rehabilitation	N	69.24	4.69	\$ 14,916,778	69.24	4.69	\$ 14,932,508	-	-	\$ -	69.24	4.69	\$ 14,932,508
HMS 802	Vocational Rehabilitation	W	-	-	\$ 1,330,200	-	-	\$ 1,330,200	-	-	\$ -	-	-	\$ 1,330,200
802GA-10	Form FF Reconciliation	N									\$ 46,605	-	-	\$ 46,605
802GA (04)	Transfer in permanent Office Assistant III 23609 from HMS 238, redescribe, and change MOF	A							0.33		\$ 10,375	0.33	-	\$ 10,375
802GA (04)	Transfer in permanent Office Assistant III 23609 from HMS 238, redescribe, and change MOF	N							0.67		\$ 33,704	0.67	-	\$ 33,704
802GA-02	State Appropriation and Conversion of Four Temporary Positions to	A							1.32	(1.32)	\$ 55,784	1.32	(1.32)	\$ 55,784
802GA-02	State Appropriation and Conversion of Four Temporary Positions to	N							2.68	(2.68)		2.68	(2.68)	\$ -
802GA (BF)	Clean up of HMS 802 position FTEs	A							(0.45)			(0.45)	-	\$ -
802GA (BF)	Clean up of HMS 802 position FTEs	N							0.45			0.45	-	\$ -
802GA-03	Correction for Position Number 15811 and Pseudo Number 92049K	A							(0.33)	0.33		(0.33)	0.33	\$ -
802GA-03	Correction for Position Number 15811 and Pseudo Number 92049K	N							(0.67)	0.67		(0.67)	0.67	\$ -
HMS 888	Hawaii State Commission on the Status of Women	A	1.00	1.00	\$ 174,035	1.00	1.00	\$ 174,035	-	-	\$ -	1.00	1.00	\$ 174,035
888CW (01)	Address Personal Services Shortfall; Add 1.00 Perm Prog Spclt IV	A							1.00		\$ 50,473	1.00	-	\$ 50,473

Department of Human Services
Program ID Totals

Prog ID or Req. No.	Program Title or Request Title	MOF	Base Budget FY20*			Base Budget FY21**			Supplemental Request FY21			FY21 Total (Base + Supplemental Request)		
			Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$
HMS 901	General Support for Social Services	A	19.45	-	\$ 2,527,248	19.45	-	\$ 2,527,248	-	-	\$ -	19.45	-	\$ 2,527,248
HMS 901	General Support for Social Services	N	9.55	-	\$ 2,074,339	9.55	-	\$ 2,074,339	-	-	\$ -	9.55	-	\$ 2,074,339
901MA-01	Transfer In 16.00 Vacant Permanent Positions and Funding from HMS 301 and HMS 601. Companion to	A							11.30		\$ 791,349	11.30	-	\$ 791,349
901MA-01	Transfer In 16.00 Vacant Permanent Positions and Funding from HMS 301 and HMS 601. Companion to	N							4.70		\$ 581,722	4.70	-	\$ 581,722
901MA-10	Form FF Reconciliation	N									\$ 67,559	-	-	\$ 67,559
901MA (02)	Change Means of Financing for 118589 Purchase of Service Specialist, 119000 SW V, and 46378 POS Specialist and redescribe 46378	A							1.80		\$ 95,775	1.80	-	\$ 95,775
901MA (02)	Change Means of Financing for 118589 Purchase of Service Specialist, 119000 SW V, and 46378 POS Specialist and redescribe 46378	N							(1.80)		\$ (112,939)	(1.80)	-	\$ (112,939)
HMS 902	General Support for Health Care	A	136.50	5.70	\$ 16,223,893	136.50	5.70	\$ 14,953,093	-	-	\$ -	136.50	5.70	\$ 14,953,093
HMS 902	General Support for Health Care	B	0.56	-	\$ 1,542,576	0.56	-	\$ 1,542,576	-	-	\$ -	0.56	-	\$ 1,542,576
HMS 902	General Support for Health Care	N	144.69	19.30	\$ 54,221,657	144.69	19.30	\$ 54,237,783	-	-	\$ -	144.69	19.30	\$ 54,237,783
HMS 902	General Support for Health Care	P	-	-	\$ 843,987	-	-	\$ 843,987	-	-	\$ -	-	-	\$ 843,987
902IA-10	Form FF Reconciliation	N									\$ 26,295,869	-	-	\$ 26,295,869
902IA-10	Form FF Reconciliation	P									\$ 56,013	-	-	\$ 56,013
902IA (07)	Delete unestablished temporary Project Manager 94563K from HMS	A							(0.10)		\$ (7,000)	-	(0.10)	\$ (7,000)
902IA (07)	Delete unestablished temporary Project Manager 94563K from HMS	N							(0.90)		\$ (100,800)	-	(0.90)	\$ (100,800)
902IA-01	Delete unestablished temporary System Architect 94564K from HMS 902 because the position has been budgeted and is established as permanent Information Security &	A							(0.10)		\$ (7,500)	-	(0.10)	\$ (7,500)
902IA-01	Delete unestablished temporary System Architect 94564K from HMS 902 because the position has been budgeted and is established as permanent Information Security &	N							(0.90)		\$ (108,000)	-	(0.90)	\$ (108,000)
HMS 903	General Support for Self-Sufficiency	A	48.75	1.59	\$ 42,498,088	48.75	1.59	\$ 44,359,614	-	-	\$ -	48.75	1.59	\$ 44,359,614
HMS 903	General Support for Self-Sufficiency	N	44.25	1.41	\$ 68,271,830	44.25	1.41	\$ 68,933,152	-	-	\$ -	44.25	1.41	\$ 68,933,152

Department of Human Services
Program ID Totals

Prog ID or Req. No.	Program Title or Request Title	MOF	Base Budget FY20*			Base Budget FY21**			Supplemental Request FY21			FY21 Total (Base + Supplemental Request)		
			Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$
HMS 903	General Support for Self-Sufficiency	P	-	-	\$ 3,000	-	-	\$ 3,000	-	-	\$ -	-	-	\$ 3,000
903FA-02	Federal Ceiling Increase for Homeless Shelter After-Care	A									\$ 570,000	-	-	\$ 570,000
903FA-02	Federal Ceiling Increase for Homeless Shelter After-Care	N									\$ 1,330,000	-	-	\$ 1,330,000
903FA-01	Add'l General Funds & Federal Ceiling Increase for Exit and Retention Bonus Payments	A									\$ 225,120	-	-	\$ 225,120
903FA-01	Add'l General Funds & Federal Ceiling Increase for Exit and Retention Bonus Payments	N									\$ 900,480	-	-	\$ 900,480
HMS 904	General Administration - DHS	A	141.65	10.00	\$ 11,091,603	141.65	10.00	\$ 11,107,603	-	-	\$ -	141.65	10.00	\$ 11,107,603
HMS 904	General Administration - DHS	N	29.35	-	\$ 4,373,183	29.35	-	\$ 4,457,183	-	-	\$ -	29.35	-	\$ 4,457,183
HMS 904	General Administration - DHS	P	-	-	\$ 1,500	-	-	\$ 1,500	-	-	\$ -	-	-	\$ 1,500
904AA-01	Fund 1.00 Perm Exempt Enterprise Officer (122713) for OIT IT Modernization and DHS Transformation	A							1.00		\$ 155,000	1.00	-	\$ 155,000
904AA-02	Add 1.00 Perm HR Specialist IV (92106K) for HRO Fingerprinting	A							1.00		\$ 31,296	1.00	-	\$ 31,296
904AA-06	Fund 1.00 Temp Exempt Limited English Proficiency Project Manager Coordinator (120833)	A								1.00	\$ 66,468	-	1.00	\$ 66,468
904AA-08	Transfer and Adjust MOF-FTE for 1.00 Perm Information Technology Band B (51830) w/ companion request 238GB-02	A							0.65		\$ 37,261	0.65	-	\$ 37,261
904AA-08	Transfer and Adjust MOF-FTE for 1.00 Perm Information Technology Band B (51830) w/ companion request 238GB-02	N							0.35		\$ 32,101	0.35	-	\$ 32,101

Department of Human Services
Program ID Totals

Prog ID or Req. No.	Program Title or Request Title	MOF	Base Budget FY20*			Base Budget FY21**			Supplemental Request FY21			FY21 Total (Base + Supplemental Request)		
			Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$
	Department Total	All	2,273.75	115.00	\$ 3,615,308,446	2,273.75	115.00	\$ 3,667,424,071	9.00	(2.00)	\$ 54,260,649	2,282.75	113.00	\$ 3,721,684,720
	Department Total	A	1,138.82	20.60	\$ 1,262,750,846	1,138.82	20.60	\$ 1,313,905,993	9.32	1.81	\$ 8,461,172	1,148.14	22.41	\$ 1,322,367,165
	Department Total	B	0.56	-	\$ 6,926,823	0.56	-	\$ 6,926,823	-	-	\$ 3,000,000	0.56	-	\$ 9,926,823
	Department Total	N	1,068.37	75.40	\$ 2,308,171,423	1,068.37	75.40	\$ 2,309,130,563	(0.32)	(3.81)	\$ 42,449,689	1,068.05	71.59	\$ 2,351,580,252
	Department Total	P	-	-	\$ 17,889,212	-	-	\$ 17,889,212	-	-	\$ 349,788	-	-	\$ 18,239,000
	Department Total	R	-	-	\$ 10,000	-	-	\$ 10,000	-	-	\$ -	-	-	\$ 10,000
	Department Total	U	-	-	\$ 7,169,481	-	-	\$ 7,169,481	-	-	\$ -	-	-	\$ 7,169,481
	Department Total	W	66.00	19.00	\$ 12,390,661	66.00	19.00	\$ 12,391,999	-	-	\$ -	66.00	19.00	\$ 12,391,999
	* & **													
Note 1: In accordance with E.M. 19-02, Act 5/19, Act 113/19, and Act 62/19 are included as part of the budget base for the Governor's decisions for the 2020 Legislative session. Separate Form As were not submitted for Act 62/19 HMS 222 \$1,000,000 A and HMS 224 \$13,800,000 A.														
Note 2: HMS 222 and HMS 224 received specific appropriations under Act 62, SLH 2019. Act 62, SLH 2019 was excluded from the appropriation amounts shown for FY 20 and FY 21 for the Budget Briefing Testimony Table 3 but is included here.														

Department of Human Services
Program ID Totals

				FY 20 CIP Appropriation Act 040, SLH 2019	FY21 CIP Requests Governor's Decision
Prog ID	Program Title	Project Title	MOF	\$\$\$	\$\$\$
HMS 220	Rental Housing Services	Lump Sum Public Housing Development, Improvements, and Renovations, Statewide	C	\$ 20,000,000	\$ 20,000,000
HMS 220	Rental Housing Services	HPHA School Street Predevelopment, Oahu	C		\$ 2,500,000
HMS 503	Hawaii Youth Correctional Facility	HYCF Campus Improvements, Planning, Oahu	C	\$ 800,000	
HMS 503	Hawaii Youth Correctional Facility	HYCF Sewer Improvements, Oahu	C	\$ 600,000	
HMS 503	Hawaii Youth Correctional Facility	HYCF Water System Improvements, Oahu	C	\$ 900,000	
HMS 503	Hawaii Youth Correctional Facility	HYCF Gym Foundation Repairs, Oahu	C	\$ 225,000	
HMS 503	Hawaii Youth Correctional Facility	HYCF Maluhia Cottage Air Conditioning and Electrical Improvements, Oahu	C		\$ 780,000
HMS 503	Hawaii Youth Correctional Facility	HYCF Canoe House Renovations, Oahu	C		\$ 1,080,000
HMS 802	Vocational Rehabilitation	Ho'opono Floodzone Remediation, Oahu	C	\$ 811,000	
Department Total			C	\$ 23,336,000	\$ 24,360,000

DAVID Y. IGE
GOVERNOR

JOSH GREEN
LIEUTENANT GOVERNOR



SCOTT T. MURAKAMI
DIRECTOR

ANNE EUSTAQUIO
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: dlir.director@hawaii.gov

January 27, 2020

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

Date: Thursday, January 30, 2020
Time: 2:00 p.m.
Place: Conference Room 308, State Capitol

From: Scott T. Murakami, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. No. 2200 RELATING TO THE STATE BUDGET

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

My name is Scott T. Murakami, and I am the Director of the Department of Labor and Industrial Relations. I am testifying in strong support of the department's budget contained in SECTION 31 on pages 64-67.

The following are brief descriptions of the department's supplemental budget requests for your consideration.

1. Unemployment Insurance Division (UI, LBR171)—Modernization Project

DLIR is seeking an additional \$1,000,000 to the \$3,000,000 already appropriated in the biennium budget to pay Idaho for converting the mainframe system and data to Idaho's free, cloud-based solution developed for benefits, employer contributions, and quarterly tax applications.

2. Unemployment Insurance Division (UI, LBR171)—Staffing Support

The department is seeking general fund support for staff and facilities to maintain current levels of service and retain the capacity to ramp up benefits distribution in the event of an economic downturn. UI has used \$4.1 million dollars from the Special Unemployment Insurance Administration (SUIA) fund to sustain services for the past three years. The special fund is nearing depletion and cannot be relied upon to provide

support of the current level of staffing and facilities as federal funding continues to decrease.

3. Administrative Services Office (ASO, LBR902) — Departmental IT Modernization

DLIR is requesting \$500,000 in funding to design and implement a web services infrastructure that would interface existing applications to new cloud based systems. In addition to supporting the DCD and UI modernization projects, the departmental IT modernization initiative will improve the service and performance provided by other DLIR offices.

4. Office of Community Services (OCS, LBR903) — Staffing Support

The department is requesting an additional two positions and the upgrade of two existing positions to accommodate the increase in GIA administration workload.

We look forward to continuing to work with the Committee and staff to support our requests to preserve and enhance our services to the community.

Thank you for the opportunity to testify on these important matters.

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**

**Thursday, January 30, 2020
2:00 PM
State Capitol, Conference Room 308**

**In consideration of
HOUSE BILL 2200
RELATING TO THE STATE BUDGET**

House Bill 2200 (HB2200) proposes to appropriate funds for the operating and capital improvement budgets of the State Executive Branch for supplemental Fiscal Year (FY) 2020-2021. **The Department of Land and Natural Resources strongly supports this Administration measure to preserve, and in part, supplement base funding for the Department's programs and mandates.**

Thank you for the opportunity to comment on this measure.

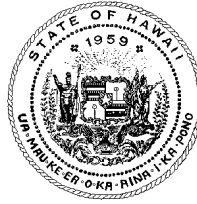
SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
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

DAVID Y. IGE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF PUBLIC SAFETY
919 Ala Moana Boulevard, 4th Floor
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NOLAN P. ESPINDA
DIRECTOR

Maria C. Cook
Deputy Director
Administration

Shari L. Kimoto
Deputy Director
Corrections

Renee R. Sonobe Hong
Deputy Director
Law Enforcement

No. _____

TESTIMONY ON HOUSE BILL 2200
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

Thursday, January 30, 2020; 2:00 p.m.
State Capitol, Conference Room 308

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

The Department of Public Safety (PSD) **supports** House Bill (HB) 2200, which details the Department's Supplemental Fiscal Year (FY) 2021 Budget Request for operating and capital improvement appropriations.

