

# OFFICE OF INFORMATION PRACTICES

STATE OF HAWAII  
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To: Senate Committee on Ways and Means

From: Cheryl Kakazu Park, Director

Date: March 29, 2021, 9:00 a.m.  
Via Videoconference

Re: Testimony on H.B. No. 200 H.D. 1  
Relating to the State Budget

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Thank you for the opportunity to submit testimony on this bill, which establishes the budget for FY 21-21. The Office of Information Practices (OIP) supports this bill, and requests an amendment regarding AGS 105. The recent federal stimulus funding provides new hope that the budget cuts will not be as deep as originally proposed in HB 200, HD 1, and **OIP respectfully requests that its 1.0 FTE Staff Attorney position # 117247 and 1.0 FTE OIP Administrative Assistant position # 102666 not be eliminated from AGS 105, and that its budget be restored to at least \$655,410 as had been originally proposed in HB 200.**

Although OIP is attached for administrative purposes to DAGS, it is an independent agency statutorily charged with administering the UIPA and Sunshine Law to implement the Legislature's policy of conducting as openly as possible all discussions, deliberations, decisions, and actions of government agencies. OIP has extensive UIPA jurisdiction over all State, county, and independent agencies in all branches of government (executive, legislative, and judicial), and over all Sunshine Law boards, including the County Councils and neighborhood boards. OIP provides

uniform, neutral, and free advice, training and dispute resolution to the attorneys, employees and volunteers of more than 270 government agencies and over 170 boards, as well as to the general public, good government groups, and media. Without OIP, there would likely be inconsistent interpretations of the good government laws by various government and private attorneys, resulting in additional litigation at greater costs to the government and the public, and less government transparency and accountability.

OIP provides its services on an already lean budget with only 8.5 authorized positions. When I was first appointed as OIP's Director in April 2011, OIP could fund only 6.5 FTE of its then 7.5 FTE authorized positions and had been adversely impacted by the mandatory leaves of absence without pay, or "furlough Fridays." Although OIP's backlog of formal cases was "only" 84 at the end of FY 2011, they included the more complicated appeals that had been pending for as long as 12 years.

Since then, and despite years of increasing cases, OIP had finally succeeded in bringing down both the age and number of its pending case backlog. Thanks to increased funding in FY 14 that allowed OIP to hire a total of five staff attorneys, 2.5 FTE staff members, and a Director, for a total of 8.5 FTE authorized positions, OIP succeeded last year in reducing its formal case backlog by 37.4% and brought it to its lowest level and age in over ten years. In FY 2020, despite the pandemic-induced suspension of OIP's powers and deadlines and an 8% increase in new case filings, OIP was able resolve 130 of 178 new cases filed in the same year and lowered its formal case backlog to an acceptable 67 cases, most of which had just been filed in previous year. Seventy-two percent of the pending cases had just been filed in FY 2020, and the balance filed the year before (except for three cases that being held up by litigation or delayed agency responses).

Earlier this fiscal year, however, OIP uncharacteristically lost 35% of its staff, due to the “perfect storm” of retirement, health concerns, and relocation to the mainland by two staff attorneys and its Administrative Assistant. These positions were not defunded and OIP has sufficient funding to support them this year and beyond. **Recognizing OIP’s critical need for two of these positions, the Governor recently exempted OIP from the hiring freeze, so the OIP Administrative Assistant (position #102666) has already been filled and the Staff Attorney (position #117247) is in the final stages of being filled.**

In the meantime, however, the FY 2021 vacancies have already substantially and adversely affected OIP’s performance and provide a preview of what would happen if OIP’s positions are eliminated. In contrast to OIP’s FY 2020 success in decreasing the formal case backlog by 34.7%, the backlog has already increased by over 40% in the first six months of FY 2021. OIP currently has only three staff attorneys, 1.5 administrative staff, and the Director. Without the Administrative Assistant (AA), the three remaining attorneys had to do non-legal work themselves that could have more cost effectively been done by the AA without diminishing the attorneys’ efficiency and productivity. With the loss of two attorneys, there is only so much work that the three remaining attorneys can do, and yet there is additional work that is anticipated when the session and emergency orders end, including an influx of new cases, the need for new training materials, and the adoption of new administrative rules. Unless OIP has sufficient personnel, it is highly foreseeable that OIP’s case backlog will continue to rise and productivity will suffer for years into the future. Public frustration over continued delays, and possibly an increase in litigation, will lead to further loss of confidence in our government.

To ameliorate this looming crisis and in the interest of government transparency and accountability, **OIP is respectfully asking the Senate to**

**amend AGS 105's budget so that the Administrative Assistant (position #102666) and at least 1.0 FTE of 1.5 FTE staff attorney positions (*i.e.*, position #117247) are restored to its budget and that the funding be restored to at least \$655,410 as had been originally proposed in the Executive budget request in HB 200. Mahalo nui loa for considering OIP's request.**

**DAVID Y. IGE**  
GOVERNOR

**JOSH GREEN**  
LIEUTENANT GOVERNOR



**LESLIE WILKINS**  
CHAIRPERSON

**ALLICYN C.H. TASAKA**  
EXECUTIVE DIRECTOR

**STATE OF HAWAII**  
**WORKFORCE DEVELOPMENT COUNCIL**  
830 Punchbowl Street, Suite 417, Honolulu, Hawaii 96813  
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March 29, 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

**DATE:** Monday, March 29, 2021

**TIME:** 9:00 a.m.

**PLACE:** Videoconference

**FROM:** Allicyn Tasaka, Executive Director  
Workforce Development Council

**RE: HB 200 HD 1 RELATING TO THE STATE BUDGET**

The Hawaii Workforce Development Council (WDC) strongly opposes the amendments to HB 200 HD 1 specific to LBR 135 within the Department of Labor and Industrial Relations (DLIR). The WDC respectfully requests the restoration of the WDC LBR 135 into the State Budget as originally proposed in HB 200; restoring 6 positions that were transferred out and restoring 5 positions that were eliminated.

According to the State Budget worksheet, the HD 1 proposes to transfer 6 permanent positions from WDC to the Workforce Development DIVISION (WDD - LBR111) within DLIR. The 6 positions are 3 fiscal and 3 program staff:

Accountant III

Accountant IV

Program Budget Analyst V

2/Employment Analyst IV

Employment Services Specialist V

The 5 remaining exempt positions are proposed to be eliminated:

Executive Director

Office Manager

Assistant to the Executive Director

Information & Data Coordinator

WIOA Specialist/Statewide Rapid Response Coordinator

The WDC is majority federally funded through USDOL formula grant and with general funds of

\$464,372 (NOT Special Funded). WDC agreed to release \$300,000 to DLIR when the Governor asked agencies to offer 10%, 15% and 20% cuts. The HB 200 version of the bill had general funds of \$164,372, federal funds and all positions intact.

