

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

**Testimony in SUPPORT of HB1191 SD2  
RELATING TO BROADBAND SERVICE INFRASTRUCTURE.**

SENATOR DONOVAN DELA CRUZ, CHAIR  
SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date: April 06, 2021

Room Number: N/A

1 **Department Testimony:** The Department of Health (DOH) supports the establishment of the  
2 Hawaii Broadband Infrastructure Grant Program within the Department of Business, Economic  
3 Development, and Tourism.

4 Telehealth has been a strategic priority for the Department of Health for the past several years,  
5 and its relevance has only become more pronounced with the pandemic stay-at-home orders.  
6 Rural residents in particular, but also those in low socio-economic urban areas and the elderly,  
7 may have no means to access the internet. A coordinated state strategy to identify and solve  
8 inequity will enhance all sectors, not just health.

9 The department defers to the Department of Business, Economic Development, and Tourism on  
10 the merits of proposed program details.

11 Thank you for the opportunity to testify.

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

13

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)

**WRITTEN ONLY**  
TESTIMONY BY CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
HOUSE BILL NO. 1191, H.D. 2, S.D. 1

**April 6, 2021**  
**9:30 a.m.**  
**Room 211**

**RELATING TO BROADBAND SERVICE INFRASTRUCTURE**

The Department of Budget and Finance (B&F) offers comments on House Bill (H.B.) No. 1191, H.D. 2, S.D. 1.

H.B. No. 1191, H.D. 2, S.D. 1, establishes the Broadband Infrastructure Grant Program (BIGP); amends the Hawai'i Technology Revolving Fund (HTRF) by changing it to the Hawai'i Broadband Infrastructure Fund (HBIF) and changing the types of funds to be deposited into the fund; authorizes the issuance of general obligation bonds for the BIGP; and establishes a fund ceiling of \$10,000,000 for the HBIF at the end of any fiscal year.

Funds from the HBIF would be used to award grants to applicants to extend broadband infrastructure to unserved areas of the State and therefore improve access to broadband services to resident, consumer, and business users across the State. The measure provides that to be eligible, applicants must commit to paying a minimum of 50% of total project costs from the applicant's own funds and be a non-governmental entity. Since H.B. No. 1191, H.D. 2, S.D. 1, changes the fund type of the HTRF from a revolving fund to a special fund, the measure removes a number of financing sources

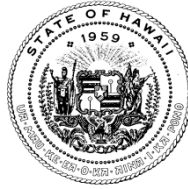
for the fund, including: moneys received as repayment of loans; investment earnings; royalties; premiums, or fees or equity charged by the corporation, or otherwise received by the corporation; and loans that are convertible to equity. Instead, the HBIF would be financed by funds appropriated by the Legislature; received from the federal government; received from a county; and received from the private sector.

Although H.B. No. 1191, H.D. 2, S.D. 1, renames the HTRF to the HBIF, B&F notes that the HTRF is currently established under the purview of the Hawai'i Technology Development Corporation (HTDC), but the proposed grant program is established within the Department of Business, Economic Development and Tourism. This would allow for a situation in which a program other than HTDC would expend funds from an account which is statutorily established within HTDC pursuant to Section 206M-15.6, HRS.

As a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding H.B. No. 1191, H.D. 2, S.D. 1, it is difficult to determine whether the proposed special fund would be self-sustaining as there does not appear to be any significant source of revenues to support the HBIF aside from appropriations from the Legislature.

Thank you for your consideration of our comments.

DAVID Y. IGE  
GOVERNOR



**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

April 6, 2021  
9:30 A.M.  
State Capitol, Teleconference

**H.B. 1191, H.D. 2, S.D. 1**  
**RELATING TO BROADBAND SERVICE INFRASTRUCTURE.**

Senate Committee on Ways and Means

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The Department of Transportation (DOT) **supports** H.B. 1191, H.D. 2, S.D. 1, which will establish a grant program to promote the development of last-mile broadband infrastructure in unserved areas.

The DOT appreciates the amendments to the Bill to include areas that are partially served as eligible projects.

Thank you for the opportunity to provide testimony.