HB 2200 also details the amendments to Act 5, Session Laws of Hawaii 2019, adding \$3,600,000 to PSD's operating budget for FY 2020, and 42.50 positions and \$10,318,128 in FY 2021 for all means of financing to the Department's base budget.

The operating budget request includes the cost-neutral transfer of funds; positions and funds to increase the shift relief factor for essential positions at Maui Community Correctional Center (MCCC); operational costs related to the Commission on Accreditation for Law Enforcement Agencies (CALEA) accreditation; funds for 18 recreation cages at Halawa Correctional Facility (HCF); conversion to permanent of 9.0 special project positions for pretrial reform, as required by Act 179, SLH 2019; additional salary funds for physicians, psychiatrists, and clinical

psychologists; 10.50 additional registered nurses for neighbor island facilities; as well as funds for public safety operational requirements.

The Department's Law Enforcement Division request also includes 1.0 position and funds for the Narcotics Enforcement Division's prescription drug monitoring program (PDMP), a fund ceiling increase for the Sheriffs Division-Airport Section, and additional funds for PSD law enforcement for the taser acquisition program.

The Capital Improvement Projects (CIP) and Program funding requested for PSD for FY 2020 is \$26,000,000, as appropriated under Act 40, SLH 2019, with \$58,000,000 requested for FY 2021 under this current supplemental budget request.

The breakdown of the CIP funding appropriation for FY 2020 under Act 40, SLH 2019 includes the following:

- | | |
|--|--------------|
| (1) <i>Maui Community Correctional Center, Maui</i> | \$ 8,000,000 |
| Scope: Repairs, Improvements and Upgrades affecting Security, Housing and Infrastructure affected by the March 2019 MCCC Riot. | |
| (2) <i>PSD General Lump Sum CIP, Statewide</i> | \$15,000,000 |
| Scope: Urgent and immediate repairs, and improvements to address American Disability Act (ADA) Compliance, Health & Safety Violations, and Infrastructure and Facility repairs and upgrades. | |
| (3) <i>PSD Facility-wide Repairs and Deferred Maintenance (FY20) and related support and Improvements, Statewide</i> | \$ 3,000,000 |

Funding requested under HB2200 for the FY 2021 Supplemental Budget includes the following:

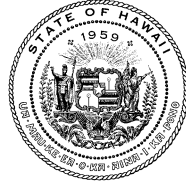
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|--|--------------|
| (1) <i>PSD Facility-wide Repairs and Deferred Maintenance (FY21) and related support and Improvements, Statewide</i> | \$ 3,000,000 |
| (2) <i>Halawa Correctional Facility (HCF), Consolidated Health Care Unit, Oahu</i> | \$30,000,000 |
| Scope: To consolidate all HCF Health Care Functions at a central location. | |

- (3) *Professional Services to Acquire or Construct a Replacement Facility for the Oahu Community Correctional Center (OCCC), Oahu* \$20,000,000
Scope: To provide for Professional Services and Support to PSD and the State of Hawaii, from project solicitation to project completion, for a new turnkey OCCC Facility.
- (4) *Planning for a Maui Regional Public Safety Complex, Maui* \$ 5,000,000
Scope: To provide for Professional Services and Support for a new Maui Regional Safety Complex at the Pulehunui Site at Maui.

Thank you for the opportunity to present this testimony in support of HB 2200.

DAVID Y. IGE
GOVERNOR

JOSH GREEN M.D.
LT. GOVERNOR



RONA M. SUZUKI
DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION

P.O. BOX 259
HONOLULU, HAWAII 96809
Phone: (808) 587-1540 / Fax: (808) 587-1560
Email: Tax.Directors.Office@hawaii.gov

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

From: Rona M. Suzuki, Director
Department of Taxation

Re: **H.B. 2200, Relating to The State Budget**

Date: Thursday, January 30, 2020

Time: 2:00 P.M.

Place: Conference Room 308, State Capitol

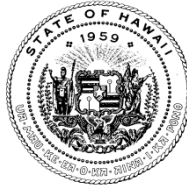
The Department of Taxation (Department) strongly supports H.B. 2200, Relating to the State Budget, which funds the operations of the Department so that we can administer the tax laws of the State of Hawaii in a fair, consistent, and efficient manner.

The Department has a total of four (4) budget requests for Fiscal Year (FY) 2021 in the Executive budget:

1. Two (2) of the requests are necessary to correct an error in previously deleted positions. No funds are associated with these positions.
2. The Department is requesting a \$400,000 appropriation increase for the Tax Administration Special Fund in FY2021. This program pursues non-compliant taxpayers in special sectors of the economy, including the cash economy and short-term rentals.
3. The Department's final request is \$250,000 in general funds for the Tax Review Commission in FY2021. By constitutional mandate, every five years, a State Tax Review Commission conducts a systematic review of Hawaii's tax structure, revenue solutions, and tax policy. The next Commission will be appointed this year and present its report prior to the 2022 legislative session. The funds will be used for administrative expenses for the Commission and contract for the performance of studies and other research.

These budget requests will help the Department achieve its goals of increased voluntary compliance, improved processing, enhanced productivity, and improved customer service. We are committed to working with the Legislature to support the taxpayers of Hawaii.

Thank you for the opportunity to provide testimony in support of this measure.



TESTIMONY BY:

JADE T. BUTAY
DIRECTOR

Deputy Directors
LYNN A.S. ARAKI-REGAN
DEREK J. CHOW
ROSS M. HIGASHI
EDWIN H. SNIFFEN

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

January 30, 2020
2:00 pm
State Capitol, Room 308

H.B. 2200
RELATING TO THE STATE BUDGET

House Committee on Finance

The Department of Transportation **supports** H.B. 2200, which appropriates funds for the Department's operating and capital improvement programs for the FY 2021 Supplemental Budget, with the following amendments. This will ensure the Department can meet its core functions, improve operations, implement capital improvements, and carry out its mission.

The Highways Division respectfully withdraws the request in the FY 2021 Supplemental Budget to trade-off/transfer one (1.00) FTE permanent special funded position #52863, BC-05/A, Sign Painter Helper, in TRN 511 to a Motor Carrier Safety Officer IV in TRN 597, and the accompanying \$76,954 (B) funding in special funds. To avoid complications and delays, we have been advised to limit our changes within the existing designated union.

The Department also requests to include the following provisos to ensure that the Department can implement its Capital Improvement Program in the most efficient and effective manner:

"SECTION XX.X The governor may approve the expenditure of all federal funds that are in excess of levels authorized by the legislature; provided that the governor may allow for an increase in the appropriate federal fund authorization ceiling for the program to accommodate the expenditure of such funds.

SECTION XX.X Any provision of this Act to the contrary notwithstanding, the governor may approve the extension of the lapse dates for federal fund or other federal fund appropriations and appropriations of other means of financing, except general funds, deemed necessary to qualify for federal aid financing and/or reimbursement, provided in this Act or authorized by the governor pursuant to section XX.X of this Act as necessary to meet the intent of the federal grant awards."

Thank you for the opportunity to provide testimony.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
January 30, 2020 at 2:00 p.m., Room 308

By
Kalbert K. Young
Vice President for Budget and Finance/Chief Financial Officer
University of Hawai'i System

HB 2200 – RELATING TO THE STATE BUDGET

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

Thank you for the opportunity to present testimony today. The University of Hawai'i (UH) is in **support** of House Bill No. 2200, Relating to the State Budget. This bill amends the current budget act for operations and capital improvement projects of Executive Branch agencies and is also known as the Supplemental Appropriations Act of 2020.

The supplemental request and other budget information for UH was covered at the budget briefing held by the Committee on Finance in the morning of January 9, 2020. As such, we will not go into great detail into our budget request at this time although we are always available for any questions the Committee may have.

The following table shows the operating supplemental budget request as approved by the Board of Regents:

Prog ID	Description	FTE	\$\$\$
UOH100	UHealthy: Establish MD cohort on Maui	8.00	\$ 1,400,000
UOH100	Athletics: Convert positions to General Fund	43.00	\$ -
UOH100	Mental Health: Five Licensed Psychologists	5.00	\$ 750,000
UOH210	Security: Complete the transition of security force to being completely comprised of civil service employees	8.00	\$ 324,624
UOH210	New Program: B.S. in Aeronautical Sciences program	4.00	\$ 370,000
UOH210	Student Success: Case Manager, Retention Specialist, and Financial Aid Outreach Specialist	3.00	\$ 180,000
UOH210	Student Success: Employ students as Learning Assistants, Peer Tutors, and Peer Advisors		\$ 200,000
UOH210	Mental Health: One Licensed Psychologist	1.00	\$ 150,000
UOH210	Educational and Cultural Programming at Hale Pohaku or other suitable venue, Maunakea Visitor Information Station, and Imiloa	8.00	\$ 1,211,120
UOH700	Student Success: Admin Assistant for Early College transition and funds for Student Help Payroll	1.00	\$ 347,000

UOH700	Compliance, Food Sustainability, IT Specialist (Distance Ed), Travel/Hospitality Asst Prof	4.00	\$ 272,000
UOH700	New Programs: Creative Media and Facilities Management	4.00	\$ 252,000
UOH700	Five Security Officer, one Janitor, one Garden Manager, one Lab Manager	8.00	\$ 368,000
UOH700	Mental Health: One Licensed Psychologist	1.00	\$ 150,000
UOH800	New Facilities: KapCC Culinary Institute of the Pacific Phase I. One Custodian, one General Laborer, utilities and facility maintenance costs	2.00	\$ 465,780
UOH800	New Facilities: LeeCC Waianae Ed Center. One Custodian, one Security Officer, utilities and facility maintenance costs	2.00	\$ 101,096
UOH800	New Facilities: HawCC Palamanui Ed Center. One Custodian, one Building Maintenance Worker, two Security Officers, utilities and various maintenance costs.	4.00	\$ 491,620
UOH800	Security: Positions and funds to provide 24/7 coverage at each campus.	32.00	\$ 1,223,040
UOH800	Student Success: Hiring of Student Tutors and Mentors		\$ 500,000
UOH800	Mental Health: 12 Licensed Psychologists	12.00	\$ 1,600,000
UOH900	Hawai'i Promise Expansion to four year Institutions		\$ 17,700,000
UOH900	Office of Strategic Development and Partnership - Project Coordinator	1.00	\$ 100,000
Total		151.00	\$ 28,156,280

The following table shows the capital improvement supplemental budget request as approved by the Board of Regents:

Prog ID	Project Title	\$\$\$
UOH100	Mānoa Mini Master Plan Phase 2	\$ 66,000,000
UOH100	Renew, Improve, and Modernize	\$ 60,500,000
UOH100	Kuykendall Hall	\$ 4,000,000
UOH100	Holmes Hall	\$ 1,000,000
UOH100	Central Admin Facility with Parking	\$ 4,000,000
UOH210	Renew, Improve, and Modernize	\$ 6,000,000
UOH700	Planning Projects	\$ 500,000
UOH700	Campus Center Phase 2	\$ 35,000,000
UOH800	Capital Renewal and Deferred Maintenance	\$ 10,500,000
UOH800	HonCC Science Building	\$ 46,000,000
UOH800	WinCC Agripharmatech Bioprocessing Facility	\$ 3,000,000
UOH900	Renovations to enhance culture and education at Hale Pohaku or other suitable location that does not include a telescope	\$ 300,000
Total		\$236,800,000

We respectfully request that the \$46.0 million for the Honolulu Community College's Science Building be allocated to other UH projects as the City and County of Honolulu has indicated that they will not be ready for that building to come online in the near future.

Thank you for this opportunity to testify.



STATE OF HAWAII
Executive Office on Early Learning
2759 South King Street
HONOLULU, HAWAII 96826

January 29, 2020

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

FROM: Lauren Moriguchi, Director
Executive Office on Early Learning

SUBJECT: Measure: H.B. No. 2200 – RELATING TO THE STATE BUDGET
Hearing Date: January 30, 2020
Time: 2:00 p.m.
Location: Room 308

Bill Description: To adjust and request appropriations for Fiscal Biennium 2019-21 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs and to include appropriations from other departmental budget acts deemed necessary for program operations and capital improvements.

EXECUTIVE OFFICE ON EARLY LEARNING'S POSITION: Support

Good afternoon. I am Lauren Moriguchi, Director of the Executive Office on Early Learning (EOEL). EOEL is in strong support of funding for EDN700, EOEL's program ID, as included in H.B. 2200.

We thank the Legislature for its support of EOEL's work to increase access to high-quality early learning. EOEL is statutorily responsible for the development of the State's early childhood system that shall ensure a spectrum of high-quality development and learning opportunities for children throughout the state, from prenatal care until the time they enter kindergarten, with priority given to underserved or at-risk children.

The supplemental budget request for Program ID EDN700 includes funds for the following.

Family-child Interaction Learning Programs (FCILs) - \$300,000

FCILs are also known as pop-up preschools, traveling preschools, or parent-participation programs. They are an important component of Hawaii's system of programs for our young children (attached is a graphic explaining that landscape).

We are requesting funding for a more robust early childhood system by investing in FCILs.

- In FCILs, children and their parents/guardians attend together. Children 0-5 years old receive a good learning experience AND their parents learn how to be stronger parents, to

help sustain their children's experience at the program. In essence, you get a bigger bang for your buck.

- FCILs serve communities throughout the state and fill an important need particularly in our native Hawaiian communities. We also know through our work that a sizeable amount of families cannot or chooses not to enroll their young children in formal preschool or child care settings.
- In 2017, the Legislature appropriated funds for FCILs at 2 sites. We contracted with Partners in Development Foundation for a program at Kalihi Uka, and Keolu elementary schools. We have received positive feedback about the program at these sites.
- EOEL's budget request as approved by our governing board, the Early Learning Board (ELB) includes sustaining these 2 sites and expanding the State's investment to 4 additional sites, including an assessment tool (\$954,850).
- H.B. No. 2200 includes funding for only the 2 existing sites (\$300,000).

1.00 FTE permanent Contracts Specialist position - \$70,000

We do not have anyone in our office that focuses on budget, fiscal, and contracts work, which presents challenges.

While these are critical responsibilities, they are currently being carried by staff whose primary purposes is to support the schools – it is taking staff away from the direct support schools are asking for more and more. Early learning is an area that is new to them, and they need help figuring out what kind of things to purchase, how to set up the classroom, how to teach young children, and how to align practices across the grades. (We would have requested more Resource Teacher positions, but could not do that responsibly knowing that we've had challenges filling the 6 positions we have now. This goes back to the challenge we have of hiring qualified educators in the early learning field.)

EOEL has had to direct a steadily growing budget, which has increased from about \$300,000 to more than \$9 million in State funds in the last 6 years, not including \$6.5 million in CIP funds. We are requesting infrastructure to help us be sustainable.