In 2015, USDOL cited the DLIR for conflict of interest and no clear firewall with one agency receiving WIOA funds and awarding funds to itself without procurement to deliver services at the American Job Centers. The four county Workforce Development Boards contacted USDOL urging intervention to create a firewall between the WDD -LBR 111 and WDC – LBR 135. The monopoly caused frustration, tension and mistrust between the county and state workforce agencies.

The WDC took action and hired an Executive Director in August 2015. The Governor designated the refocused WDC to administer and implement the new federal Workforce Innovation and Opportunity Act of 2014 (WIOA) for Hawaii. The firewall was created with clear delineation of roles and responsibilities between the two workforce development agencies.

Since 2015, the WDC built its infrastructure from one employee to 11 positions, reestablishing a working relationship with the county Workforce Development Boards, issuing statewide fiscal and program policies, adding strong business and labor leaders to the board to give the voice of employers, formed eight active working committees, developed four-year Hawaii Unified State Plans to qualify for USDOL funds, established collaboration and partnerships with state agencies to break down silos, conducted annual and ongoing on-site and desk monitoring of the county Workforce Development Boards and services at the American Job Centers, convened and supported sector/industry partnerships to meet the needs of in-demand industries, developed a Statistical Adjustment Model for Hawaii for performance goals and negotiated performance targets with USDOL and the counties; provide training and technical assistance to the county boards and staff, developed an Online Workforce Referral System, applied and was awarded \$4M in federal emergency disaster grants for the flooding on Kauai and volcano eruption on Hawaii Island in 2018, awarded \$3M for COVID-19 disaster and employment grants from USDOL, selected by the National Governors Association to participate in the on demand economy (gig economy) national pilot program, and Hawaii is represented on the National Association of Statewide Workforce Agencies (NASWA) Board of Directors, among the many accomplishments.

Please see attached the WIOA Public Law 113-128 listing the federal requirements and how the WDC has met them. These are not duplicated services with other workforce development agencies. (SEE ATTACHMENT)

WDC has met the challenges mandated by the WIOA law – a very complicated, restrictive, and unyielding set of rules and regulations that all states are having to maneuver.

Dissolving the WDC in its present form and having one agency take responsibility for compliance with the WIOA and USDOL regulations would turn back the clock on the state's workforce development system.

Workforce Innovation and Opportunity Act of 2014  
Public Law 113-128

WIOA Section	WIOA REQUIREMENTS	WDC Compliance/Responsibilities NOT duplicated
Section 101. State Workforce Development Boards	(a) IN GENERAL. The Governor of a State shall establish a State workforce development board to carry out the functions described in subsection (d).	<b>Workforce Development Council (WDC)</b> is the state workforce development board
	(b) Membership-The State board shall include...	<ul style="list-style-type: none"> <li>• USDOL will <u>not approve</u> the Unified State Plan without membership that complies with this section.</li> </ul>
	<p><b>(d) Functions</b></p> <p>(1) development, implementation, and modification of the State plan;</p> <p>(2) review of statewide policies, of statewide programs and of recommendations on actions that should be taken by the State to align workforce development programs in the State in a manner that supports a comprehensive and streamlined workforce development system in the State, including the review and provision of comments on the State plans, if any, for programs and activities of one-stop partners that are not core programs;</p> <p>(3) the development and continuous improvement of the workforce development system in the State, including—</p> <p>(A) the identification of barriers and means for removing barriers to better coordinate, align, and avoid duplication among the programs and activities carried out through the system;</p> <p>(B) the development of strategies to support the use of career pathways for the purpose of providing individuals, including low-skilled adults, youth, and individuals with barriers to employment (including individuals with disabilities), with workforce investment activities, education, and supportive services to enter or retain employment;</p> <p>(C) the development of strategies for providing effective outreach to and improved access for individuals and employers who could benefit from</p>	<ul style="list-style-type: none"> <li>• Hawaii Unified State Plan must be approved to qualify for USDOL funds.</li> <li>• The state places approximately \$8 million for FY 22 and all future annual funding in jeopardy,</li> <li>• WDC is responsible for the statewide programs and policies.</li> <li>• WDC convenes core partners and aligns programs for a comprehensive and streamlined system, including activities at the American Job Centers.</li> <li>• WDC administers the WIOA Adult program which provides individuals, including low-skilled adults, youth, and individuals with barriers to employment (including individuals with disabilities), with workforce investment activities, education, and supportive services to enter or retain employment. Supportive services and training are not provided by other employment services programs.</li> <li>• Develop effective outreach and improve access to individuals and employers. Employers are essential customers of the workforce system. Statewide business services are coordinated by the WDC.</li> </ul>