# 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: Senate Committee on Ways and Means

From: Cheryl Kakazu Park, Director

Date: April 6, 2021, 9:30 a.m.  
Via Videoconference

Re: Testimony on H.B. No. 1191, H.D. 2, S.B. 1  
Relating to Broadband Service Infrastructure

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Thank you for the opportunity to submit testimony on this bill, which would establish a broadband infrastructure grant program. The Office of Information Practices (OIP) takes no position on the substance of this bill. OIP previously testified to its concerns regarding the bill's confidentiality Provision, but the S. D.1 version of this bill was amended to address OIP's concerns and OIP has no further concerns regarding this bill. Nonetheless, OIP notes that it has discussed this issue with Charter Communication and does not object to the alternative confidentiality language Charter prefers. The specific language OIP understands Charter to be proposing to replace subsection \_\_-6(b) is:

b) To the extent the information falls under one or more of the exceptions to public disclosure in section 92F-13 or constitutes commercially sensitive information, including the location of critical infrastructure information, the addresses of locations capable of receiving service under an existing provider's standard installation intervals, the number of actual subscribers or subscriber addresses, non-public internal financial or network cost information, or vendor agreements, the department shall keep such information in an application or challenge confidential upon request by:

- (1) An applicant for confidential treatment of an application, except that in no event shall such request for confidentiality prevent the publicly available portion of the application from including sufficient evidence to demonstrate the requirements of section \_\_-5(b)(2) and \_\_-5(b)(4); or
- (2) A challenging provider for confidential treatment of a challenge submitted pursuant to this section.



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[facebook.com/AARPHawaii](https://facebook.com/AARPHawaii)

**The State Legislature  
The Senate  
Committee on Ways and Means  
Tuesday, April 6, 2021  
9:30 a.m.**

TO: The Honorable Donovan Dela Cruz, Chair  
RE: H.B. 1191 HD 2, SD1 Relating to Broadband Infrastructure

Aloha Chair Dela Cruz and Members of the Committee:

My name is Keali'i Lopez and I am the State Director for AARP Hawai'i. AARP is a membership organization of people age fifty and over, with nearly 145,000 members in Hawai'i.

AARP Hawai'i supports H.B. 1191 HD2, SD1 which establishes the broadband infrastructure grant program to award grants to applicants to extend deployment of infrastructure used to provide broadband service to unserved areas of the State. This bill amends the Hawaii technology loan revolving fund to change it to the Hawaii broadband infrastructure fund, including the types of funds deposited into the fund; and authorizes the issuance of general obligation bonds for the broadband infrastructure grant program. The goal is to establish a framework that provides infrastructure project funding between public and private entities and provide a process to ensure that scarce state/federal/county dollars are directed only at unserved areas

The recent pandemic has significantly increase the demand and use of broadband for communication across all sectors, and throughout our communities statewide. Students are engaged in distance learning for their school work, businesses for e-commerce transactions and patients have become more reliant on telehealth to connect with their physicians for medical consultation and monitoring. This is especially important for homebound kūpuna at risk of exposure during this health pandemic. The heavy demand for broadband access has amplified the weakness in our broadband infrastructure especially in rural communities, and other underserved or unserved areas in the State. AARP supports efforts that will expand digital equity and access to ensure that all individuals and communities have access to information and modern communication technologies.

Thank you very much for the opportunity to support H.B.1191 HD2, SD1.

Sincerely,

A handwritten signature in black ink, appearing to read "Keali'i Lopez".

Keali'i Lopez, AARP Hawai'i



**Testimony to the Senate Committee on Ways and Means  
Tuesday, April 6, 2021; 9:30 a.m.  
State Capitol, Conference Room 211  
Via Videoconference**

**RE: HOUSE BILL NO. 1191, HOUSE DRAFT 2, RELATING TO BROADBAND SERVICE INFRASTRUCTURE.**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** House Bill No. 1191, House Draft 2, Senate Draft 1, RELATING TO BROADBAND SERVICE INFRASTRUCTURE.

The bill, as received by your Committee, would:

- (1) Establish the Broadband Infrastructure Grant Program (Program) to extend the deployment of facilities used to provide broadband service to unserved areas of the State;
- (2) Change the Hawaii Technology Loan Revolving Fund to the Hawaii Broadband Infrastructure Fund (Fund), change the types of funds to be deposited into the Fund, and cap the amount in the fund to \$10,000,000 at the end of any fiscal year; and
- (3) Authorize the issuance of an unspecified amount of general obligation bonds for fiscal year 2021-2022 for the Program.

The bill will also take effect on July 1, 2050, to facilitate further discussion.

By way of background, the HPCA represents Hawaii Federally-Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.



**Testimony on House Bill No. 0809, House Draft 2, Senate Draft 1**  
**Tuesday, April 6, 2021; 9:30 a.m.**  
**Page 2**

Hawaii has long been at the forefront of integrating newer technologies into daily life. One example of this is Hawaii's Telehealth Law which has served as a model across the United States. Yet, it was only after COVID struck our islands that this law became fully integrated into daily life.

Today, it is common practice to ZOOM or SKYPE with your health practitioner instead of physically going to the provider's office for a visit. When COVID first hit our islands, many health providers had to limit the number of patients that could be serviced in-person because of a scarcity of Personal Protective Equipment, restrictions in the gatherings of groups, and the need for changes to the physical arrangement of examination rooms and other diagnostic facilities.