- EOEL's budget request as approved by our governing board, the Early Learning Board (ELB) includes 2 contracts specialists and 2 fiscal specialists.
- H.B. No. 2200 includes funding for only 1 contracts specialist (\$70,000).

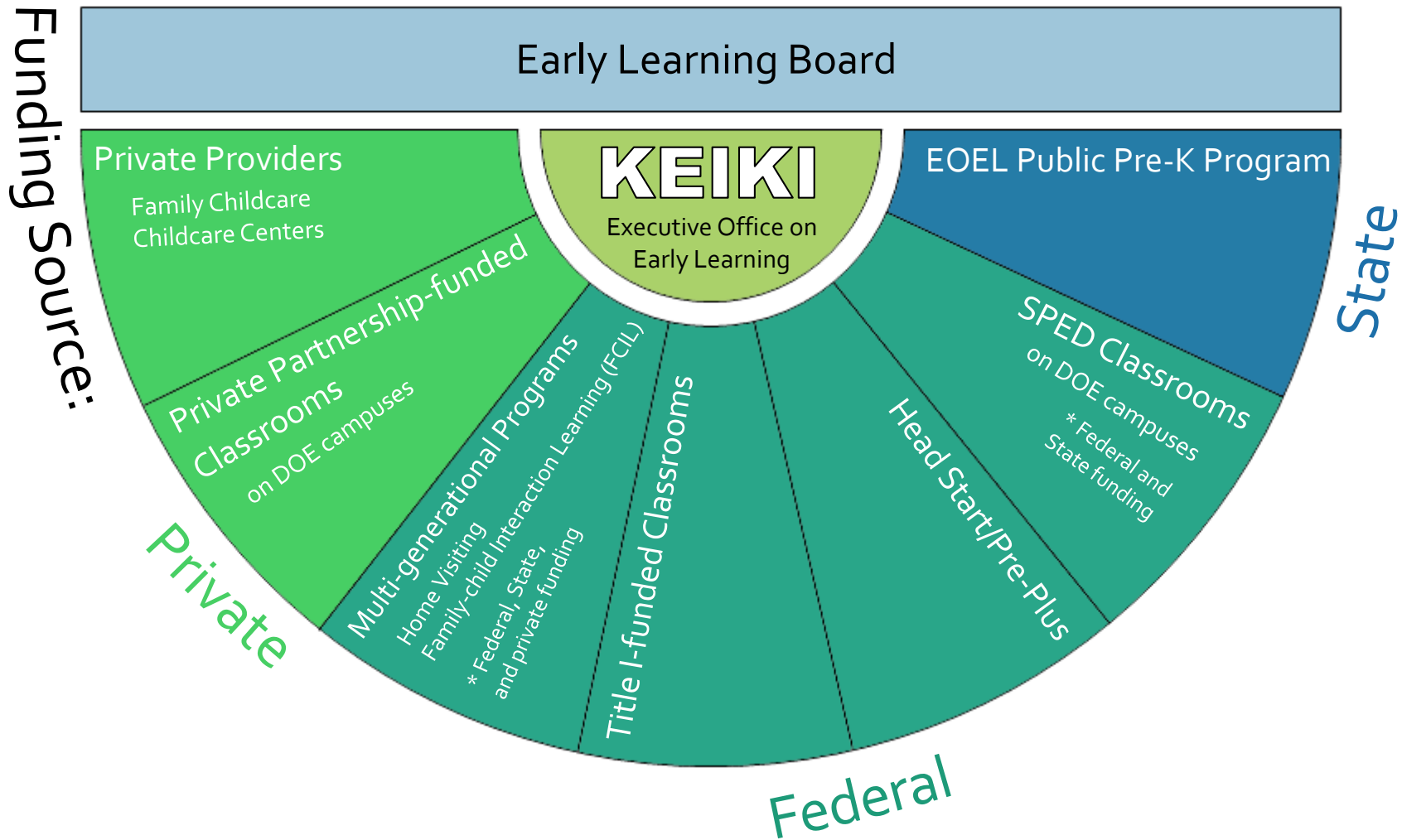
We respectfully request your consideration of the other items included in our supplemental budget request that was approved by our governing board (see attached).

- We are requesting additional positions to support our work with the schools through the EOEL Public Prekindergarten Program (i.e., fiscal specialist, contracts specialist). We need support to help ensure the high-quality program envisioned by the Legislature.
- We are requesting additional positions for the other work we are doing to fulfill our statutory responsibility to build the early childhood system (i.e., fiscal specialist, community coordinator, operations manager & secretary).
- With these positions, we would also require the associated resources and building improvement monies to accommodate them.

Thank you for the opportunity to testify on this bill. I am happy to answer any questions you may have.

The Year Before Kindergarten

in Hawai'i



LEGISLATIVE REQUESTS

For Family-Child Interaction Learning Contracts

EDN 700	FY20	FY21	FY21 Supp Request	FY21 Total
Total	\$285,000 appropriated by Act 203, SLH 2017 5% budget restriction imposed (2 public school sites)	\$0	\$954,850 to sustain 2 sites + expand to 4 additional sites + assessment tool *\$300,000 included in Governor's budget	\$954,850

LEGISLATIVE REQUESTS

For EOEL Public Prekindergarten Program

EDN 700	FY20 Base Budget	FY21 Base Budget	FY21 Supp Request	FY21 Total
Total – Operating (department + charter schools)	\$9,129,509 (45 classrooms)	\$9,600,184 (55 classrooms)	\$183,006	\$9,783,190
Total – Operating (department schools only)	\$5,129,509 (27 classrooms)	\$5,600,184 (37 classrooms)	\$183,006	\$5,783,190
Personnel	\$3,216,633	\$4,120,008 (83.00 FTE)	\$161,678 (2.00 FTE) -fiscal specialist -contracts specialist	\$4,281,686 (85.00 FTE)
Supplies, equip, other expenses	\$269,382	\$258,682	\$18,928	\$277,610
Early Learning Academy	\$759,287	\$710,472	\$0	\$710,472
Travel/Transportation	\$287,807	\$215,022	\$2,400	\$217,422
Funds provided to schools	\$596,400	\$296,000	\$0	\$296,000
Funds to Charter School Commission	\$4,000,000 (18 classrooms)	\$4,000,000 (18 classrooms)	\$0	\$4,000,000
Total - CIP	\$6,500,000	\$0	\$0	\$0

LEGISLATIVE REQUESTS

For EOEL – early childhood system-building

EDN 700	FY20 Base Budget	FY21 Base Budget	FY21 Supp Request	FY21 Total
Total	\$624,963	\$678,232	\$630,817	\$1,309,049
Personnel	\$503,146	\$576,015 (9.00 FTE)	\$485,741 (5.00 FTE) -fiscal specialist -contracts specialist -community coordinator -operations manager & secretary <i>*Contracts specialist included in Governor's budget</i>	\$1,061,756 (14.00 FTE)
Supplies, equip, other expenses	\$55,432	\$35,832	\$50,120	\$85,952
Building improvements	\$0	\$0	\$85,000	\$85,000
Travel/Transportation	\$66,385	\$66,385	\$9,956	\$76,341

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
EMAIL: oip@hawaii.gov

To: House Committee on Finance

From: Cheryl Kakazu Park, Director

Date: January 30, 2020, 2:00 p.m.
State Capitol, Conference Room

Re: Testimony on H.B. No. 2200
Relating to the State Budget

The State Office of Information Practices (OIP) testifies in support of H.B. 2200, Relating to the State Budget. In particular, OIP would like to thank the Legislature for its supplemental appropriations in prior years to help provide salary parity for OIP's employees and supports this year's biennial budget for AGS 105 for \$769,837 and 8.5 FTE positions. Mahalo.



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

235 South Beretania Street, 5TH Floor, Honolulu, HI 96813 | energy.hawaii.gov

DAVID Y. IGE
GOVERNOR

SCOTT J. GLENN
CHIEF ENERGY OFFICER

(808) 587-3807

Testimony of
SCOTT J. GLENN, Chief Energy Officer

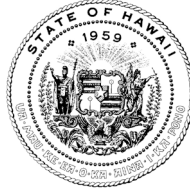
before the
HOUSE COMMITTEE ON FINANCE
Thursday, January 30, 2020
2:00 PM
State Capitol, Conference Room 308

In SUPPORT of
HB 2200
RELATING TO THE STATE BUDGET.

Chair Luke, Vice Chair Cullen and members of the Committee. The Hawaii State Energy Office (HSEO) supports HB 2200, which adjusts and appropriates funds for Fiscal Biennium 2019-21 for BED 120 operations and provides special fund and trust fund ceilings.

The adjustments for BED 120 are necessary for the HSEO to carry out its mission to promote energy efficiency, renewable energy, and clean transportation to help achieve a resilient clean energy decarbonized economy. An increase of the special fund ceiling will allow the HSEO to pay Special Fund Assessments for fiscal years 2020 and 2021, provide support for the Climate Change Mitigation and Adaptation Commission and the Greenhouse Gas Sequestration Task Force, and fund projects that promote and advance energy efficiency, renewable energy, and greater energy security and resiliency. A trust fund ceiling would serve the Volkswagen Environmental Mitigation Trust funds to implement eligible mitigation actions which aim to reduce vehicle emissions and provide solutions for clean transportation.

Thank you for the opportunity to testify.



OFFICE OF ENTERPRISE TECHNOLOGY SERVICES

P.O. BOX 119, HONOLULU, HI 96810-0119
Ph: (808) 586-6000 | Fax: (808) 586-1922
ETS.HAWAII.GOV

Testimony of
DOUGLAS MURDOCK
Chief Information Officer
Enterprise Technology Services

Before the

HOUSE COMMITTEE ON FINANCE
THURSDAY, JANUARY 30, 2020

HOUSE BILL No. 2200
RELATING TO THE STATE BUDGET

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

The Office of Enterprise Technology Services (ETS) supports this measure which is intended to adjust and request appropriations for fiscal biennium 2019-2021 funding requirements for operations and capital improvement program (CIP) projects of executive branch agencies and programs. ETS supports the operation and CIP budgets set forth in the bill and hereby submits testimony highlighting further information in support of our additional CIP requests for AGS 130 and AGS 131 (Items 21 and 22 and Items K2, K3, K4, and K5).

Enterprise Technology Services – Governance & Innovation (AGS130)

<u>INFORMATION TECH & COMMUNICATION SVCS</u>					
21.	<u>ENT TECH SVCS - GOVERNANCE & INNOVATION</u>	<u>AGS130</u>			
			35.00	*	35.00
			13.00	**	13.00
	<u>OPERATING</u>	<u>AGS</u>	20,614,698	A	20,840,360
			7.00	*	7.00
		<u>AGS</u>	1,469,669	B	1,469,669
		<u>AGS</u>	3,000,000	U	3,000,000
	<u>INVESTMENT CAPITAL</u>	<u>AGS</u>	1,800,000	C	17,000,000

This request is to appropriate operating funds to support AGS 130. This request also seeks to appropriate additional capital improvement funds for the State Finance System (Hawaii Modernization Initiative), Statewide. The purpose of this capital improvement project is to modernize and replace all the State's financial management systems for Executive Branch departments.

The State of Hawaii is executing a targeted approach to modernizing systems in core enterprise resource planning (ERP) areas. The large strategic ERP project originally envisioned has been broken into transactional pieces in order to improve the chance of success with each system.

Thus far we have modernized human resources and gross payroll administration and processing. We are currently underway with a funded and contracted effort to modernize time and leave management. The Hawaii Modernization (HiMod) Initiative supports and recognizes a modular implementation approach, whereby finance will be the third "module" or component under this modernization effort. This targeted approach will extend to modernizing the State of Hawaii's 40-year-old financial management system (FAMIS) and related applications and data warehouses. We currently project that there are over 50 systems that should be replaced by the modern financial management system.

3.00	<u>STATE FINANCE SYSTEM (HAWAII MODERNIZATION INITIATIVE), STATEWIDE PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT FOR STATE FINANCE SYSTEM.</u>	Y104	AGS130		
					1
					1
					16,997
					1
				AGS	C 17,000 C
					1
					1
					16,997
					1
					17,000
					C

A new State enterprise finance system will integrate all business management functions within a complex government environment, including planning, processing, inventory management, engineering, construction, purchasing, time and attendance, payroll, accounting and finance, human resources, and more. It will implement a full-featured financial backbone that significantly expands the State's ability to report the level of detail for budgeting, appropriation management, financial reporting, and meet current compliance standards for accounting. The State may leverage a uniform financial application for all Executive Branch departments and potentially extend services to agencies or jurisdictions who may be in similar risk situations with their fragility of their legacy-based finance applications and systems.

Enterprise Technology Services – Operations & Infrastructure Maintenance (AGS131)

22.	<u>ENT TECH SVCS - OPER & INFRASTRUCTURE MNTNCE</u>	AGS131			
			92.00	*	92.00
	<u>OPERATING</u>	AGS	15,050,939	A	15,050,939
			1.00	**	1.00
		AGS	173,560	B	173,560
			33.00	*	33.00
		AGS	3,312,584	U	3,312,584
	<u>INVESTMENT: CAPITAL</u>	AGS	5,015,000	C	6,000,000
					C

This request is to appropriate operating funds to support AGS 131. This request also seeks to appropriate additional capital improvement funds for the Lump Sum Health and Safety, Information and Communication Services Division, Statewide. The purpose of this capital improvement project is to continue with renovation, modernization, capacity upgrades, and expansion of critical microwave and radio communications facilities for first responders' communications backbone systems. The project will also provide new radio towers, equipment buildings, generator and fuel systems, air conditioning, system backup batteries, and digital microwave systems at various sites statewide. Where possible, the State will seek to collocate in existing communications facilities. The State has no radio facilities or interconnecting microwave links to support the continued and growing need for public safety radio in the Windward, North Shore, and Central Oahu areas. Similar conditions exist in West Kauai and West Hawaii.

	<u>ENT TECH SVCS - OPER & INFRASTRUCTURE MNTNCE</u>	<u>AGS131</u>	
4.00	<u>LUMP SUM HEALTH AND SAFETY, INFORMATION AND COMMUNICATION SERVICES DIVISION, STATEWIDE PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR REPAIRS, MODERNIZATION, AND EXPANSION OF CRITICAL COMMUNICATIONS SYSTEMS, INCLUDING THE STATEWIDE ANUENUE AND HAWAIIAN MICROWAVE SYSTEMS AND LAND MOBILE RADIO, STATEWIDE SHARED BLENDED RADIO SYSTEM, AND NEW RADIO SITES AND TOWERS STATEWIDE.</u>	Q102	
	PLANS		1 1
	LAND ACQUISITION		1 1
	DESIGN		447 398
	CONSTRUCTION		4,200 3,000
	EQUIPMENT		1 2,800
	TOTAL FUNDING	AGS	4,650 C 6,000 C

Communications infrastructure, such as communications towers, generators, and air conditioning systems at various sites, are reaching the end of their useful life. Renovation or replacement is necessary to ensure continued communications with improvements to strengthen the State's ability to respond to natural or man-made disasters through statewide communications network infrastructure improvements. This includes expanded communications coverage of the ANUENUE and HAWAIIAN systems to communications sites that will provide service to areas that currently lack or have insufficient coverage.