	<p>services provided through the workforce development system;</p> <p>(D) the development and expansion of strategies for meeting the needs of employers, workers, and jobseekers, particularly through industry or sector partnerships related to in-demand industry sectors and occupations;</p> <p>(E) the identification of regions, including planning regions, for the purposes of section 106(a), and the designation of local areas under section 106, after consultation with local boards and chief elected officials;</p> <p>(F) the development and continuous improvement of the one-stop delivery system in local areas, including providing assistance to local boards, one-stop operators, one-stop partners, and providers with planning and delivering services, including training services and supportive services, to support effective delivery of services to workers, jobseekers, and employers; and</p> <p>(G) the development of strategies to support staff training and awareness across programs supported under the workforce development system;</p> <p>(4) the development and updating of comprehensive State performance accountability measures, including State adjusted levels of performance, to assess the effectiveness of the core programs in the State as required under section 116(b);</p> <p>(5) the identification and dissemination of information on best practices, including best practices for—</p> <p>(A) the effective operation of one-stop centers, relating to the use of business outreach, partnerships, and service delivery strategies, including strategies for serving individuals with barriers to employment;</p> <p>(B) the development of effective local boards, which may include information on factors that contribute to enabling local boards to exceed negotiated local levels of performance, sustain fiscal integrity, and achieve other measures of effectiveness; and</p> <p>(C) effective training programs that respond to real-time labor market analysis, that effectively use direct</p>	<ul style="list-style-type: none"> <li>• WDC convenes and supports sector/industry partnerships to meet the needs of in-demand industries.</li> <li>• WDC identifies criteria for establishing the local areas (counties).</li> <li>• WDC is responsible for the development and continuous improvement of the American Job Centers; and effective delivery of services through the Centers.</li> <li>• WDC provides staff support, has developed strategies for awareness across programs.</li> <li>• WDC develops and updates annually comprehensive statewide performance accountability measures.</li> <li>• WDC provides guidance to local boards on best practices for delivery of services.</li> <li>• WDC provides training sessions to members of the local (county) boards.</li> <li>• WDC coordinates and provides technical assistance to local boards and American Job Center operators.</li> <li>• WDC is in the process of a statewide evaluation of training providers.</li> </ul>
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	<p>assessment and prior learning assessment to measure an individual's prior knowledge, skills, competencies, and experiences, and that evaluate such skills, and competencies for adaptability, to support efficient placement into employment or career pathways;</p> <p>(6) the development and review of statewide policies affecting the coordinated provision of services through the State's one-stop delivery system described in section 121(e), including the development of—</p> <p>(A) objective criteria and procedures for use by local boards in assessing the effectiveness and continuous improvement of one-stop centers described in such section;</p> <p>(B) guidance for the allocation of one-stop center infrastructure funds under section 121(h); and</p> <p>(C) policies relating to the appropriate roles and contributions of entities carrying out one-stop partner programs within the one-stop delivery system, including approaches to facilitating equitable and efficient cost allocation in such system;</p> <p>(7) the development of strategies for technological improvements to facilitate access to, and improve the quality of, services and activities provided through the one-stop delivery system, including such improvements to—</p> <p>(A) enhance digital literacy skills (as defined in section 202 of the Museum and Library Services Act (20 U.S.C. 9101); referred to in this Act as "digital literacy skills");</p> <p>(B) accelerate the acquisition of skills and recognized postsecondary credentials by participants;</p> <p>(C) strengthen the professional development of providers and workforce professionals; and</p> <p>(D) ensure such technology is accessible to individuals with disabilities and individuals residing in remote areas;</p> <p>(8) the development of strategies for aligning technology and data systems across one-stop partner programs to enhance service delivery and improve efficiencies in reporting on performance accountability measures (including the design and implementation of common intake, data collection, case management information, and performance accountability measurement and reporting processes and the incorporation of local input into such design and implementation,</p>	<ul style="list-style-type: none"> <li>• WDC issues WIOA Bulletins establishing statewide policies and procedures for Adult, Dislocated Worker and Youth programs.</li> <li>• WDC issued a comprehensive assessment policy for certification criteria for the American Job Centers</li> <li>• WDC issued a policy and a workbook to local boards for the establishment of the infrastructure funding of the American Job Centers.</li> <li>• WDC has issued fiscal policies and procedures to comply with federal requirements.</li> <li>• WDC has undertaken a project to provide statewide digital literacy training.</li> <li>• WDC coordinates statewide technical assistance for WIOA service providers and partner programs.</li> <li>• WDC established policies and procedures requiring program and physical accessibility.</li> <li>• WDC applied for and was awarded a Technology grant and developed the Hawaii Online Workforce Referral system which streamlines the application process for individuals seeking employment services and integrates the participant management systems</li> </ul>
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	<p>to improve coordination of services across one-stop partner programs);</p> <p>(9) the development of allocation formulas for the distribution of funds for employment and training activities for adults, and youth workforce investment activities, to local areas as permitted under sections 128(b)(3) and 133(b)(3);</p> <p>(10) the preparation of the annual reports described in paragraphs (1) and (2) of section 116(d);</p> <p>(11) the development of the statewide workforce and labor market information system described in section 15(e) of the Wagner-Peyser Act (29 U.S.C. 491-2(e)); and</p> <p>(12) the development of such other policies as may promote statewide objectives for, and enhance the performance of, the workforce development system in the State.</p>	<p>of WIOA Adult, Dislocated Worker, Youth Programs; Adult Education Program (HIDOE); Wagner-Peyser program; and Division of Vocational Rehabilitation.</p> <ul style="list-style-type: none"> <li>• WDC annually develops the allocation formula that distributes Adult, Dislocated Worker, and Youth programs funds to the counties according to federal guidelines.</li> <li>• WDC ensures that the participant management information system and labor market information complies with all federal requirements.</li> </ul>
	<p>(h) <b>AUTHORITY TO HIRE STAFF.</b></p> <p>(1) <b>IN GENERAL.</b>—The State board may hire a director and other staff to assist in carrying out the functions described in subsection (d) using funds available as described in section 129(b)(3) or 134(a)(3)(B)(i).</p> <p>(2) <b>QUALIFICATIONS.</b>—The State board shall establish and apply a set of objective qualifications for the position of director, that ensures that the individual selected has the requisite knowledge, skills, and abilities, to meet identified benchmarks and to assist in effectively carrying out the functions of the State board.</p>	<ul style="list-style-type: none"> <li>• The Executive Director is hired by the members of the WDC.</li> <li>• Council establishes objective qualifications and evaluation criteria and assesses the performance of the executive director.</li> <li>• <b>WDC executive director and staff positions are 100% funded by federal funds.</b></li> </ul>
Section 102.	Unified State Plan	
	<p>(a) For a <u>State to be eligible to receive allotments for the core programs</u>, the Governor shall submit to the Secretary of Labor for the approval process described under subsection (c)(2), a unified State plan. The unified State plan shall outline a 4-year strategy for the core programs of the State and meet the requirements of this section.</p>	<ul style="list-style-type: none"> <li>• WDC is the lead agency which coordinates, organizes, and submits the 4-year plan which includes sections of all core programs (Adult, Dislocated Worker, Youth, Wagner-Peyser, Adult Education, Division of Vocational Rehabilitation) and other stakeholders of the statewide workforce development system.</li> </ul>
Section 107.	<p>Local Workforce Development Boards</p> <p>(b) Membership</p> <p>(1) State Criteria</p> <p>(2) Composition</p>	<ul style="list-style-type: none"> <li>• WDC establishes criteria for use by each county's mayor for appointment of members that meet the WIOA criteria</li> <li>• WDC certifies the local boards every two years.</li> </ul>
	(10) Selection of Operators and Providers	<ul style="list-style-type: none"> <li>• WDC conducts programmatic and fiscal monitoring annually in compliance with federal requirements.</li> </ul>