For people with adequate broadband access, telehealth was a lifeline for the provision of essential primary health care services. Yet, health care facilities in rural areas experienced the same problems when COVID hit. They too had to limit the number of patients they could see. But because these communities lacked adequate broadband access, they were effectively cut off from primary care. Many were forced to bear their maladies until it became necessary to go to the emergency room.

The Governor's suspension of a statute that prohibits the use of standard telephonic service in telehealth has temporarily eased this inequity. For those without adequate broadband, at least for now, they are able to obtain basic primary care services over landline telephones. But that is neither adequate, tenable, nor fair to the thousands of citizens who lack broadband access.

Because of this, the HPCA views the lack of broadband access in rural areas as an issue of social equity. In this day and age, everyone should have equal access to health care. Telehealth was envisioned as the means of leveling the field between urban and rural areas. The lack of broadband ensures that urban and rural communities remain unequal.

As a member of the Broadband Hui, the HPCA urges your favorable consideration of this bill.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or [eabe@hawaiiipca.net](mailto:eabe@hawaiiipca.net).



ALOHACARE

To: The Honorable Senator Donovan M. Dela Cruz, Chair  
The Honorable Senator Gilbert S.C. Keith-Agaran, Vice-Chair  
Committee Ways and Means

Date: Tuesday, April 6, 2021 at 9:30 AM

From: Peggy Mierzwa, Sr. Public Policy Analyst, AlohaCare

RE: **Support HB1191 HD2 SD1 Relating to Broadband Service Infrastructure**

AlohaCare appreciates the opportunity to provide testimony in **support of HB1191 HD2 SD1**, which would help to facilitate the deployment of last-mile broadband infrastructure in unserved areas of the state. It does so by establishing a grant program, amends the Hawaii technology loan revolving fund to the Hawaii broadband infrastructure fund, and authorizes the issuance of general obligation bonds for the grant program.

Founded in 1994, AlohaCare is a community-rooted, non-profit health plan serving 73,000 Medicaid and dual-eligible health plan members on all islands. We are the only non-profit Hawai'i health plan exclusively serving Medicaid patients. Our mission is to serve individuals and communities in the true spirit of aloha by ensuring and advocating access to quality health care for all. We believe that health is about supporting whole-person care, including access to housing and food security, to build a stronger, healthier Hawaii.

AlohaCare supports the expansion of reliable broadband statewide. Over the past year, there has been a great need to connect with people in nontraditional ways. In rural settings or other unconnected areas, it is a challenge to ensure people are able to access the healthcare they need in order to either maintain health or address health concerns.

Our providers have shared their challenges when trying to connect with their patients because of the lack of broadband. Providers and clinics in rural neighbor island locations as well providers on Oahu in both urban and rural areas have patients who either do not have any broadband or there is insufficient broadband access to be able to utilize telehealth services.

The problems extend beyond telehealth. With vaccination roll outs, we are now hearing that many kupuna are unable to make appointments for their COVID vaccinations because they are asked to make those via the computer and many do not have access to computers with broadband to do so. These challenges in providing relevant patient care are happening across the state. Taking steps to ensure there will be broadband access statewide will drastically improve the health and well-being of our communities.

Furthermore, there were many people who faced difficulties beyond accessing healthcare. People were unable to work or learn from home over the course of the past year. Access to these necessities are integral to a person's over all well-being, and their ability to feel connected in various ways to their community.

We appreciate the legislature's work on addressing the vast need in the state for expanded access to broadband, which supports people's over all well-being.

Thank you for this opportunity to testify on HB1191 HD2 SD1.



# MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS  
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 211  
TUESDAY, APRIL 6, 2021 AT 9:30 A.M.**

To The Honorable Donovan M. Dela Cruz, Chair;  
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair; and  
Members of the Committee on Ways and Means,

**SUPPORT HB1191 HD2 SD1 RELATING TO  
BROADBAND SERVICE INFRASTRUCTURE**

Aloha, my name is Pamela Tumpap. I am the President of the Maui Chamber of Commerce, in the county most impacted by the COVID-19 pandemic in terms of our dependence on the visitor industry and corresponding rate of unemployment. I am writing share our support of HB1191 HD2 SD1.

We support this measure to establish a broadband infrastructure grant program. Broadband has been a longstanding issue in Hawaii, but was exacerbated during this pandemic where students are doing distance learning and more people are working from home. Broadband is a critical need in unserved areas and important to state and county economic development.

Further, we appreciate that this bill houses the grant program under DBEDT, as they already have the Hawaii Broadband Initiative.

Mahalo for your consideration of our testimony and ask that you please pass this bill.