Thank you for this opportunity to provide testimony on this bill.



Written Statement of
Len Higashi
Acting Executive Director
Hawaii Technology Development Corporation
before the
House Committee on Finance
Thursday, January 30, 2020
2:00 p.m.
State Capitol, Conference Room 308

In consideration of
HB2200
RELATING TO THE STATE BUDGET.

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

The Hawaii Technology Development Corporation (HTDC) **supports** HB2200 that adjusts and request appropriations for Fiscal Biennium 2019-21 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs and to include appropriations from other departmental budget acts deemed necessary for program operations and capital improvements.

The budget requests include funding to continue HTDC grant programs. Last session, the programs were only appropriated for FY20. Thank you for the opportunity to offer these comments.



**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

547 Queen Street, Honolulu, Hawaii 96817
Web site: <http://dbedt.hawaii.gov/hcda/>

DAVID Y. IGE
GOVERNOR

JOHN WHALEN
CHAIR

AEDWARD LOS BANOS
EXECUTIVE DIRECTOR

Telephone: (808) 594-0300
Fax: (808) 587-0299

STATEMENT OF
AEDWARD LOS BANOS, EXECUTIVE DIRECTOR
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
Before the
HOUSE COMMITTEE ON FINANCE

Thursday, January 30, 2020
2:00 P.M.
State Capitol, Conference Room 308

in consideration of

HB 2200
RELATING TO THE STATE BUDGET

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

The Hawaii Community Development Authority (HCDA) **supports HB 2200**, and appreciates that it consolidates previous Acts creating a more efficient internal process.

HB 2200 provides operating expenses that ensure HCDA can continue to improve its districts by implementing HRS 206E through FY 2020-2021.

Thank you for the opportunity to testify in **support of HB 2200**.



DAVID Y. IGE
GOVERNOR

GWEN S. YAMAMOTO LAU
EXECUTIVE DIRECTOR

HAWAII GREEN INFRASTRUCTURE AUTHORITY

No. 1 Capitol District Building, 250 South Hotel Street, Suite 501, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: gems.hawaii.gov

Telephone: (808) 587-3868
Fax: (808) 587-3896

Testimony of
Gwen Yamamoto Lau
Executive Director
Hawaii Green Infrastructure Authority
before the
HOUSE COMMITTEE ON FINANCE

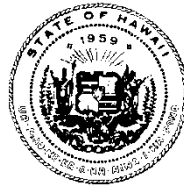
Thursday, January 30, 2020
2:00 P.M.
State Capitol, Conference Room 308

in consideration of
HOUSE BILL NO. 2200
RELATING TO THE STATE BUDGET

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

Thank you for the opportunity to testify in **support** of House Bill 2200, which appropriates funds for the Hawaii Green Infrastructure Authority's ("HGIA") (BED 138) lending ceiling, bond ceiling and operating budget for the 2021 fiscal year. This will allow HGIA to continue its green infrastructure financing programs.

Thank you for this opportunity to testify in support of HB 2200.



STATE OF HAWAII
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
HONOLULU, HAWAII 96817

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

HOUSE COMMITTEE ON FINANCE

Thursday, January 30, 2020
2:00 PM - Room 308, Hawaii State Capitol

In consideration of
HB 2200
RELATING TO THE STATE BUDGET

Honorable Chair Luke and Members of the House Committee on Finance, thank you for the opportunity to provide testimony concerning House Bill (HB) 2200, relating to the state budget.

The Hawaii Public Housing Authority (HPHA) **supports** the enactment of HB 2200. This measure looks to adjust and request appropriations for Fiscal Biennium 2019-2021 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs and to include appropriations from other departmental budget acts deemed necessary for program operations and capital improvements.

The HPHA's mission is to promote adequate and affordable housing in perpetuity, 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 disadvantaged 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.

I. Increase Federal Fund Ceiling.

For Program ID HMS222, the HPHA is requesting a federal fund ceiling increase for FY21 based on the Department of Budget and Finance/Office of Federal Awards Management method of comparing the following:

- 1) Federal fund appropriations under Act 5, SLH 2019; and
- 2) For FFs for FB 19-21 that were finalized in the Datamart/FAMS Form FF Budget Execution workflow.

Program ID	FY 20 (Gov. Approved 9/13/19)	FY 21 Form A Request	MOF
222	9,891,122	12,295,856	N

The requested ceiling increase is needed due to the anticipated grant award being more than the appropriation. The increase was approved by Governor Ige on September 13, 2019.

II. Position Requests.

- 1 A funded Permanent Part-Time Janitor Supervisor
- 3 A funded Permanent Part-Time Janitor II

These positions will look to replace current contracted custodial services at the HPHA Central Offices located at 1002 North School Street. The custodial work will be between the hours of 5:00 p.m. through 9:00 p.m. Hawaii Standard Time. Monthly, Quarterly and Semi-annual cleaning services shall be performed on a single Saturday between the hours of 7:00 a.m. and 3:30 p.m. Hawaii Standard Time.

III. Add general funds to maintain current Rent Supplement subsidies

Currently, the HPHA's State Rent Supplement Program serves 345 families at a total cost of \$1,765,571 per year. The current base appropriation of \$1,089,869 cannot support the current program participants. The HPHA is therefore requesting an additional \$750,000 for FY21 for the State Rent Supplement Program (RSP). Without this funding, the HPHA may have to suspend assistance to many participating families. The requested funding will enable the HPHA to fund 100% of the RSP participants at the current authorized rate. The RSP is one of the most cost-effective rental assistance programs the HPHA has, and participants served under the RSP include formerly homeless and at-risk homeless families, the elderly, the disabled, and very low-income households.

IV. Lump sum for public housing development, improvements, and renovations statewide

Due to the age of our housing inventory and the unpredictability of vacant unit locations and unexpected issues that often occur, the HPHA respectfully requests your consideration for a lump sum budget request (as you have appropriated in the past), which will provide the agency with the flexibility of managing and expending capital funds in an expeditious manner, and also will not disclose to contractors exactly how much funding is attached to any project. These crucial funds will provide the agency with the ability to tackle its capital needs backlog. As of December 31, 2019, the current capital repair backlog for the public housing is \$591,579,290.30. This does not include deferred maintenance which does not qualify as CIP repairs. The agency has properties that have been built over 50 plus years ago, and the issues at these properties need to be addressed.

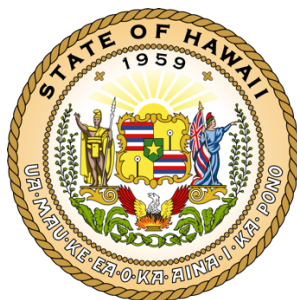
The current supplemental budget includes \$20,000,000 in lump sum CIP. This appropriation will assist to expedite major repairs and remodeling of hundreds of units. The construction projects include but limited to site improvements, ADA compliance, structural repairs, re-roofing, infrastructure upgrades, concrete spall repairs and painting.

V. \$2.5M for HPHA North School Street Predevelopment Funding

The HPHA continues to embrace innovative approaches to redevelop its aging inventory through higher density, mixed-income, mixed-use projects. The HPHA partnered with nonprofit Retirement Housing Foundation and has signed a Master Development Agreement to redevelop the HPHA administrative offices at 1002 N. School Street. The master plan has evolved with extensive input from residents, community leaders and stakeholders, elected officials, government and service agencies to envision a project that will include 800 elderly affordable rental units, HPHA offices, and retail uses that best serve the surrounding community. This funding will go towards the HPHA's share of predevelopment activities, design, entitlements and site improvements. The timeline for this project is as follows:

- 01/30/20: Engage Architect to Produce Design Development, Construction Drawings
- 02/15/20: Submit 201H Application for Zone Change
- 04/30/20: Community Engagement Meetings to Review 201H Comments
- 06/15/20: Achieve 201H Entitlements
- 08/15/20: Submit Construction Drawing Honolulu City & County DPP
- 08/15/20: Prepare and Distribute Bid Package to General Contractors for Bidding
- 09/30/20: Selection of General Contractor and Contract Negotiation
- 01/15/21: Complete Application for Tax-Exempt Bonds and Low-Income Housing Tax Credits
- 07/15/21: Receive Allocation of Tax-Exempt Bonds and Low-Income Housing Tax Credits
- 10/15/21: Complete First Financial Closing and Phase One Groundbreaking

The HPHA appreciates the opportunity to provide the Committee with the HPHA's testimony regarding HB 2200. We thank you very much for your dedicated support.



Testimony on behalf of the
Hawai'i State Commission on the Status of Women
Khara Jabola-Carolus, Executive Director

Prepared for the House Committee on Finance (FIN)

In Support of HB2200
Thursday, February 30, 2019, at 2:00 p.m. in Room 308

Dear Chair Luke, Vice Chair Cullen, and Honorable Members,

The Hawai'i State Commission on the Status of Women writes in **support** of HB2200, which would appropriate funds to the Hawai'i State Commission on the Status of Women.

The Commission is the oldest state commission devoted to advancing the status of women in the United States. For over fifty years, the Commission has worked toward equality for Hawai'i's women and girls serving as the main consultant to state and local policymakers and the central clearinghouse for women's resources. The Commission has also been instrumental in coordinating the three county commissions on women, producing statewide research, and supporting critical programs for women and girls. Since its inception in 1964, the Commission has experienced a history of both progress and existential threat by way of budget and staff reductions.

The Commission requests a total supplemental budget amount of \$50,473, of which DHS Fiscal Management Office Accounting Staff recommended \$7,125 be requested to cover the salaries of the Executive Director and Secretary II. By the end of FY2021, the program will be short \$7,125 in personal services. If this request is not met, CSW will not be able to fully administer funds for urgent projects for women and girls as instructed by section 367-3(7), HRS, and duties under section 367-3(2), HRS, to create public awareness, will be impacted.

The Commission also requests one full-time position for Program Specialist IV. The Program Specialist IV would assist the Executive Director in devising a legislative plan, drafting the plan into legislative form, gathering support for legislation, tracking and providing testimony on legislation that impacts women and girls. This position is needed because the Commission is currently unable to meet its mandate under 367-3(1), HRS, to successfully act as a central coordinating body for governmental and nongovernmental activities relating to the status of

women, and section 367-3(3), HRS, to recommend legislative and administrative action on equal treatment for women. The Executive Director is the only staff member able to draft, research, and provide legislative testimony on law and policy reform related to women. If the Commission is unable to obtain this position, our duties and important legislation to advance women's status will remain limited.

In 2019, the Legislature tasked the Commission with convening a Homebirth Taskforce to address the law around midwifery and collect data. The success of the taskforce required staff to devote at minimum two days per week to prepare drafts of the required report, evaluate input, organize logistics of meetings, and travel of members, to the detriment of existing work. CSW has struggled to meet the demands of convening this taskforce without additional staff or funding.

Accordingly, the Commission respectfully submits its budget request.

Sincerely,

Khara Jabola-Carolus

TESTIMONY OF
JAMES P. GRIFFIN, Ph.D.
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII

TO THE
HOUSE COMMITTEE ON
FINANCE

January 30, 2020
2:00 p.m.

Chair Luke and Members of the Committee:

MEASURE: H.B. No. 2200

TITLE: RELATING TO THE STATE BUDGET.

DESCRIPTION: To adjust and request appropriations for Fiscal Biennium 2019-21 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs and to include appropriations from other departmental budget acts deemed necessary for program operations and capital improvements.

POSITION:

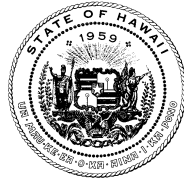
The Public Utilities Commission supports this measure.

COMMENTS:

The purposes of this bill are to: (1) adjust and request appropriations for fiscal biennium 2019-21 funding requirements for operations and capital improvement projects of executive branch agencies and programs; and (2) include appropriations from other departmental budget acts deemed necessary for program operations and capital improvements.

For the Committee's information, the relevant program appropriations for the Public Utilities Commission are located on page 106.

Thank you for the opportunity to testify on this measure.



STATE OF HAWAII
HAWAII STATE PUBLIC LIBRARY SYSTEM
OFFICE OF THE STATE LIBRARIAN
44 MERCHANT STREET
HONOLULU, HAWAII 96813

HOUSE COMMITTEE ON FINANCE
Thursday, January 30, 2020
2:00 pm
State Capitol, Room 308

By Stacey A. Aldrich
State Librarian

H.B.2200 Relating to the State Budget

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

The Hawaii State Public Library System (HSPLS) **strongly supports** H.B. 2200, which proposes additional funding to the base operating budget for HSPLS, to meet its mission to nurture a lifelong love of reading and learning through our staff, collections, programs, services and physical and virtual spaces.

HSPLS' base operating budget for Fiscal Budget 2019-2021 is comprised of \$38,512,179 and \$38,582,681 in general funds, respectively; \$1,365,244 in federal Library Service and Technology Act (LSTA) funding; and the authority to spend up to \$4,000,000 in special funds. Additional funding requested in H.B. 2200 supports HSPLS' mission, operations and public library services.

FB 2019-2021 Supplemental Budget Request: The additional funding requested by HSPLS focuses on two areas: place, and collections.

Place

Approximately twenty percent of our general fund budget is used to keep our facilities safe and operational.

\$1,000,000 additional funding for security services. Additional funds are needed to provide a higher level of security and to increase the hours of work for security attendant services at public libraries to ensure the safety of the general public and staff. In the last few months, the number of incidents both within and surrounding our library facilities has escalated.

The requested additional funding for security service will cover the difference in hourly pay between a security attendant (current class of security service in the libraries, \$12.74 per hour) and a security officer (\$17.66 per hour). The increased level of security is needed to ensure our community and facilities continue to be safe places of learning.

\$500,000 in additional Repair and Maintenance (R&M) funding. In order to adequately care for the needs of 51 library branches and two administrative offices, HSPLS must have funding to support the day-to-day repairs. With an addition of \$500,000 to the current base budget of \$1,000,000, HSPLS would be able to complete more R&M projects and remediate issues before they become more expensive problems for us to fix.

The R&M funding also provides HSPLS with an opportunity to “reboot” a library that has been closed for more substantial health and safety repair work. The CIP health and safety funding addresses repairs and renovations to our buildings; our R&M funding helps to upgrade and improve the interior portions of a library after the structural improvements are completed. For example, health and safety repairs are being made to the Liliha Public Library – repairs include reroofing, new sewer pipes and ADA-compliant bathroom, retaining wall and meeting room space repairs. Upon completion,

we will use our R&M funding to upgrade the interior to replace the old flooring, furniture and fixtures, and add security improvements. We know that when we show we care for our buildings, the public also helps us to take care of them too.

Collections

Collections are a core service and are vital for creating opportunities for our communities to have access to the resources they need to be successful.