	(12) Budget and Administration The local board shall develop a budget for the activities of the local board in the local area, consistent with the local plan, subject to the approval of the mayor.	<ul style="list-style-type: none"> <li>• WDC reviews each local area's annual plan for alignment with the local plan's priorities; reviews and approves the budget for each program.</li> </ul>
Section 108.	Local Plan 108(b) Contents-	<ul style="list-style-type: none"> <li>• WDC provides guidelines for the local plan.</li> <li>• WDC reviews and approves the four-year plans developed by the local boards, aligning with the state plan and includes local stakeholder input.</li> </ul>
Chapter 4 Sec. 116	Performance Accountability System Performance Accountability System (b) State Performance Accountability Measures	<ul style="list-style-type: none"> <li>• WDC staff provide training, technical assistance, and guidance to the American Job Centers to enter data into the system and to avoid invalid entries which affect performance results.</li> <li>• WDC staff submit quarterly reports for each program to the USDOL's Workforce Integration System.</li> <li>• WDC staff submit files for the direct wage data match with Hawaii's Unemployment Insurance Database. This process provides required performance data: employment rate 2nd quarter after exit, employment rate 4th quarter after exit, median wages.</li> <li>• WDC staff submit files to the State Wage Interchange System's Clearinghouse to conduct the interstate wage data match which provides data on participants who are employed in other states.</li> </ul>
	(f) Sanctions for state failure to meet state performance accountability measures (A) For any program year, technical assistance will be provided, including assistance in development of a performance improvement plan. (B) Reduction in amount of grant. If such failure continues for a second consecutive year, or a state fails to submit a report for any program year the percentage of each amount that would be in the Governor's reserve (=15% of the State allocation) shall be reduced by 5 percentage points until such	<ul style="list-style-type: none"> <li>• A reduction affects funds available for administrative expenses and staffing.</li> </ul>

	date deemed appropriate by the USDOL or the USDOE.	
Sec. 122	Identification of Eligible Providers of Training Services (ETP)	WDC staff approve ETPs and programs that local areas have determined to meet the in-demand industry needs of their local areas. WDC is responsible for publishing the list of approved providers and programs and for collecting data from the providers that are required by WIOA. American Job Centers place participants in these approved programs using federal WIOA funds.
Sec. 128	Within State Allocations Allocate funds using federal formula	WDC is responsible for conducting statewide employment and training activities for adults, dislocated workers, and youth and allocating funds to local areas according to federal intra-state formulas.
Sec. 129	Use of funds for Youth Workforce Investment Activities	WDC is responsible for the oversight of the statewide Youth Program
Sec. 133	(2) Statewide rapid response activities	From dislocated worker program funds allotted to WDC
Sec. 134	(a) (1) (A) funds used shall be used to carry out rapid response activities	Rapid response activities include provision of additional assistance to local areas during emergencies or mass layoffs; providing layoff aversion and other business services to local employers

#### RECOMMENDATIONS:

Since WDC is the organization with oversight responsibilities of the Statewide Workforce Development system, including the establishment and coordination of services at the American Job Centers, oversight of the Local Workforce Development Boards;

Transfer Workforce Development Division staff for the following WIOA programs to WDC: Wagner-Peyser and Trade Assistance Agreement which provide services to jobseekers and dislocated workers.



STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
McKINLEY COMMUNITY SCHOOL FOR ADULTS

634 PENSACOLA STREET, ROOM 216  
HONOLULU, HAWAII 96814

Telephone: (808) 594-0540 FAX: (808) 594-0544

DATE: March 25, 2021

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

FROM: Helen H. Sanpei, Principal   
McKinley Community School for Adults

RE: HB 200 HD1 Relating to State Budget

POSITION: **Strong Opposition** with Amendments

The Workforce Innovation and Opportunity Act of 2014 (WIOA) requires the Department of Labor, Department of Education (Adult Education), Wagner Peyser, and the Division of Vocational Rehabilitation to serve as mandatory partners in the execution of WIOA for Hawaii.

The Workforce Development Council (WDC) serves as the State Board that is required under WIOA. The Council is comprised of local private-sector leaders, the Department of Education, the University of Hawaii Community College System, County officials, service providers, and community organizations who serve as leaders in the execution of WIOA for Hawaii's workforce preparation program.

I am currently principal of McKinley Community School for Adults and also serve as Superintendent Kishimoto's representative on the WDC. Our main focus in the execution of WIOA is to prepare our students for the workforce by supporting the educational needs of adult learners to include individuals with disabilities; individuals from economically disadvantaged families, including low-income; individuals preparing for non-traditional fields; single parents, including pregnant women; out of work individuals; English learners; homeless individuals; youth who are in, or have aged out of the foster care system; chronically unemployed or underemployed; or individuals who were recently released from our correctional facilities who need to complete a workforce preparation program to meet the minimum requirements for job entry.

The Workforce Development Council is essential in providing valuable expertise and recommendations to ensure a successful program implementation for Hawaii. With the current status, due to the pandemic, it would be prudent for our legislature to support essential services that include the WDC to ensure that the workforce will be ready to embrace the reopening of businesses.

I am writing to respectfully request the restoration of the Workforce Development Council (LBR 135) into the State Budget as originally proposed in HB 200; restoring 6 positions that were transferred out and restoring 5 positions that were eliminated. The Council is almost entirely funded with federal funds and it would be prudent for our state to continue receiving these funds to support the WDC.

Thank you for this opportunity to provide testimony in support of restoring the funding of the Workforce Development Council, LBR 135 into the state budget.

DAVID Y. IGE  
GOVERNOR

JOSH GREEN  
LIEUTENANT GOVERNOR



ANNE E. PERREIRA-EUSTAQUIO  
DIRECTOR

JOANN A. VIDINHAR  
DEPUTY DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
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March 29, 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

Date: Monday, March 29, 2021  
Time: 9:00 a.m.  
Place: Conference Room 211, State Capitol

From: Anne Perreira-Eustaquio, Director  
Department of Labor and Industrial Relations (DLIR)

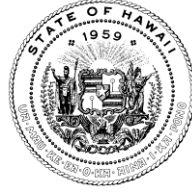
**Re: H.B. No. 200 HD1 RELATING TO THE STATE BUDGET**

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

The department is concerned about some of the positions that were eliminated in the HD1 and the source of funding for the Disability Compensation Division's Modernization Project.

The DLIR looks forward to working with the Committee to address these important matters.

Thank you for the opportunity to testify.



DAVID Y. IGE  
GOVERNOR

JOSH GREEN  
LT. GOVERNOR

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

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CATHERINE P. AWAKUNI COLÓN  
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI  
DEPUTY DIRECTOR

**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
Senate Committee on Ways and Means  
Monday, March 29, 2021  
9:00 a.m.**

**On the following measure:  
H.B. 200, H.D. 1, RELATING TO THE STATE BUDGET**

Chair Dela Cruz 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). This bill adjusts and makes additional appropriations for fiscal biennium 2021-2023 to fund the operations of executive branch agencies and programs. The Department supports this bill and requests amendments.

The Department acknowledges the hard work of the House Finance Committee and appreciates how H.D. 1 incorporates a number of the Department's budget requests. In doing so, however, H.D.1 removes funding and position counts for over 50 positions in the Department, some of which are currently filled. The Department has been fortunate that, as a special-funded department, it has received authorization to continue to recruit for and fill positions, and as reflected in this testimony, it has successfully worked toward filling as many vacant positions as possible.