Sincerely,

Pamela Tumpap  
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

DAVID Y. IGE  
GOVERNOR

JOSH GREEN  
LIEUTENANT GOVERNOR



STATE OF HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
**OFFICE OF COMMUNITY SERVICES**

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ANNE E. PERREIRA-EUSTAQUIO  
DEPARTMENT DIRECTOR

JOANN A. VIDINHAR  
DEPARTMENT DEPUTY DIRECTOR

JOVANIA DOMINGO DELA CRUZ  
EXECUTIVE DIRECTOR  
OFFICE OF COMMUNITY SERVICES

IN REPLY, REFER TO:  
**OCS 20.** \_\_\_\_\_

March 30, 2021

To: The Honorable Donovan M. Dela Cruz, Chair,  
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair, and  
Members of the Senate Committee on Ways and Means

Hearing: Tuesday, April 6, 2021  
Time: 9:30 a.m.  
Place: Conference Room 211, via Videoconference

From: Jovanie Domingo Dela Cruz, Executive Director  
Office of Community Services

**Re: H.B. No. 1191, HD 2, SD 1 RELATING TO BROADBAND SERVICE  
INFRASTRUCTURE**

**I. OVERVIEW OF PROPOSED LEGISLATION**

This measure would create a broadband infrastructure grant program in the Department of Business, Economic Development, and Tourism, to extend deployment of infrastructure to unserved areas of the State. It would rely on funding from the technology loan revolving fund that currently exists under HRS §206M-15.6, and it would broaden the sources of funding to include funds from the federal government, county governments, and the private sector. The director of Finance would also be authorized to issue General Obligation bonds to help fund this grant program.

**II. CURRENT LAW**

HRS §206M-15.6 currently provides for a technology loan revolving fund, but the present bill would substantially broaden the sources of funding for that revolving fund.

**III. COMMENTS ON THE PRESENT BILL**

The Office of Community Services (OCS) was established in 1985 by the Legislature to serve economically disadvantaged communities, precisely the types of communities that this bill seeks to serve. OCS regularly serves such communities through our administration of federal programs such as the Community Services Block Grants (CSBGs), the Weatherization Assistance Program, and multiple federal food programs, such as The

Emergency Food Assistance Program (TEFAP), Senior Farmers' Market Nutrition Program, and Commodity Supplemental Food Program, as well as other State and Federal programs.

OCS is an attached agency of the Department of Labor and Industrial Relations. Besides administering the many federal programs described above, OCS also regularly administers many grants through the Legislature's Chapter 42F grants program to non-profits for Capital Improvement Projects and operating expenses.

OCS notes that the bill has attracted a great deal of interest and very broad support at all stages since its introduction. The bill appears to be an important measure that should be passed if fiscal resources are available. By proposing funding through general obligation bonds, the bill makes possible the most vigorous possible funding that the State can provide.

While this bill does not propose any role for OCS, OCS stands ready to assist if called upon, and OCS is strongly supportive of this bill and its goals.



**Statement of the Democratic Party of Hawai'i  
In Support of HB1191 HD2 SD1, Relating to Broadband Service Infrastructure**

The [Democratic Party of Hawai'i](#) supports HB1191 HD2 SD1, Relating to Broadband Service Infrastructure, to the extent that it aligns with our Party's [platform](#). The bill would establish the broadband infrastructure grant program to award grants to applicants to extend deployment of infrastructure used to provide broadband service to unserved areas of the State; rename the Hawai'i Technology Loan revolving fund to the Hawai'i Broadband Infrastructure Fund, including the types of funds deposited into the fund; clarify the meaning of unserved area; expand project eligibility requirements under the Hawaii Broadband Infrastructure Grant Program to include partially served areas; allow applicants to designate material as confidential or a challenger to request confidential treatment; and authorize the issuance of general obligation bonds for the Hawai'i Broadband Infrastructure Grant Program.

As part of the "Building 21st Century Infrastructure" plank of our platform, the Democratic Party of Hawai'i supports continuing the expansion of high-speed broadband networks. We are also extremely cognizant of the gaps that exist between those with access to high-speed broadband and those who do not have such access. As such, our platform also calls for the State to finish the job to connect every household in Hawai'i to high-speed broadband, increase internet adoption, and help hook up anchor institutions so they can offer free WiFi to the public. We also believe action must be taken to help Hawai'i widely deploy 5G technology for faster internet connections to underserved areas and enable the Internet of Things and other transformative technologies.

We find that by establishing a broadband infrastructure grant program, we can help to bring these goals to reality, particularly in underserved areas of the State.

Mahalo nui for the opportunity to provide these comments in support of this important bill.

*Tyler Dos Santos-Tam  
Chairperson*