\$250,000 for Library Collections. An additional \$250,000 is requested for library collections to bring our base budget to \$1,000,000. For a library system of 51 branches across six islands, we currently have only \$750,000 in general funds. In the past, we relied exclusively on special funds, but over the years our revenue has declined disproportionately to our costs which have increased with the need to purchase physical and digital resources for all of our communities. As a core service, the base funding for the library collection must be increased to ensure equity of access to resources across the State.

Providing Library services in the 21st century cost more than in previous times due to the expansion of formats. Public Libraries provide access to all our communities through physical and virtual collections. While we own physical copies, when we pay for digital content we are only leasing the items. Publishers have differing thresholds of when we must pay more to continue access to the publication; in other words, the cost of keeping the most popular publications that library patrons want, in our collection, will continuously rise. Providing access to electronic collections is expensive, but it also enhances our ability to provide access to the same resources to patrons through all 51 branches across six islands. We must continue to balance the physical and virtual collections, and it is vital that we have enough funding to provide the collections that our communities need.

Capital Improvement Projects (CIP)

HSPLS requests an additional \$5 million in funding for FY2021 for our backlog of Health and Safety projects and energy efficiency projects. Currently, we have \$10 million appropriated in FY20 for our Health and Safety projects, but have no appropriation for FY21. The additional \$5 million will ensure that we are able to complete projects that have already been initiated, as well as start the planning and design process for new projects.

Thank you for the opportunity to present our requested budget information to your committee.

DAVID Y. IGE
GOVERNOR



JOHN S.S. KIM
CHAIRPERSON

STATE OF HAWAII
STATE PUBLIC CHARTER SCHOOL COMMISSION
(‘AHA KULA HO‘ĀMANA)

<http://CharterCommission.Hawaii.Gov>
1111 Bishop Street, Suite 516, Honolulu, Hawaii 96813
Tel: (808) 586-3775 Fax: (808) 586-3776

FOR: HB 2200 RELATING TO THE STATE BUDGET
DATE: January 30, 2020
TIME: 2:00 P.M.
COMMITTEE: Committee on Finance
ROOM: Conference Room 308
FROM: Sione Thompson, Executive Director
State Public Charter School Commission

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

The State Public Charter School Commission (“Commission”) appreciates the opportunity to submit this testimony in **SUPPORT of HB2200**. The Commission is grateful for the continued support of this committee and the Legislature for the public charter school movement.

The Commission appreciates the committee’s inclusion of budget items provided in the proposed executive budget for both EDN 600 (public charter schools) and EDN 612 (the Commission).

As the budgetary process continues, we look forward to the opportunity to discuss additional charter school initiatives, such as strengthening the Commission’s reorganized organizational structure and supports for public charter schools.

Thank you for the opportunity to provide this testimony.

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

From: Robert G. Peters, Chair
Early Learning Board

Subject: **Measure:** H.B. No. 2200 – RELATING TO THE STATE BUDGET
Hearing Date: January 30, 2020
Time: 2:00 p.m.
Location: Room 308

Bill Description: To adjust and request appropriations for Fiscal Biennium 2019-21 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs and to include appropriations from other departmental budget acts deemed necessary for program operations and capital improvements

Early Learning Board Position: Support

I am Robert G. Peters, Chair of the Early Learning Board (ELB). Thank you for this opportunity to offer testimony on this bill.

Through Act 202, Session Laws of Hawaii 2017, ELB transitioned from an advisory to a governing board for the Executive Office on Early Learning (EOEL) and is charged with formulating statewide policy relating to early learning. We are composed of members from across the early childhood field, in both the public and private sectors.

ELB's mission is to support children's academic and lifelong well-being by directing and supporting the EOEL for an effective, coordinated, high-quality early learning system from prenatal to kindergarten entry. We support efforts that promote the development of this system for our keiki and families.

The supplemental budget request for Program ID EDN700 includes funds for the following.

Family-child Interaction Learning Programs (FCILs) - \$300,000

FCILs are also known as pop-up preschools, traveling preschools, or parent-participation programs. They are an important component of Hawaii's system of programs for our young children (attached is a graphic explaining that landscape).

We are requesting funding for a more robust early childhood system by investing in FCILs.

- In FCILs, children and their parents/guardians attend together. Children 0-5 years old receive a good learning experience AND their parents learn how to be stronger parents, to help sustain their children's experience at the program. It becomes a two-generation investment in Hawaii's future.

- FCILs serve communities throughout the state and fill an important need particularly in our native Hawaiian communities. We also know through the work of EOEL that a sizeable number of families cannot or choose not to enroll their young children in formal preschool or childcare settings.
- In 2017, the Legislature appropriated funds for FCILs at 2 sites. EOEL contracted with Partners in Development Foundation for a program at Kalihi Uka, and Keolu elementary schools. We have received positive feedback about the program at these sites.
- EOEL's budget request as approved by the Early Learning Board (ELB) includes sustaining these 2 sites and expanding the State's investment to 4 additional sites, including an assessment tool (\$954,850).
- H.B. No. 2200 includes funding for only the 2 existing sites (\$300,000).

1.00 FTE permanent Contracts Specialist position - \$70,000

The lack of a person on the EOEL staff who focuses on budget, fiscal, and contracts work presents challenges for the system-building work.

While these are critical responsibilities, they are currently being carried by staff whose primary purpose is to support the schools – it is taking staff away from the direct support schools are asking for more and more. Early learning is an area that is new to many, and they need help figuring out what kind of things to purchase, how to set up the classroom, how to teach young children, and how to align practices across the grades.

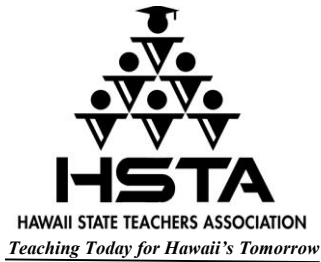
EOEL has had to direct a steadily growing budget, which has increased from about \$300,000 to more than \$9 million in State funds in the last 6 years, not including \$6.5 million in CIP funds. Infrastructure is needed to help EOEL's work to be sustainable.

- EOEL's budget request as approved by the Early Learning Board (ELB) includes 2 contracts specialists and 2 fiscal specialists.
- H.B. No. 2200 includes funding for only 1 contracts specialist (\$70,000).

The Early Learning Board respectfully requests your consideration of the other items included in the EOEL supplemental budget request as approved. (see attached).

- Requested are additional positions to support work with schools through the EOEL Public Prekindergarten Program (i.e., fiscal specialist, contracts specialist).
- These additional positions would support the other work EOEL is doing to fulfill its statutory responsibility to build the early childhood system (i.e., fiscal specialist, community coordinator, operations manager & secretary).
- These positions would also require the associated resources and building improvement monies to accommodate them.

Thank you for the opportunity to testify on this bill.



1200 Ala Kapuna Street ♦ Honolulu, Hawaii 96819
Tel: (808) 833-2711 ♦ Fax: (808) 839-7106 ♦ Web: www.hsta.org

Corey Rosenlee
President
Osa Tui Jr.
Vice President
Logan Okita
Secretary-Treasurer
Wilbert Holck
Executive Director

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

RE: HB 2200 – RELATING TO THE STATE BUDGET

THURSDAY, JANUARY 30, 2020

COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Luke and Members of the Committee:

The Hawaii State Teachers Association **supports HB 2200**, relating the state budget.

The Hawaii State Teachers Association **specifically wants to mention our support** relating the Governor's Supplemental Budget request to fund extra compensation for classroom teachers in special education, hard-to-staff geographical locations, and Hawaiian language immersion programs.

In Hawai'i, teacher turnover is high, and it continues to rise. Chronic teacher turnover, in turn, forces the department of education to rely on emergency hires and long-term substitute teachers, who are not certified teachers, to fill vacancies especially in our special education classrooms with our most vulnerable students. In the Nanakuli-Waianae Complex Area, for example, an astounding 18 out of 19 SPED teachers hired for the 2017-2018 school year did not have a special education license. This school year there are nearly 500 positions that are not filled with a licensed special education teacher, showing that this unfortunate trend has continued.

The Department of Education's ability to recruit and retain certified teachers in our Hawaiian Immersion Schools has also suffered, where this year out of 161 total positions, 107 (66%) are filled; however only 54 of the 161 (34%) are filled with qualified and licensed Hawaiian language immersion teachers.

Other hard-to-staff positions are in certain geographical areas where the teacher churn is incredibly high. Not only is it difficult for these schools to even get applicants, but they are also where most non-certified teachers are hired, leading to an inequity of certified teachers in areas with high concentrations of Native Hawaiian students,



1200 Ala Kapuna Street ♦ Honolulu, Hawaii 96819
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Corey Rosenlee
President
Osa Tui Jr.
Vice President
Logan Okita
Secretary-Treasurer
Wilbert Holck
Executive Director

compounded by the fact that most of these areas are also low-income areas, it is not acceptable.

Hawai'i continues to suffer from a shortage of certified teachers. According to the Department of Education's 2018 Data Book, the state saw 1,011 SATEP vacancies, up from 920 SATEP vacancies in 2016-2017, including a slight increase in SPED SATEP vacancies, from 290 in 2016-2017 to 311 in 2017-2018. As we have noted before, SPED teacher attrition has led to a situation in which one out of every six SPED teachers have not completed a state approved teacher education program (SATEP) and are either filled with emergency hires, substitutes, or worse, left vacant. Our teacher shortage problem is further clarified in the DOE's 2017-18 Employment Report, which shows that teacher voluntary resignations increased from 850 to 1,111 with only about 30% being due to retirement. Teacher attrition is worse in high-poverty areas, especially in special education, Hawaiian Immersion, and certain hard-to-staff geographical areas.

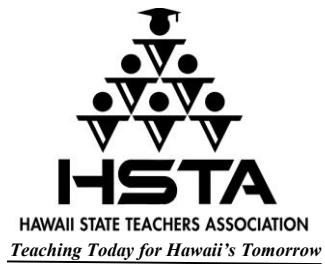
We appreciate the Governor's supplement budget request to help fund these differentials to help address our teacher shortage crisis by implementing shortage differentials for certified teachers in special education, Hawaiian Language Immersion programs, and hard-to-staff geographic locations.

As another step, we also support bills going through the legislature to address equity and compression in teacher salaries, as we believe this additional action is also necessary to retain licensed, tenured teachers who are essential to closing the student achievement gap.

These are issues that HSTA has been advocating for years to change and we know one step is funding these hard-to-staff differentials in special education, Hawaiian Immersion, and hard-to-staff geographical areas, will help with the overall plan of recruiting and retaining certified teachers, and we look forward to doing more to alleviate compression issues in teacher salary schedules as this is a deep concern and a priority for our teachers that absolutely needs to be remedied.

We need to take these steps as a state for for the thousands of public school teachers, who have spoken up, and asked for your help to end our teacher shortage crisis.

To take care of the needs of our hardworking public school teachers, and to provide our keiki with the quality education they deserve, the Hawaii State Teachers



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Vice President

Logan Okita
Secretary-Treasurer

Wilbert Holck
Executive Director

Association asks you to support these differentials included in the Governor's Supplemental Budget, along with forthcoming bills that will address the teacher salary compression issue, to help recruit and retain our teachers with the understanding that more will need to be done in the near future.



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>

**Testimony of
MICHAEL K. NĀHO'OPT'I
Executive Director**

Before the House Committee on

FINANCE

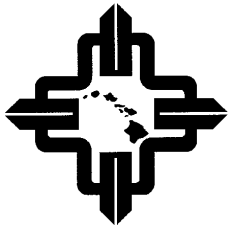
**Thursday, January 30, 2020
2:00 PM
State Capitol, Conference Room 308**

**In consideration of
HOUSE BILL 2200
RELATING TO STATE BUDGET**

House Bill 2200 appropriates funds for operating expenses of the Department of Land and Natural Resources (DLNR). The Kaho'olawe Island Reserve Commission (KIRC) strongly supports this measure.

This measure includes the continuation of KIRC operating funds (LNR 906) established in Act 113. The KIRC critically needs the continuation of these funds in the upcoming fiscal year to help support our on-island operations, continuation of our native dryland forest restoration project and maintain our KIRC boat operations.

Since the end of the Navy's unexploded ordnance cleanup in 2004, the KIRC has begun a race against time to stem erosion and further degradation of the Kaho'olawe Island Reserve. The KIRC has since initiated numerous restoration projects, financed by state funds and various grant opportunities, that has made significant changes to transforming the desolate hardpan into vibrant living landscapes. The funding in this measure will greatly contribute to our mission to restore and protect the natural and cultural resources of Kaho'olawe and provide for meaningful, safe use of island and its surrounding waters.



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Touching Lives Everyday"

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

January 30, 2020
Conference Room 308
2:00 p.m.
Hawaii State Capitol

**Testimony in Support with Requested Amendments of
House Bill 2200
RELATING TO THE STATE BUDGET
To adjust and request appropriations for Fiscal Biennium 2019-21 funding
requirements for operations and capital improvement projects of Executive
Branch agencies and programs and to include appropriations from other
departmental budget acts deemed necessary for program operations and capital
improvements.**

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 with requested amendment** of HB 2200 that adjusts and requests appropriations for Fiscal Biennium 2019-21 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs and to include appropriations from other departmental budget acts deemed necessary for program operations and capital improvements.

Hawaii Health Systems Corporation (HHSC) plays a vital role in the healthcare delivery system for the State of Hawaii. In fiscal year 2019, HHSC provided the care for approximately **12%** of all acute care discharges and **18%** of all emergency room visits statewide and was the largest provider of healthcare on the Neighbor Islands excluding the County of Maui. Additionally, HHSC's breakdown of service delivery included the following:

- For Hawaii county residents, HHSC facilities provided the care for approximately 69% of all acute care discharges and approximately 84% of all emergency room visits;
- For Kauai county residents, HHSC facilities provided the care for approximately 19% of all acute care discharges and 37% of all emergency room visits; and
- For residents of the City and County of Honolulu, the two Oahu Region facilities accounted for approximately 12% of the total inpatient licensed skilled nursing/intermediate care capacity for the county.