This testimony mirrors the contents of the DCCA's Impact Statement that was provided to this committee a short time ago. Specifically, the DCCA respectfully requests the following to ensure funding for programs and positions:

1. **CCA 103:** House adjustment – Removes \$264,512 funding and positions for the following:

110962	SUPERVISING (PU) ATTORNEY
5664	LEGAL CLERK
123245	PROGRAM SPECIALIST
123136	ADMINISTRATIVE ASSISTANT

**Impact:** Recruitment actions have been initiated for positions 5664 (Legal Clerk), 123245 (Program Specialist), and 123136 (Administrative Assistant). A conditional offer has been extended for position 110962 (Supervising (PU) Attorney). These positions are required to meet increased public utility rate cases before the Public Utilities Commission (Commission).

**DCCA request:** The DCCA requests restoring these positions and funding to its budget.

2. **CCA 104:** House adjustment – Removes \$307,896 funding and positions for the following:

CCA104	121947	FI REG COMPLIANCE INVESTIGATOR
CCA104	26271	FINANCIAL INST EXAMINER II
CCA104	118658	CRF FI EXAMINER II
CCA104	119531	CRF FIN INSTITUTION EXAMINER I
CCA104	121528	CRF FIN INSTITUTION EXAMR II

**Impact:** Recruitment actions have been initiated for position 121528 (CRF FIN Institution Examiner II). Positions 121947 (FI REF Compliance Investigator), 26271, 118658, and 119531 (Financial Institution Examiner II) have been filled. These positions are required to regulate and conduct exams of financial institutions in the State.

**DCCA request:** The DCCA requests restoring these positions and funding to its budget.

3. **CCA 105:** House adjustment – Removes \$143,412 funding and positions for the following:

CCA105	33	SECRETARY II
CCA105	120570	REGLTRY BDS/COMMS ADM ASST III
CCA105	122452	OFFICE ASSISTANT IV

**Impact:** An offer has been accepted for position 33 (Secretary II). Recruitment action has been initiated for position 120570 (Regulatory Board/Commissions Admin Assistant). Position 122452 (Office Assistant IV) has been filled. These positions are required to support the Professional and Vocational Licensing Division’s boards and commissions.

**DCCA request:** The DCCA requests restoring these positions and funding to its budget.

4. **CCA 106:** House adjustment – Removes \$729,522 funding and positions for the following:

CCA106	122936	INS HEALTH PREM RATE ANALYST
CCA106	102731	IERF INSURANCE EXAM MANAGER
CCA106	102738	CRF INS EXAMINER II
CCA106	110317	CRF RATE & POLICY ANALYST III
CCA106	120950	CRF INSURANCE EXAMINER II
CCA106	116590	CIAF INSURANCE EXAMINER I
CCA106	120976	CIAF INSURANCE EXAMINER I
CCA106	122974	INS HEALTH ACTUARY
CCA106	110212	CRF MULTIMEDIA EDUCATION SPC

**Impact:** Position 122936 (INS Health Premium Rate Analyst) has been converted to INS Health Licensing Supervisor, and a conditional offer has been made. Recruitment actions have been initiated for positions 102731 (IERF Insurance Exam Manager), 102738 (CRF INS Examiner II), 120950 (CRF INS Examiner II), 110317 (CRF Rate & Policy Analyst III), 116590 (CIAF Insurance Examiner I), and 120976 (CIAF Insurance Examiner I). Positions 122974 (INS Health Actuary) and 110212 (CRF Multimedia Education Specialist) have been filled. These positions are required to maintain certification with the National Association of Insurance Commissioners and to provide services to the captive insurance industry.

**DCCA request:** The DCCA requests restoring these positions and funding to its budget.

5. **CCA 106:** House adjustment – Does not approve transfer TO2 – tradeoff IRF Program Analyst to CCA 110 Information Specialist position and corresponding funds to the Office of Consumer Protection (OCP). Corresponds to CCA 110 Impact Statement #9.

**Impact:** Denies the transfer of a position to the OCP, where departmental resources are required to conduct outreach programs to protect consumers in the State.

**DCCA request:** The DCCA requests approving this tradeoff.

6. **CCA 106:** House adjustment – Does not approve OR13 request to convert CRF EFT Clerk, position 118798 from temporary exempt to permanent exempt.

**Impact:** The temporary status of this position makes it difficult to fill, and conversion would assist the Insurance Division in processing electronic payments from insurance companies and utilizing the Department's automated payment collection system, which accepts multiple forms of payment from customers, other than just hardcopy checks.

**DCCA request:** The DCCA requests approval to convert this temporary exempt position to permanent status.

7. **CCA 107:** House adjustment – Removes \$60,312 funding and position for the following:

CCA107	121759	HPEAP PROGRAM SPECIALIST
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**Impact:** Position 121759 (HPEAP Program Specialist) is being redescribed and is required to support students and employers requesting education records from colleges that have gone out of business in the State.

**DCCA request:** The DCCA requests restoring these positions and funding to its budget.

8. **CCA 110:** House adjustment – Removes \$95,916 funding and positions for the following:

CCA110	120993	CRF INVESTIGATOR I
CCA110	23118	OFFICE ASSISTANT III

**Impact:** Position 120993 (CRF Investigator I) has been filled. Recruitment action has been initiated for position 23118 (Office Assistant III). These positions are required to support consumer protection of residents in the

State.

**DCCA request:** The DCCA requests restoring these positions and funding to its budget.

9. **CCA 110:** House adjustment – Does not approve transfer TO2 – tradeoff IRF Program Analyst to CCA 110 Information Specialist position and corresponding funds to the OCP. Corresponds to CCA 106 Impact Statement #9.

**Impact:** This denies the transfer of a position to the OCP, where departmental resources are required to conduct outreach programs to protect consumers in the State. The IRF Program Analyst would be transferred to and redescribed as the Information Specialist position. The OCP lacks its own information specialist that focuses primarily on the work of the division. The OCP has been extremely active in its enforcement efforts, and its executive director is regularly interviewed by various media outlets on a variety of COVID-19 topics, including evictions, COVID-19 scams, and price gouging. During emergencies, the division advises the public and retailers about the State’s price freeze (a.k.a. “price gouging”) law and responds to violators. The Informational Specialist position would therefore have an important departmental role in the context of an emergency, and this role would be consistent with the OCP’s specific emergency functions. This transfer is cost-neutral.

**DCCA request:** The DCCA requests approving this tradeoff.

10. **CCA 111:** House adjustment – Removes \$681,736 funding and positions for the following:

CCA111	33023	SECURITIES COMPLIANCE SUPVR
CCA111	102006	BUSINESS CENTER SPECIALIST II
CCA111	108007	CRF INVESTIGATOR IV
CCA111	31670	BUSINESS REGISTRATION ASST
CCA111	29154	BUSINESS REGISTRATION ASST
CCA111	49523	BUSINESS REGISTRATION ASST
CCA111	40362	OFFICE ASSISTANT III
CCA111	35709	BUSINESS REGISTRATION ASST
CCA111	32896	OFFICE ASSISTANT III
CCA111	46583	OFFICE ASSISTANT III
CCA111	29100	OFFICE ASSISTANT III
CCA111	38510	OFFICE ASSISTANT III
CCA111	102530	CRF INVESTIGATOR IV
CCA111	117393	SECURITIES EDUCATION ASSISTANT

**Impact:** Recruitment actions have been initiated for positions 33023 (Securities Compliance Supervisor), 49523 (Business Registration Assistant), and 38510 (Office Assistant III). Positions 102006 (Business Center Specialist II), 108007 (CRF Investigator IV), 102530 (CRF Investigator IV), 31670 (Business Registration Assistant), 29154 (Business Registration Assistant), 35709 (Business Registration Assistant), 40362 (Office Assistant III), 32896 (Office Assistant III), 46583 (Office Assistant III), 29100 (Office Assistant III), and 117393 (Securities Education Assistant) have been filled. These positions are required to support business and securities company registration, examination, and enforcement.

**DCCA request:** The DCCA requests restoring these positions and funding to its budget.

**11. CCA 112:** House adjustment – Removes \$470,545 funding and positions for the following:

CCA112	119168	LEGAL CLERK
CCA112	102087	STAFF ATTORNEY III
CCA112	120232	INVESTIGATOR IV
CCA112	118045	RI INVESTIGATOR IV
CCA112	118479	INVESTIGATOR I
CCA112	118553	LEGAL ASSISTANT III
CCA112	118554	OFFICE ASSISTANT III
CCA112	101311	STAFF ATTORNEY
CCA112	120233	RI INVESTIGATOR IV

**Impact:** Positions 191168 (Legal Clerk) and 101311 (Staff Attorney) have been filled. Recruitment actions have been initiated for positions 102087 (Staff Attorney III), 120232 (Investigator IV), 118045 (RI Investigator IV), 120233 (RI Investigator IV), and 118479 (Investigator I). The Department has requested variances from the Department of Budget and Finance to redescribe positions 118553 (Legal Assistant III) and 118554 (Office Assistant III). These positions are required to support investigations of consumer complaints against businesses in the State.

**DCCA request:** The DCCA requests restoring these positions and funding to its budget.

12. **CCA 191A1:** House adjustment – Removes \$135,048 funding and positions for the following:

CCA191	120567	INFORMATION TECHNOLOGY BAND B
CCA191	113111	ISCO DATA PROC SYS ANALYST IV

**Impact:** A conditional offer was made for position 120567 (Information Technology B). Position 113111 (ISCO Data Processing System Analyst IV) has been filled. These positions are required to provide IT support for all divisions and users in the Department.

**DCCA request:** The DCCA requests restoring these positions and funding to its budget.

13. **CCA 901:** House adjustment – Removes \$426,252 funding and positions for the following:

CCA901	34164	ENGINEER V (PU)
CCA901	42690	INVESTIGATOR IV
CCA901	117629	PUC ECONOMIST I
CCA901	102680	PUC UTILITY ANALYST I
CCA901	117632	SECRETARY I
CCA901	102100	PUC UTILITY ANALYST I
CCA901	121748	PUC RESEARCH ASSISTANT I

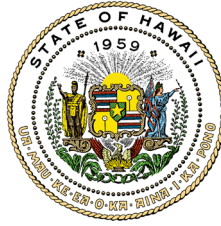
**Impact:** The Department requested to redescribe positions 34164 (Engineer V (PUC)), 42690 (Investigator IV), and 117632 (Secretary I), which were forwarded to the Department of Budget and Finance for approval in August 2020 and are pending their review. Positions 117629 (PUC Economist I), 102680 (PUC Utility Analyst I), and 121748 (PUC Research Assistant I) have been filled. Recruitment action has been initiated for position 102100 (PUC Utility Analyst I). These positions are required to support public utility cases and dockets before the Commission.

**DCCA request:** The DCCA requests restoring these positions and funding to its budget.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE  
GOVERNOR OF HAWAII

ELIZABETH A. CHAR, M.D.  
DIRECTOR OF HEALTH



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

**Testimony in SUPPORT of HB 200 HD1  
Relating to State Budget**

COMMITTEE ON WAYS AND MEANS  
SENATOR DONOVAN M. DELA CRUZ, CHAIR  
SENATOR GILBERT S.C. KEITH-AGARAN, VICE CHAIR

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

Hearing Date: March 29, 2021  
9:00 a.m.

Room Number: 211  
Via Videoconference

- 1 **EOA's Position:** The Executive Office on Aging, an attached agency of the Department of
- 2 Health (DOH), supports House Bill 200 HD1, Relating to the State Budget.
- 3 **Fiscal Implications:** Sufficient appropriations are required to assure the health and safety of
- 4 our kupuna.
- 5 **Purpose and Justification:** This measure appropriates funds for the operating and capital
- 6 improvement budget of the Executive Branch for fiscal biennium, beginning July 1, 2021 and
- 7 ending June 30, 2023. The EOA strongly supports the addition of the 1.0 FTE for the
- 8 Alzheimer's Coordinator position. EOA notes the EOA budget (HTH-904), item 25 on page 29
- 9 of HB 200 HD1 includes the position count and funding for the Alzheimer's position as part of
- 10 its fiscal biennium budget. The 1.0 FTE position count will allow EOA to recruit and hire for this
- 11 dedicated position to carry out the mandate, update the State ADRD Plan, and coordinate the
- 12 provision of public and private Alzheimer's disease and related dementia services.

1 Thank you for the opportunity to testify.





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

March 26, 2021

**TO:** Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair  
Senate Committee on Ways and Means

**FROM:** Lauren Moriguchi, Director  
Executive Office on Early Learning

**SUBJECT:** **Measure:** H.B. No. 200 H.D. 1  
**Hearing Date:** Monday March 29, 2021  
**Time:** 9:00am  
**Location:** Videoconference

**Bill Description:** RELATING TO THE STATE BUDGET – Appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2021-2022 and 2022-2023. (HD1.)

**EXECUTIVE OFFICE ON EARLY LEARNING'S POSITION: Supports with Comments**

Good morning. I am Lauren Moriguchi, Director of the Executive Office on Early Learning (EOEL). EOEL respectfully requests your consideration of funding for EDN700, EOEL's program ID, as contained in the FY 2021-2023 Executive Biennium Budget, approved by our governing board, the Early Learning Board.

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.