For HTH212, HHSC Regions, HHSC is requesting a total of \$151,968,003 for fiscal year 2021 in general fund appropriations, broken down as follows:

JUSTIFICATION FOR ADDITIONAL FUNDING REQUEST:

	FY 21
General Fund Appropriation per Act 5, 2019 Session	\$105,701,003
HHSC “Base” General Fund Request:	
Prior Collective Bargaining Raises for which roll-forward funding was not provided	\$24,080,000
Known Cumulative UPW collective bargaining raises	\$13,179,000
Increase in Fringe Benefit Rate (3%)	\$5,850,000
Inflation on Non-Payroll Expenses	\$3,158,000
TOTAL HHSC “BASE” REQUEST	\$46,267,000
Total General Fund Appropriations Requested for FY 21	\$151,968,003

As shown above, the primary basis for HHSC’s request is to fund collective bargaining raises for which no general fund appropriations were provided in HHSC’s general fund appropriations base for fiscal year 2021, as such adjustments were marked as “non-recurring” in the 2019 budget bill. During the 2017 Regular Legislative Session and the 2017 Special Legislative Session, the State negotiated pay raises as part of the collective bargaining agreements with the two public sector unions. HHSC did not approve nor negotiate these collective bargaining pay raises. The cumulative impact of the collective bargaining pay raises for fiscal years 2018 and 2019 (including fringe benefits) that is included in HHSC’s expense base is approximately \$24,080,000. In addition, the State entered into a contract with UPW for a four-year period. HHSC’s calculated cumulative value of these raises is \$13,179,000 in fiscal year 2021. Further, the State of Hawaii is currently assessing HHSC a fringe benefit rate of 63.08%, which is 3.08% higher than the 60% fringe benefit rate funded by the Legislature. Accordingly, HHSC is seeking an additional \$5,850,000 in general fund appropriations to pay this increase in fringe benefit expense over which HHSC has no control. In addition, HHSC has estimated the impact of inflation increases on non-payroll expenses (e.g. medical supplies, pharmaceuticals, clinical laboratory services, office supplies, etc.) to be between 2.3% and 4.2% depending on the expense category using a national healthcare inflation index. These inflationary increases equate to an additional

\$3,158,000 in expense increases for HHSC in fiscal year 2021. None of these items were funded in HHSC's base general fund appropriation amount of \$105,701,003.

HHSC's base request is what HHSC believes is necessary to continue to provide the same level of quality healthcare it has been providing to its communities without reducing services, as it did in 2016 when funding was not sufficient to maintain current operations.

HHSC is appreciative of the support by the Legislature to provide general fund appropriations for the operations of HHSC's facilities. The HHSC Corporate Board has approved a general fund appropriation request of \$46,267,000 for fiscal year 2021 for HTH 212, HHSC – Regions. These increases in general fund appropriations would be necessary to pay for all the increased cost pressures of mandated prior and current collective bargaining raises and healthcare inflation cost increases. This represents the amount of general fund appropriations that HHSC's facilities need just to continue providing their current level of healthcare services.

This testimony addresses only the amounts that would go to HTH 212, HHSC – Regions. We expect Kahuku Medical Center and Maui Health Systems to provide their own testimony in support of the amounts appropriated for those entities in this bill.

Thank you for the opportunity to testify on this measure **in support with requested amendments.**



OAHU REGION HAWAII HEALTH SYSTEMS CORPORATION

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

Thursday, January 30, 2020
2:00 P.M.
Conference Room 308
State Capitol
415 South Beretania Street

Derek Akiyoshi
Oahu Region Chief Executive Officer
Hawaii Health Systems Corporation

HB 2200 Relating to the State Budget

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

Thank you for the opportunity to provide testimony in regard to – Hawaii Health Systems Corporation (HHSC) FY21 Supplemental Budget Request.

During the 2019 Legislative Session, the Legislature appropriated HHSC the Base Amount of \$105.7M for FY21. This amount did not include the following additional costs of \$46.2M:¹

- Collective bargaining raises from the prior biennium of \$24M
- Known UPW raises of \$13.2M
- Healthcare inflation for non-payroll expenses based on a national healthcare index with increases ranging from 2.3-4.2% of \$3.2M
- 3% increase to the fringe benefits rate for FY21 of \$5.8M

We support HHSC's request of \$46.2M. For the reasons noted below, however, we are also requesting an additional proviso for the Oahu Region, the amount of the same being contingent upon the total amount appropriated to HHSC for FY21.

- If HHSC is appropriated \$125M, a proviso of \$8.3M
- If HHSC is appropriated \$151M (original base of \$105M plus HHSC requested amount of \$46.2M), a proviso of \$3.4M

As you are aware, HHSC submits a single base request to the Legislature each year that reflects the collective budgetary needs of all of the regions. Once an appropriation amount is

¹ This request does not include expected payroll increases for all HGEA bargaining units which are anticipated to be determined prior to the conclusion of the 2020 Legislative Session.

determined, it becomes the responsibility of HHSC and the regions to decide the manner in which the funds will be distributed. For many years, the Legislature's appropriations were distributed based on the following criteria: (a) legal mandate or mission; (b) vulnerable populations; and (c) disproportionate amount of care to vulnerable populations.

This year, however, HHSC and the three Regions other than Oahu elected to change the foregoing methodology such that the distribution is now based solely on operating revenues. In effect, the new methodology dispenses with any consideration of the vulnerable population being served by a region and relies solely on the amount of revenue a region generates. Given that over 80% of the Oahu Region's residents are financially vulnerable and dependent on Medicaid, the bulk of reimbursements received by our facilities for providing quality care are expectedly limited. This results in lower overall revenues and, relative to this analysis, a disproportionately smaller share of the Legislature's appropriations under the new methodology.

Specifically, if the Legislature declined HHSC's additional request and instead appropriated HHSC the same amount granted for FY20 (\$125M), the Oahu Region is projected to end FY21 with a cash balance deficit of \$8.3M under the new methodology. Unfortunately, even if the Legislature appropriated HHSC the full amount requested (original base of \$105M plus HHSC requested amount of \$46.2M), the Oahu Region would still be projected to end FY21 with a cash balance deficit of \$3.4M. In either circumstance, the Oahu Region would likely need to initiate cuts in service if it does not receive additional funding from the Legislature, HHSC, or any region that is anticipated to end FY21 with a positive cash balance.

Here, it should be explained that HHSC determined that the collective appropriation request this Legislative Session would be limited solely to collective bargaining raises from the prior biennium (\$24M), known UPW raises (\$13.2M), healthcare inflation for non-payroll expenses based on a national healthcare index with increases ranging from 2.3-4.2% (\$3.2M), and a 3% increase to the fringe benefits rate for FY21 (\$5.8M). Any other additional funding required by the regions would need to be separately requested by each respective region. Since the Oahu Region will experience a significant shortfall due to the new distribution methodology – even if the \$46.2M request is fully appropriated – it became necessary for the Oahu Region to request a proviso.

In short, the Oahu Region supports HHSC's request for an additional \$46.2M. Under the new distribution methodology described above, however, the Oahu Region will experience a significant budget deficit even if the \$46.2M request is fully funded. As such, in order to avoid any significant cuts in service during FY21, the Oahu Region will need additional funding from the Legislature, HHSC, or another region.

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



Community hospitals affiliated with KAISER PERMANENTE.

**REPRESENTATIVE SYLVIA LUKE, CHAIR
REPRESENTATIVE TY J.K. CULLEN, VICE CHAIR
MEMBERS OF THE HOUSE COMMITTEE ON FINANCE**

**RE: HB 2200 – RELATING TO STATE BUDGET
HEARING DATE: THURSDAY, JANUARY 30, 2020 @ 2 P.M. FIN**

ALOHA CHAIR LUKE, VICE CHAIR CULLEN AND MEMBERS OF THE COMMITTEE,

THANK YOU FOR ALLOWING ME THE OPPORTUNITY TO SUBMIT TESTIMONY REGARDING OUR 2021 BUDGET APPROPRIATION REQUEST. AS YOU ARE AWARE, ACT 103, SLH 2015, CODIFIED AS HRS CHAPTER 323F, PART IV (“ACT 103”) PROVIDES FOR OPERATING AND CAPITAL SUBSIDIES FOR MAUI HEALTH SYSTEMS (“MHS”) IN CONNECTION OF ITS OPERATION OF THE HOSPITALS. UNDER HRS §323F-58 (AND THE TERMS OF THE TRANSFER AGREEMENT) MHS MAY REQUEST SUPPORT PAYMENTS FOR ITS OPERATING COSTS NOT TO EXCEED THE AMOUNT APPROPRIATED FOR THE OPERATING COSTS OF THE MAUI REGIONAL SYSTEM FOR THE 2014 FISCAL YEAR, WHICH WAS \$38 MILLION. UNDER HRS §323F-59, MHS MAY ALSO REQUEST SUPPORT PAYMENTS FOR ITS CAPITAL EXPENDITURES DURING THE FIRST TEN (10) YEARS OF MHS’ OPERATIONS OF THE HOSPITALS IN AN AMOUNT NOT LESS THAN \$6 MILLION.

THE LAST SUBSIDY THE STATE PROVIDED TO HHSC-MAUI REGION FOR THE HOSPITALS BEFORE THE TRANSITION WAS \$36.8 MILLION. FOR THE CURRENT FISCAL YEAR, 2020, WE HAVE BEEN APPROPRIATED \$22.5 MILLION. WE ARE REQUESTING \$19 MILLION FOR THE 2021 FISCAL YEAR.

IN THE THREE YEARS SINCE THE TRANSITION, AND WITH THE SUPPORT OF THE LEGISLATURE, MHS HAS BEEN ABLE TO REDUCE ITS NEED FOR SUBSIDIES BY \$26.5 MILLION, WHEN COMPARED TO THE LAST SUBSIDY GRANTED TO HHSC-MAUI REGION. THESE DRASTIC SAVINGS HAVE OCCURRED WHILE MHS HAS BEEN ABLE TO SIGNIFICANTLY INCREASE QUALITY SCORES, MANAGE EXPENSES, INCREASE REVENUES, AND RECRUIT MUCH NEEDED PHYSICIANS. SOME OF THE RECENT ACCOMPLISHMENTS INCLUDE:

- SUCCESSFUL RECRUITMENT OF PHYSICIANS SPECIALIZING IN NEUROSURGERY, ONCOLOGY SURGERY, VASCULAR SURGERY, GASTROENTEROLOGY, CARDIOLOGY, AND OTHER NEEDED SPECIALTIES;
- IMPROVEMENT IN MAJOR QUALITY SCORES FOR ALL FACILITIES; AND
- AWARDS AND RECOGNITION, INCLUDING THE HEART GOLD PLUS TARGET: HEART FAILURE HONOR ROLL

MHS ALSO CONTINUES ITS EFFORTS TO RETAIN TALENTED LOCAL HEALTHCARE PROFESSIONALS. MHS HIRED THE GRADUATING CLASSES OF NURSES AT THE UNIVERSITY OF HAWAII MAUI COLLEGE OVER THE PAST TWO YEARS.

ALTHOUGH THE ADMINISTRATION'S BUDGET INCLUDED A BUDGET APPROPRIATION OF \$17.3 MILLION, WE FEEL THE \$19 MILLION REQUEST IS JUSTIFIED DUE TO THE ACCELERATED PACE AT WHICH MHS HAS REDUCED ITS SUBSIDY REQUESTS AND ITS GOAL OF BECOMING FINANCIALLY STABLE AND NOT RELY ON THE STATE OF OPERATIONAL SUPPORT WHILE STILL IMPROVING QUALITY AND EXPANDING SERVICES TO THE MAUI COMMUNITY. MHS WILL BE ENTERING INTO COLLECTIVE BARGAINING NEGOTIATIONS FOR ITS LARGEST UNION EMPLOYEE GROUP WHOSE CONTRACT EXPIRES ON JUNE 30, 2020. THE ADDITIONAL \$1.7 MILLION BEING REQUESTED IS IMPORTANT TO CONTINUE THE POSITIVE PATH WE ARE ON. WE HOPE THAT YOU CAN SUPPORT THE FULL \$19 MILLION SUBSIDY REQUEST.

MAHALO FOR YOUR CONSIDERATION,

MICHAEL REMBIS
CHIEF EXECUTIVE OFFICER



CATHOLIC CHARITIES HAWAII

TESTIMONY ON HB 2200: RELATING TO THE STATE BUDGET

Support for funding for:

- **CIP**, page 189, item 11.00: Hawaii Public Housing Authority
for Redevelopment of School Street property- Predevelopment Funds **\$2,500,000**

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

FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawaii

Hearing: **Thursday, 1/30/2020; CR 308**

Thank you for the opportunity to provide testimony **in strong support of the funding in HB 2200, CIP, for Predevelopment costs** to redevelop the School Street property of the Hawaii Public Housing Authority. I am Rob Van Tassell, with Catholic Charities Hawaii.

To end homelessness, we support the shared vision of our Counties, Partners in Care, and the Hawaii Interagency Council on Homelessness which calls for robust and predictable funding to create more low-income housing, investing in promising programs, and investing in behavioral health programs and reforms. The above item is one important step to implement this vision.

Catholic Charities Hawaii (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawaii for over 70 years. CCH has programs serving elders, children, homeless and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawaii. Increasing affordable housing and ending homelessness are top priorities for 2020.

School Street Redevelopment: It is projected that elderly homelessness will **grow 300%** over the next 10 years. We must act now to develop housing for this most vulnerable population. This project on underutilized state land would eventually create 800 much needed senior housing units (over 3 phases). Phase 1 will construct 250 urgently needed rental units for kupuna. Hawaii's population is aging and demand for housing is huge compared to the inventory of affordable units. This property is in an ideal location for senior housing. It is close to bus lines, shopping, health facilities, etc. This project is located next to the Lanakila Multi-Purpose Senior Center operated by Catholic Charities Hawaii. What a great opportunity to create a housing campus that would provide not just housing but also socialization, engagement and services to help our kupuna maintain wellness and continue living in the community.

Our housing crisis is an opportunity to take steps to create a Hawaii where our vulnerable elders can live in safe and decent housing, aging in place and living productive lives. We urge you to take the steps needed to create a Hawaii we can be proud of in the future for all our kupuna.

Catholic Charities Hawaii supports **\$2.5 million** for pre-development costs for this project. We urge your support. Please contact our Legislative Liaison, Betty Lou Larson, at 373-0356 or bettylou.larson@catholiccharitieshawaii.org, if you have any questions.





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.

Testimony in Support of HB 2200: Relating to the State Budget
RE: CIP, page 189, Item 11.00 – HPHA, Predevelopment Funds

TO: Finance Committee
FROM: Partners in Care (PIC)
HEARING: **Thursday, January 30, 2020; 2:00 pm, Conference Room 308**

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

Thank you for the opportunity to provide testimony on HB 2200 to support funding for the predevelopment needs of the Hawaii Public Housing Authority (HPHA) to create a mixed-use, multi-phase affordable elderly rental housing project at their School Street property.. Partners in Care (PIC), a coalition of more than 60 organizations working to address homelessness, **strongly supports this bill.**

Phase 1 of this redevelopment will construct 250 urgently needed rental units. The demand for senior housing is astronomical and it will only get higher as our population ages. Per the 2017 – 2019 Hawaii State Plan on Aging, 1 in 4 residents will be 60 years old or older. Furthermore, the Office of the Governor's Coordinator on Homelessness found that 1 in 12 individuals enrolled in homeless programs are age 62 and older. Hawaii's population is aging, yet the demand for affordable housing and services already outpaces the inventory and programs.

Currently, the wait time for senior affordable housing remains long. Most kupuna who wish to live in the Honolulu area are seeing waitlists that are 2+ years and even as long as 10 years! Even then, many "affordable" senior housing projects are not affordable to kupuna who have very low incomes.

Programs serving Oahu kupuna are seeing more very low-income clients. Many kupuna in the very low-income category receive approximately \$700 - \$800 per month, which is well below the federal poverty level. Sadly, some kupuna pass away before their name is called for an affordable housing unit.

Rising rents are another threat to our kupuna. A recent trend that has been observed involves landlords displacing kupuna, sometimes entire buildings, so that they can renovate units to attract applicants who can afford a higher monthly rent. Kupuna on fixed incomes are left suddenly homeless. Often without family to shelter them, they are left to seek shelter at an emergency shelter (who are not equipped to handle frail and disabled kupuna) or to sleep in their car, if they have one.

We urge your support for \$2.5 million for predevelopment for the School Street affordable elderly rental housing project. Phase 1 and its 250 urgently needed rental units is just the beginning. 800 affordable elderly housing units total are planned for property in three phases. Thank you for listening to the needs of the elderly for housing. If you have questions, please contact our Advocacy Chair, Gavin Thornton, at (808)366-7875

PARTNERS IN CARE, c/o Aloha United Way
200 North Vineyard • Suite 700 • Honolulu, Hawaii 96817 • www.PartnersinCareOahu.org

HB-2200

Submitted on: 1/28/2020 10:33:56 PM

Testimony for FIN on 1/30/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Goodman	Partners In Care & Hawaii Kai Homeless Task Force	Support	No

Comments:



LATE

The Judiciary, State of Hawai'i

Testimony to the House Committee on Finance

Rep. Sylvia Luke, Chair

Rep. Ty J.K. Cullen, Vice Chair

Thursday, January 30, 2020 2:00 P.M.

State Capitol, Conference Room 308

by

Calvin C. Ching

Deputy Chief Court Administrator

First Circuit

Bill No. and Title: House Bill No. 2200, Relating to the State Budget.

Purpose: To adjust and request appropriations for Fiscal Biennium 2019-21 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs and to include appropriations from other departmental budget acts deemed necessary for program operations and capital improvements.

Judiciary's Position:

The Judiciary strongly supports page 122, lines 18-24, of House Bill No. 2200. This provides funding transferrable to the Judiciary for administration and operation of the Community Outreach Court.

In partnership with the Office of the Public Defender and the Department of the Prosecuting Attorney, the Judiciary established a Community Outreach Court (COC) in January 2017, as a pilot project. In July, 2017, the Legislature established the Community Outreach Court under Act 55. Accompanying Acts 49 and 195 provided funding for the court. Act 55 directs the Judiciary to administer and operate the mobile COC in the City and County of Honolulu in non-traditional court sites to offer combined accountability and treatment options to homeless individuals with non-violent offenses.

With appropriation of funds by Acts 49 and 195 and utilization of existing resources, the Judiciary was able to coordinate plans and logistics to expand the COC from its original Honolulu location to Wahiawā District Court in 2017, Wai'anāe Public Library (mobile COC) in



2018, and Kāne‘ohe District Court in 2019. The Judiciary looks forward to bringing the mobile COC to other areas of O‘ahu to fully implement Act 55.

The COC works closely with its participants to resolve their outstanding legal matters through the completion of community service and to connect them to social service providers. The Adult/Juvenile Community Service Restitution Unit (A/JCSRU) places participants at community service work sites immediately after court adjourns, and most participants are assigned to work sites located within the communities in which they reside. Community service work opportunities not only help participants address their legal matters, but also help them to give back to their own home communities. Further, COC provides opportunities for participants to connect with social services such as shelter, housing, health care, and government identification assistance. As of December 2019, the Community Outreach Court had 235 participants and cleared 2661 cases.

The Community Outreach Court strives to remain an integral part of a much greater community effort to offer solutions for many of the homeless issues that affect all aspects of our community. COC works collaboratively with other government programs such as the Honolulu Police Department Health, Efficiency, Long-term Partnerships (H.E.L.P.) program, Homeless Outreach and Navigation for Unsheltered Persons (HONU) program, Honolulu C&C Pūnāwai Rest Stop, Kāne‘ohe Joint Outreach Center, and the Hawai‘i State Public Library System. Page 122, lines 18-24, of H.B. 2200 will allow the Judiciary to continue these partnerships and further expand the network of other homeless programs.

As the third branch of government, the Judiciary administers justice in an impartial, efficient and accessible manner in accordance with the law. Therefore, as a court program operating within the Judiciary, COC is unique in its ability to provide legal remedies for its participants, including the disposition of outstanding cases and bench warrants related to traffic and criminal violations and the clearance of fines, fees and other legal barriers. In so doing, participants who successfully complete the COC program are able to obtain driver’s licenses and other vital documentation allowing them to get back on track and move forward independently.

Page 122, lines 18-24, of H.B. 2200 will provide stability and continuity for COC operations and allow the Judiciary to expand the mobile COC to other areas of O‘ahu and further increase access to justice for many homeless and near-homeless individuals to help them end the cycle of homelessness.

For more on the Community Outreach Court, please refer to the Judiciary’s *Report to the Thirtieth Legislature, 2020 session on the Community Outreach Court Project* at https://www.capitol.hawaii.gov/session2020/bills/JC6_.pdf

Thank you for the opportunity to testify on this measure.

To: Hawaii State House of Representatives Committee on Finance
Hearing Date/Time: Thursday, January 28, 2020, 2:00 p.m.
Place: Hawaii State Capitol, Rm. 308
Re: Testimony of Planned Parenthood Votes Northwest and Hawaii requests full funding for Hawaii's family planning program in the State Budget

Dear Chair Luke and Members of the Committee,

To protect access to lifesaving health care across Hawaii, Planned Parenthood Votes Northwest and Hawaii ("PPVNH") urges the Legislature to fully fund a state family planning program with an appropriation of at least \$2.4 million to provide low-income and/or uninsured people across Hawaii the health care they need and deserve. This funding will ensure that every person has access to basic, preventive health care, regardless of where they live, how much money they make, their background, or whether they have health insurance.

The current funding allocated in the budget – \$1,621,081 – is insufficient to meet the needs of the health centers across the state and their 13,000+ patients. Without full funding, the health and lives of people in Hawaii are at risk, especially those communities who already face historic barriers to health care, like those living in remote or rural areas or on islands other than Oahu, and those who seek free or low-cost health care because they are unable to use their insurance because of privacy or confidentiality reasons, including domestic violence survivors, young people and military members.

Hawaii has long valued its strong safety net of family planning providers and has relied upon federal funding for over 47 years to provide affordable, high quality sexual and reproductive health care to our communities. However, recent attacks from the federal government have jeopardized the integrity of Hawaii's safety net by implementing an unethical gag rule to force Planned Parenthood and other health care providers out of Title X, the nation's only federal funding program for affordable and accessible family planning services. As we can no longer rely on the federal government, Hawaii must seek to ensure the health and safety of its own by institutionalizing and fully funding a state-run program.

Without family planning funds, the health and economic security of people in Hawaii will suffer.

Without action, people in Hawaii will face serious health and economic consequences. If the Legislature does not step in to fill the funding gap, patients may encounter reduced services, shortened hours, and less access, disproportionately harming the most vulnerable, under-served communities. We can expect:

- Existing health disparities for communities of color to worsen.
- Life-threatening conditions, such a cancer and pelvic inflammatory diseases, to go undetected and untreated.
- Unintended pregnancies, STIs, and abortion rates to increase, costing the state significant, much-needed dollars.
- Less economic security for all people in Hawaii because reproductive health care helps people pursue an education, get and keep jobs, and support their families and communities.

Hawaii people depend on health centers that provide family planning

Without full funding, Hawaii's health centers – which provide services to thousands of families with low incomes – may be forced to curtail health services, charge for services or close. The impacts have already been seen across the state; for example, there is no longer a single free STI testing and treatment provider on Maui, which is devastating for public health and patients in need.

A fully funded state family planning program would allow health centers across the state to provide high-quality reproductive and sexual health care, to those who are uninsured, low-income and/or unable to use their own insurance. These services may include cancer screenings, STI testing and treatment, contraceptive services and supplies, and complete and medically accurate information about all pregnancy options. Health centers could provide other lifesaving health care, such as well-person exams and screening for diabetes, mental health, and intimate partner violence. Providers could conduct community education and outreach programs designed to improve the overall health of individuals, couples, and families across Hawaii.

In the past, with the assistance of Title X funding (which we no longer receive), our health centers, located in Honolulu and Maui counties, served over 4,200 patients a year, with 97% of our patients living under 250% of the federal poverty level. Almost 30% of our patients were uninsured. Over 54% of our patients were people of color, including 9% identifying as Native Hawaiian or other Pacific Islander and 9% identifying as Latino or Hispanic.

In 2018 alone, Title X funding at Planned Parenthood in Hawaii provided:

- over 9,000 STI tests,
- over 400 pap tests,
- over 400 cervical cancer screenings
- over 400 breast exams and
- over 2,300 people with birth control.

Without full state family planning funding to make up for the loss of Title X funds, the health and economic security of people in Hawaii will suffer. Hawaii must continue its leadership in promoting all peoples' ability to access the health care they need and deserve, no matter what happens at a federal level.

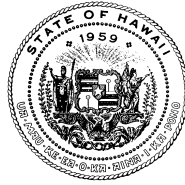
Providers need funding to ensure access to sexual and reproductive health services

The good news is that Hawaii already has the infrastructure and expertise in place to provide these critical services – the legislature simply needs to act. Replacing lost family planning funding for family planning providers would ensure that every person has access to basic, preventive sexual and reproductive health care across the state.

Thank you for this opportunity to testify on this important measure.

Sincerely,
Laurie Field
Hawaii State Director

DAVID Y. IGE
GOVERNOR OF HAWAII



CAROLINE CADIRAO
DIRECTOR

BRUCE S. ANDERSON, Ph.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
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**Testimony in SUPPORT of HB2200
Relating to the State Budget**

COMMITTEE ON FINANCE
REPRESENTATIVE SYLVIA LUKE, CHAIR



Testimony of Caroline Cadirao
Director, Executive Office on Aging
Attached Agency to the Department of Health

Hearing Date: January 30, 2020
2:00 p.m.

Room Number: 308

- 1 **EOA's Position:** The Executive Office on Aging, an attached agency of the Department of
- 2 Health (DOH), supports House Bill 2200, Relating to the State Budget. This measure
- 3 appropriates funds for the operating and capital improvement budget of the Executive Branch for
- 4 Supplemental FY21 beginning July 1, 2020 and ending June 30, 2021.
- 5 **Fiscal Implications:** Sufficient appropriations are required to assure the health and safety of
- 6 our kupuna.
- 7 **Purpose and Justification:** For FY21, EOA stands in full support of the 1.5 million dollars for
- 8 the Kupuna Caregivers Program, the request to extend the Administrative Claiming Special Fund
- 9 beyond FY2020, and the addition of the 1.0 Full Time Equivalent (FTE) for the Alzheimer's
- 10 Coordinator position. EOA notes the EOA budget (HTH-904), item 25 on page 90 of HB 2200
- 11 includes the position count and funding for the Alzheimer's position as part of the overall budget
- 12 of \$15 million dollars.
- 13 Thank you for this opportunity to testify.

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613



TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON FINANCE
THURSDAY, JANUARY 30, 2020
2:00 p.m.

HOUSE BILL NO. 2200
RELATING TO THE STATE BUDGET

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 2200. This bill amends Act 5, Session Laws of Hawaii 2019 and other appropriations and authorizations effective during fiscal biennium 2019-2021. The Department supports this bill.

Major operating requests included in the Executive budget for FY 21 includes a ceiling increase for the Pesticides Use Revolving Fund to utilize an anticipated increase in revenues to fund long needed programs that will protect the community and environment, positions and funds to establish an Industrial Hemp Program, and the transfer of positions from the Irrigation Systems Revolving fund to the general fund to ensure the viability of the revolving fund.

Capital improvements program requests include funds for the development of the Kunia Agricultural Park, Kahuku Agricultural Park Improvements and Waimea Irrigation System Improvements.

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.



LATE

The Trust For Public Land's Testimony Regarding HB2200

House Committee on Finance, Conf. Room 308

Thursday, January 30, 2020, 2:00 p.m.

THE
TRUST
FOR
PUBLIC
LAND

HAWAII

1003 Bishop St.
Pauahi Tower, Ste. 740
Honolulu, HI 96813
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tpl.org

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Aloha e Chair Luke, Vice-Chair Cullen, and Committee Members:

The Trust for Public Land supports the Governor's request in the FY21 Supplemental Budget for an increase of the spending ceiling for the Legacy Land Conservation Program ("Legacy Program") from \$5.1 million to \$10.2 million (LNR101 Land Conservation Fund) in honor of its 15th anniversary. DLNR proposes to use the increase to fund a statutorily required plan (\$200,000), projects the Legacy Commission has recommended for funding in FY21, and administrative expenses. A more detailed case statement and diverse supporter, including many large landowners and private business, as well as community groups, is attached.

The Trust for Public Land was part of a coalition legislators and community and environmental groups that worked together to enact the Legacy Program in 2005, which sets aside funding from the real estate conveyance tax to conserve land and special places throughout Hawai'i Nei. 2020 marks the program's 15th anniversary. The Legacy Program has conserved significant cultural sites, watersheds that produce our drinking, important habitat for native species, agricultural land that increases our food security, and beaches and coastal areas enjoyed by all. Each year, there are many more worthy projects than there is available funding.

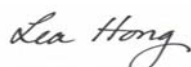
The Governor's FY21 supplemental budget requests that the spending ceiling for the Legacy Program be increased from \$5.1 million to \$10.2 million in honor of the 15th Anniversary. Over \$20 million of unspent money has built up in the Legacy Program fund because:

- (1) The spending ceiling set by the Legislature in its budget bill of \$5.1 million is lower than the amount deposited in the fund (\$6.8 million or 10% of the real estate conveyance tax, whichever is lower). DLNR is only authorized to spend \$5.1 million, which is less than what is going into the fund (\$6.8 million); and
- (2) Monies for projects that do not close are returned to the fund.

This has caused a large unallocated pool of money of over \$20 million to build up in the fund that the DLNR and the Legacy Program cannot spend or use for land conservation, as the Legislature and supporters of the program originally intended.

We urge you increase the FY21 spending ceiling for this worthy program from \$5.1 to \$10.2 million (LNR101) (a one time increase). The Legacy Commission has identified and recommended 11 projects for funding for FY21, but only two can be funded at the existing spending ceiling level. Over 50 community, Hawaiian, and business organizations support this effort (see attached supporter list) – from the Land Use Research Foundation, Kamehameha Schools, Alexander & Baldwin, Castle & Cooke, and the James Campbell Co., to community organizations like the Sierra Club and Paepae O He'eia.

Mahalo -



Hawaiian Islands State Director
Edmund C. Olson Trust Fellow



Join Us in Celebrating the Legacy Program's 15th Anniversary!