**We request the Legislature's continued support to help reach its goal of expanding access to early learning. EOEL provides comments on the EDN700 budget proposal and details of our requests.**

**Budget Reductions and Requests**

Recognizing the dire economic situation our State is currently facing due to the COVID-19 pandemic, our office made careful budget reduction considerations. We are acutely aware that all departments are being impacted and have had to make difficult decisions during this time and we understand cuts are a necessary option the State must consider when addressing our budget shortfall.

**Investing in our youngest keiki is both a short-term and a long-term relief package. Investing in quality early care and education not only provides immediate support to Hawaii’s working families and boosts the economy by providing jobs, it also provides substantial long-term benefits as well.** High-quality early childhood programs help “build the foundations for stronger family lives that result in larger gains for their children” and have “substantial second-generation effects on education, employment, crime, school suspensions, and health” (Heckman, James, and Ganesh Karapukula, 2019).

The proposed EDN700 budget reflects a total reduction of \$4,549,472 and mitigates as much impact to families and children as possible.

In addition, EOEL requests the following:

1. **\$249,239 for restoration of funding for seven pre-Kindergarten classroom teaching positions.** The 7 positions listed are existing positions located in seven classrooms which have been in operation since at least SY 2019-20. Because of vacancies, these positions were cut in the 2020 session but were later restored without funding. One Teacher and one Educational Assistant per classroom are necessary pursuant to Hawaii Revised Statute § 302L-7 (2018). This also addresses current health and safety guidelines to address COVID-19 pursuant to DHS and CDC. These classrooms allow the EOEL Public Prekindergarten Program to serve more than 100 students and their families. The classrooms impacted are a core service essential to reopening the economy as they allow families to return to work and sustain financial security. These schools are in high-need areas where there are no or few other providers (e.g., Hawai’i Island), and classroom closure means greater reduced access for families in these areas. **Ensuring these positions are funded will prevent a similar crisis faced during the 2020 legislative session in the school community and for families.** Schools and families are unable to operate in a state of uncertainty about funding for these classrooms year after year, especially when enrollment for families must begin the spring prior, and particularly at a time when families are worrying about mitigating financial impacts and their ability to return to work.
2. **2.00 permanent FTE counts for appropriated positions in existing pre-Kindergarten classrooms.** The allocation of two permanent 1.00 FTE positions (1 Teacher and 1 Educational Assistant) is required for an existing prekindergarten classroom. These are direct instructional staff positions funded through Act 276, SLH 2019, but without the position counts. The allocation of these positions strengthens the State's investment and commitment to the implementation of the Early Childhood State Plan, and reflects the Governor's and Legislature's joint effort in the 2020 session to prioritize increased access to early learning.

Should the proposed budget reductions and the two additional requests be adopted, it would adjust EOEL’s budget to reflect a total of \$5,873,354 and would not impact the direct services EOEL currently provides directly to families and children. We respectfully request the legislature adopt the reductions and requests for EDN700 as reflected in H.B. No. 200 H.D. 1.

Thank you for the opportunity to testify on this bill.



**DAVID Y. IGE**  
Governor

**JOSH GREEN**  
Lieutenant Governor

**MIKE MCCARTNEY**  
Director

**LAND USE COMMISSION**  
Department of Business, Economic Development & Tourism  
State of Hawai'i

**DANIEL ORODENKER**  
Executive Officer

**SCOTT A.K. DERRICKSON AICP**  
Chief Planner

**RILEY K. HAKODA**  
Chief Clerk/Planner

**NATASHA A. QUINONES**  
Program Specialist

**FRED A. TALON**  
Drafting Technician

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Statement of  
**Daniel E. Orodenker**  
**Executive Officer**  
State Land Use Commission

Before the  
**Senate Committee on**  
**Ways and Means**

Monday March 29, 2021  
9:00 AM  
State Capitol, Conference Room 211 and Virtual Video Conference

In consideration of  
**HB 200**  
**RELATING TO THE STATE BUDGET**

Chair Dela Cruz; Vice Chair Keith-Agaran, members of the Senate Committee on Ways and Means:

The Land Use Commission, supports HB 200, SD1 Relating to the State Budget in that it restores funding to the Land Use Commission. We appreciate the legislature's continued support and the restoration of funding. However, in order to conform with concerns raised in HB 1147 that seeks to merge the LUC with the State Office of Planning, we offer the following comments.

HB 200 HD1 transfers the funding for the Land Use Commission from its former independent designation as BED 103 (Budget Worksheets pages 239-243) into the Office of Planning's designation of BED 144 (Budget Worksheets pages 298-299). While the Land Use Commission fully supports the re-alignment of the LUC by attaching the Commission to the Office of Planning rather than the Department of Business and Economic Development, there are concerns that the LUC maintain its autonomy and independence in practice and in principal. In the course of examination of the impacts of such a merger and in the course of hearings on the measure it has become clear that a primary concern with the merger of the LUC and the OP is maintaining "firewalls" to effectuate this.

By placing the LUC budget into the OP budget there may be a perception, and the potential, for the OP director to unduly influence they LUC and impact its independent decision making by re-allocating funds needed for LUC operations and staffing. As the Office of Planning

is a party to all LUC proceedings it is paramount that the LUC's independence and appearance of independence be maintained. Having separate budget allocations will assist in maintaining the necessary "firewalls", ensure the independence of the LUC is maintained, ensure compliance with applicable law and provide assurance to this body and the public that the firewalls contemplated by the legislation encompassing the merger will remain effective.

We would therefore respectfully request that BED 103 be maintained and that full funding for the LUC be transferred back into BED 103 from BED 144.

Thank you for the opportunity to testify on this matter.

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# A BILL FOR AN ACT

RELATING TO LAND USE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

SECTION 1.

Section 205-3.1, Hawaii Revised Statutes, is amended to read as follows:

“(a) District boundary amendments involving lands in the conservation district~~[, land areas greater than fifteen acres]~~ or lands delineated as important agricultural lands shall be processed by the land use commission pursuant to section 205-4 District boundary amendments of all other lands greater than fifteen acres shall be processed by the land use commission pursuant to section 205-4, except as provided in subsection (e).

(b) Any department or agency of the State, and department or agency of the county in which the land is situated, or any person with a property interest in the land sought to be reclassified may petition the appropriate county land use

decision-making authority of the county in which the land is situated for a change in the boundary of a district involving lands less than fifteen acres presently in the rural and urban districts and lands less than fifteen acres in the agricultural district that are not designated as important agricultural lands.

(c) District boundary amendments involving land areas of fifteen acres or less, except as provided in subsection (b), shall be determined by the appropriate county land use decision-making authority for the district and shall not require consideration by the land use commission pursuant to section 205-4; provided that ~~such~~ the boundary amendments and approved uses are consistent with this chapter. The appropriate county land use decision-making authority may consolidate proceedings to amend state land use district boundaries pursuant to this subsection, with county proceedings to amend the general plan, development plan, zoning of the affected land, or ~~such~~ other proceedings. Appropriate ordinances and rules to allow consolidation of ~~such~~ proceedings may be developed by the county land use decision-making authority.