The following community organizations, businesses, and landowners have joined together in support of the Governor's request to increase the Legacy Program's spending ceiling from \$5.1M to \$10.2M for FY21 (LNR101, Land Conservation Fund in budget bills) in honor of the 15th anniversary of the Legacy Program and its legacy of Aloha 'Āina:

'Ahahui Mālama I Ka Lōkahi
Ala Kahakai Trail Association
Alexander & Baldwin
Aloha 'Āina Health Center
Aloha Kuamo'o 'Āina
Blue Planet Foundation
Castle & Cooke Hawai'i
Cave Conservancy of Hawai'i
Dole Food Company
Friends of Amy B. H. Greenwell Ethnobotanical Garden
Gill 'Ewa Lands LLC
Hawaiian Islands Land Trust
Hawai'i Agriculture Research Center
Hawai'i Alliance For Community Based Economic
Development
Hawai'i Audubon Society
Hawai'i Bicycling League
Hawai'i Wildlife Fund
Hi'ipaka LLC
Hika'alani
Historic Hawai'i Foundation
Hō'ala 'Āina Kūpono
Ho'omalua Ka'ū
Hui Kawainui-Kailua Ka Wai Ola
James Campbell Company LLC
KAHEA
Kailua Historical Society
Ka Makani O Kohala 'Ohana
Kamehameha Schools
Ka 'Ohana O Honu'apo
Kauluakalana
Ke Ao Hali'i
Kīpahulu 'Ohana, Inc
Kohala Lihikai
Kōkua Kalihi Valley Comprehensive Family Services
Kona Historical Society
Kua'āina Ulu 'Auamo (KUA)
Kuahiwi Ranch
KUPU
Land Use Research Foundation
Livable Hawaii Kai Hui
Maika'i Kamakani O Kohala
Mālama Learning Center
MA'O Organic Farm
Maui Nui Makai Network
Maunalua Fishpond Heritage Center
Moku O Keawe Land Conservancy
Moloka'i Land Trust
Nā Mamo O Mū'olea
National Tropical Botanical Garden
The Nature Conservancy Hawai'i
North Shore Community Land Trust
The Outdoor Circle
Pacific American Foundation
Paepae o He'eia
Pono Pacific
Pūlama Lana'i
Sierra Club of Hawai'i
Stanford Carr Development
Sunset Ranch
The Surfrider Foundation, Hawai'i Chapters
The Trust for Public Land Hawai'i
Ulupalakua Ranch
The Ulupono Initiative
Wailupe 'Ohana Council
Waipā Foundation
YMCA of Honolulu

IMPACT OF INCREASING THE LEGACY LAND SPENDING CEILING



**CONSERVE OVER
15,000 ACRES**
of cultural, natural, &
agricultural landscapes

**PROTECT OVER 2.4 MILES OF
PRISTINE COASTLINE**



PRESERVE 2 VITAL WATERSHEDS
on Maui & Moloka'i

MĀLAMA CULTURAL SITES

'Ili'ili'ōpae the largest heiau on Moloka'i, a fishing village, & an ancient defensive cave on Hawai'i Island



CONSERVE ECOSYSTEMS
Ka'alu'alu Bay, Kapenako spring,
anchialine ponds, coastal habitat, &
native forest

SUPPORT LOCAL AGRICULTURE

Over 1,900 acres of ag land, stream restoration for kalo cultivation, & 4 grazing/ ranching leases



The State of Hawai‘i

Legacy Land Conservation Program: 15 Years of Aloha ‘Āina

Celebrate By Raising The Legacy Program Spending Ceiling

In celebration of the 15th anniversary of the State Legacy Land Conservation Program (“the Legacy Program”), a coalition of community organizations, landowners, and businesses listed in the insert support doubling the spending ceiling for FY21 from \$5.1M to \$10.2M in the Legislature’s annual budget bill.

Lands with important cultural, natural, and agricultural resources are sometimes, despite land use laws, threatened with development, destruction, or made inaccessible to the public. The Legacy Program is a win-win approach to these conflicts.

The Legacy Program is a completely voluntary program where private landowners voluntarily consent to the purchase of or conservation of their lands. The Legacy Program provides grants to public agencies and non-profit community organizations to purchase and voluntarily conserve land to protect unique and threatened natural and cultural resources: e.g., historic

sites, coastlines, native forest, watersheds, scenic open space, agricultural and ranch land, and recreational, fishing, and hunting areas.

In 2005, the Legislature enacted the program with nearly unanimous bipartisan support by its members and by an enthusiastic cross section of community, conservation, and affordable housing groups.

The Legislature prophetically recognized that an “alarmingly small amount of money is invested each year to protect our natural capital base” and that the “preservation, protection, and enhancement of the State’s land, coastal areas, and natural resources are of central importance for current and future residents and for the state economy.”

The Legacy Program has since protected 36 special places and over 21,000 acres throughout Hawai‘i nei and leveraged two-thirds of funding from county, federal, or private sources.



Ka Iwi Coast, O‘ahu: 182 acres of scenic coastline protected in 2017 with funds from the Legacy Program and the City and County of Honolulu Clean Water & Natural Lands Program after 40 years of grassroots advocacy.

How The Legacy Program Works

For 15 years, the State’s Legacy Program has protected treasured lands across Hawai‘i in a fiscally responsible, transparent, and community-supported manner.

Applicants to the Legacy Program go through a rigorous vetting process administered by the Legacy Land Conservation Commission (“the Commission”) made up of nine volunteer Governor-appointed commissioners with subject matter expertise (e.g., Hawaiian culture, native plants and animals, agriculture) and geographical representation from all the islands. The Commission analyzes detailed applications, conducts site visits, consults with the House Speaker and Senate President, ranks projects, and makes funding recommendations to the State Board of Land and Natural Resources.

Once an applicant is awarded funding, Legacy Program staff then work with the State Attorney General’s department and the Land Division to ensure that the State’s investment of funding is protected and documented via appraisals, deed restrictions, conservation easement restrictions, title review, and contractual grant agreement requirements.

A Legacy of Aloha ‘Āina

These 44 special places have benefited from the Legacy Program:

HAWAI‘I ISLAND

- ◆ Amy B.H. Greenwell Ethnobotanical Garden, Kona
- ◆ Hilo Forest Reserve
- ◆ Kahuku Coastal Property, Ka‘ū
- ◆ Kaiholena, North Kohala
- ◆ Kaiholena South, North Kohala
- ◆ Kalukalu Ranch, Kealakekua
- ◆ Kapanaia, Kohala*
- ◆ Kauhola Point, North Kohala
- ◆ Kawā I & 2, Ka‘ū
- ◆ Kīpuka Kanohina, Ka‘ū
- ◆ Kuamo‘o Battlefield & Burial Grounds, Kona
- ◆ Lapakahi State Historical Park, North Kohala
- ◆ Pāo‘o, North Kohala
- ◆ Uchida Farm, Kealakekua
- ◆ Waikapuna, Ka‘ū

MAUI

- ◆ Kahanu, Hāna
- ◆ Mokae to Maka‘alae Lands, Hāna, Maui*
- ◆ Nu‘u, Southeast Maui

MOLOKA‘I

- ◆ Kainalu Ranch, East Moloka‘i
- ◆ Kawaikapu, East Moloka‘i
- ◆ Pua‘ahala Watershed, Kamalō

KAUA‘I

- ◆ Black Pot Beach Expansion, Hanalei
- ◆ Halulu Fishpond Access, Waipā*
- ◆ Kaluanono, Waipā*

O‘AHU

- ◆ Hakipu‘u Lo‘i Kalo*
- ◆ Hāwea Heiau & Keawāwa Wetlands, East Honolulu
- ◆ Helemano Wilderness Recreation Area, Central O‘ahu
- ◆ Honouliuli Forest Reserve, West O‘ahu
- ◆ Ho‘oulu Ola, Kalihi*
- ◆ Kalauao Valley, ‘Ewa
- ◆ Kānewai Spring, East Honolulu
- ◆ Kunia – Hawai‘i Agricultural Research Center
- ◆ MA‘O Organic Farm – Palikea Expansion, Wai‘anae
- ◆ MA‘O Organic Farm – Takahashi Farm Expansion, Wai‘anae
- ◆ Maunawila Heiau, Hau‘ula
- ◆ Pia Valley, East Honolulu*
- ◆ Pu‘ukua, Waimea Valley
- ◆ Pu‘u o Ehu – Hāmākua Marsh
- ◆ Ulupō Heiau Buffer, Kailua*
- ◆ Sunset Ranch, North Shore
- ◆ Turtle Bay Makai – Kahuku Kawela Forever, North Shore
- ◆ Turtle Bay Mauka Agricultural Lands, North Shore
- ◆ Waimea Native Forest, North Shore

*Pending projects that have not yet closed or been completed.

21,000+

acres protected across five islands

36

properties conserved in perpetuity, and another 8 properties awaiting completion

42

participating community partners, including counties, state agencies, and nonprofit organizations

\$1=\$3

every state dollar is matched by \$2 of other federal, county, or private funding

15

years in operation, the Legacy Program has protected some of Hawai'i's most treasured places

What Is The Legacy Program's Spending Ceiling?

The State of Hawai'i dedicates a portion of revenue from the real estate conveyance tax (a tax paid by the seller whenever land is sold) to the Legacy Land Conservation Fund ("the Legacy Fund"). Ten percent or \$6.8 million, whichever is less, of the real estate conveyance tax goes into the Legacy Fund.

The Legislature has generally imposed a \$5.1M "spending ceiling" that is lower than the \$6.8M that goes into the Legacy Fund annually.

After administration/staffing costs and the \$1.5M debt service for the Turtle Bay Makai conservation project, only about \$3.2M has been available for competitive grants for land conservation projects statewide each year since 2016.

Meanwhile, over \$20M has built up unspent in the Legacy Fund, as the amount flowing into the fund (\$6.8M) exceeds the annual spending ceiling (\$5.1M) or projects are discontinued.



Over 2,300-acres known as Waikapuna located in Ka'u, Hawai'i Island was recently acquired by the Ala Kahakai Trail Association, funded by the County of Hawai'i's Open Space Program and the State's Legacy Program, conserving over 2.3 miles of the Ala Kahakai National Historic Trail, an ancient fishing village, and hundreds of cultural sites. The Ka'u community has been working for decades to protect their beloved 80-mile coast to honor their kūpuna and perpetuate their rural lifestyle.

What Is The Impact Of Increasing The Spending Ceiling for FY21?

Each year, the number of applicants to the Legacy Program has increased with non-profits and public agencies competing for funding. For FY21, the Legacy Commission recommended 11 projects for full funding. But under the spending ceiling, only two projects can be fully funded.

While community demand for protecting land has intensified, land and prices and development pressures have increased, the spending ceiling has remained the same, resulting in missed opportunities for many worthy and time-sensitive land acquisitions.

In his FY21 Executive Budget, the Governor is requesting a one-year increase of the Legacy Program spending ceiling from \$5.1M to \$10.2M. A total of \$8.1M would be available for competitive land acquisition grants allowing four more special places to be conserved in Hawai'i.

This would **not** increase the conveyance tax. The spending ceiling increase would draw upon existing unspent funds (now over \$20M) and would **not** affect other parts of the State budget.

The proposed spending ceiling increase could contribute to the purchase and protection of the top six ranked projects in FY21, conserving extremely valuable and sensitive cultural and natural landscapes, watersheds, native habitat, agricultural lands, and coastlines facing acute and imminent threats of development in Maka'alae (Hāna, Maui), Kiolaka'a (Ka'ū, Hawai'i), Manāka'a (Ka'ū Hawai'i), Mokae (Hāna, Maui), Mapulehu (East Moloka'i), and Na Wai 'Eha (Maui).

Commission's Recommended Ranking of FY21 Legacy Program Projects

1) Maka'alae, Hāna, Maui	\$1.587M
2) Kiolaka'a, Ka'ū, Hawai'i	\$1.475M
Total available for grants under current \$5.1M spending ceiling	\$3.2M
<i>(includes partial funding of \$138K for Manāka'a)</i>	
3) Manāka'a Fishing Village, Ka'ū, Hawai'i	\$875K
4) Mokae, Hāna, Maui	\$1.8633M
5) Mapulehu, East Moloka'i	\$300K
6) Nā Wai 'Ehā	\$2M
The projects (above) that will go unfunded if spending ceiling is not raised from \$5.1M to \$10.2M	\$8.1M
7) Haloa 'Āina, Kealakekua, Hawai'i	\$500K
8) Halulu Fishpond, Waipā, Kaua'i	\$600K
9) Waikalua Loko, Kāne'ohe Bay, O'ahu	\$700K
10) Keone'ō'io, South Maui	\$1.1915M
11) Nānu'alele, Hāna, Maui	\$66K

Due to overall funding constraints, these important projects recommended for funding by the Commission will not receive funds in FY21.



Nearly an acre added to the Hanalei Black Pot Beach Park in 2010, with funds from the Legacy Program and Kaua'i Open Space Fund.



Mokae, Hāna, Maui - 32.7 acres of shoreline that could be saved if the spending ceiling is increased for FY21.



Ko`olau Foundation

P. O. Box 4749
Kane`ohe, HI 96744



January 30, 2020

To: Rep. Sylvia Luke, Chair
Rep. Ty Cullen, Vice Chair
& Members, House Finance Committee

From: Mahealani Cypher
Ko`olau Foundation

Re: H.B. 2200 – Support for Supplemental Funding,
For Ko`olau Foundation Legislative Priorities

Aloha Chair Luke, Vice Chair Ty Cullen, and Committee Members:

We respectfully ask your committee to consider the following amendments to House Bill 2200, as they represent significant priorities that the Ko`olau Foundation feels are a benefit to our community and the State of Hawai`i:

1. Add to Department of Transportation CIP budget - \$1.5 million – planning and design for rehabilitation of Haiku Valley loop road to improve access to cultural resources in the mauka portion of the valley. Justification: necessary mitigation the adverse impact of H-3 freeway on Kanehekili and Kane a me Kanaloa heiau sites.
2. Add to UHM operating fund budget - \$130,000 – addition of 1.3 positions for a cultural resource specialist for He`eia NERRS, under SOEST/HIMB. Justification: completes full staffing for newly implemented program that was initially underfunded (3 positions budgeted at .9 FTE) and lacking four critical component for the NERRS.
3. Add to DLNR operating fund budget - \$150,000 – supplements current budget to fully fund the Aha Moku Advisory Committee (AMAC), which is attached administratively to DLNR. Justification: Current funding only covers FTE for executive director position but fails to provide funding for implementation of the AMAC's mission to assist the State in making informed decisions regarding Hawaiian cultural issues and concerns.
4. Add to UH Community Colleges budget for Windward Community College's Child Care program - \$160,000 for two FTE positions. Justification: Provides necessary staffing to support newly-established child care program for the college, urgently requested by community members and parents wishing to attend Windward Community College.

5. Add to DLNR budget for Legacy Land Fund to acquire two parcels of mostly preservation lands at Luluku (Kane`ohe) adjacent to Ho`omaluhia Park - \$3.5 million to acquire two parcels of land threatened with urban development. Justification: These lands contain critical cultural resources and are part of the Luluku Discontiguous Archaeological District, identified by researchers for the Bishop Museum prior to construction of H-3 freeway and should be included in the list of properties acquired for preservation through the fund.

We deeply appreciate any consideration you can give to these critical legislative priorities of our organization and our community.

Mahalo for this opportunity to offer our mana`o.

Contact:

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