(d) The county land use decision-making authority shall serve a copy of the application for a district boundary amendment to the land use commission and the department of business, economic

development, and tourism and shall notify the commission and the department of the time and place of the hearing and the proposed amendments scheduled to be heard at the hearing. A change in the state land use district boundaries pursuant to this subsection shall become effective on the day designated by the county land use decision-making authority in its decision. Within sixty days of the effective date of any decision to amend state land use district boundaries by the county land use decision-making authority, the decision and the description and map of the affected property shall be transmitted to the land use commission and the department of business, economic development, and tourism by the county planning director.

(e) Notwithstanding any other provision of this section to the contrary, a person may petition the appropriate county decision-making authority in the county in which the land is situated for a change in the boundary of a district involving lands that are not designated as conservation lands or important agricultural lands, or with soil classified by the land study bureau's detailed land classification as overall (master) productivity rating class A or B, and comprising twenty-five acres or less; provided that the majority of the development for which the boundary amendment is sought shall be for affordable housing and shall prioritize and give preference to projects that are able

to deliver more lower-priced housing; provided further that the district boundary amendments shall be limited to lands contiguous to the urban district.

(f) Parceling of lands for development shall be prohibited for the purposes of subsection (e). If lands that have been parceled are proposed for reclassification, the petition for reclassification shall be processed as lands greater than fifteen or twenty-five acres, pursuant to section 205-4.

(g) Before a county land use decision-making authority grants a petition for reclassification pursuant to subsection (e), the county land use decision-making authority shall make a clear finding, based on the evidence submitted, that the land subject to a petition for reclassification has not been parceled or proposed to be parceled.

(h) As used in this section, "parceling" means the subdivision of lands greater than twenty-five acres into two or more parcels, more than one of which is then proposed for reclassification within a ten-year period from the date of the subdivision."

(i) As used in this section "affordable housing" means homes that are affordable to purchasers whose income is no greater than 80 percent of the median income for the county in which the reclassification is to occur.



SECTION 2. Section 205-4, Hawaii Revised Statutes, is amended read as follows:

1. By amending subsection (a) to read:

"(a) Any department or agency of the State, any department or agency of the county in which the land is situated, or any person with a property interest in the land sought to be reclassified~~[7]~~ may petition the land use commission for a change in the boundary of a district. This section applies to all petitions for changes in district boundaries of lands within conservation districts, lands designated or sought to be designated as important agricultural lands, and lands greater than fifteen acres in the agricultural, rural, and urban districts, except as provided in ~~[section]~~ sections 201H-38~~[7]~~ and 205-3.1(e). The land use commission shall adopt rules pursuant to chapter 91 to implement section 201H-38."

2. By amending subsection (g) to read:

(g) Within a period of not more than three hundred sixty-five days after the proper filing of a petition, unless otherwise ordered by a court, or unless a time extension, which shall not exceed ninety days, is established by a two-thirds vote of the members of the commission, the commission, by filing findings of fact and conclusions of law, shall act to approve the petition, deny the petition, or to modify the petition by imposing

conditions necessary to uphold the intent and spirit of this chapter or the policies and criteria established pursuant to section 205-17 or to assure substantial compliance with representations made by the petitioner in seeking a boundary change. The commission may provide by condition that absent substantial commencement of use of the land in accordance with ~~[such representations,]~~ representations made to the commission, or absent substantial compliance with the conditions imposed under this chapter, the commission, on its own motion or upon motion by any party or interested person, shall issue and serve upon the party bound by the condition an order to show cause why the property should not revert to its former land use classification or be changed to a more appropriate classification.~~[Such conditions,]~~ If the commission finds, after a hearing conducted in accordance with commission rules and chapter 91, that the petitioner's failure to adhere to or comply with the representations or conditions does not warrant reversion to the land's former land use classification, including by reason of ineligibility, or if there has been substantial commencement of use of the land, the commission may:

(1) Record a notice of noncompliance on the land with the bureau of conveyances;

(2) Modify the existing conditions or impose new conditions to ensure compliance with the decision and order; or

(3) Provide by decision and order that the petitioner or its successor in interest shall be subject to the civil penalty set forth in section 205- .

All conditions imposed under this subsection, if any, shall run with the land and be recorded in the bureau of conveyances.

All motions requesting an order to show cause based on an alleged failure to perform a condition, representation, or commitment on the part of a petitioner, may be filed only by the commission or a person who was a party to the proceedings, including successful interveners, that resulted in the reclassification."

SECTION 3. Chapter 205, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§205- **Penalty.** (a) Any petitioner for an amendment to a district boundary that:

(1) After a hearing conducted in accordance with land use commission rules and chapter 91, is found to have violated a condition of the decision and order of the land use commission with regard to a district boundary amendment or any representation made therein; or

(2) Neglects, fails to conform to, or comply with this chapter or any lawful order of the land use commission, may be subject to a civil penalty not to exceed \$50,000 per day that the violation, neglect, or failure occurs, or reversion pursuant to section 205-4(g), but not both. The civil penalty shall be assessed by the land use commission after a hearing conducted in accordance with chapter 91.

(b) Upon written application filed within fifteen days after service of an order imposing a civil penalty pursuant to this section, the land use commission may remit or mitigate the penalty upon terms that it deems proper.

(c) If any civil penalty imposed pursuant to this section is not paid within a time period as the land use commission may direct, the attorney general shall institute a civil action for recovery of the civil penalty in circuit court."

SECTION 4. Section 205-6, Hawaii Revised Statutes, is amended by amending subsections (d) and (e) to read as follows:

"(d) [~~Special~~] Except as provided in section 205-3.1(e), special permits for land the area of which is greater than fifteen acres or for lands designated as important agricultural lands shall be subject to approval by the land use commission. The land use commission may impose additional restrictions as may be necessary or appropriate in granting the

approval, including the adherence to representations made by the applicant.

(e) [A] Except for district boundary changes made through an appropriate county decision-making authority pursuant to section 205-3.1(e), a copy of the decision, together with the complete record of the proceeding before the county planning commission on all special permit requests involving a land area greater than fifteen acres or for lands designated as important agricultural lands, shall be transmitted to the land use commission within sixty days after the decision is rendered.

Within forty-five days after receipt of the complete record from the county planning commission, the land use commission shall act to approve, approve with modification, or deny the petition. A denial either by the county planning commission or by the land use commission, or a modification by the land use commission, as the case may be, of the desired use shall be appealable to the circuit court of the circuit in which the land is situated and shall be made pursuant to the Hawaii rules of civil procedure."

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect upon its approval.





STATE OF HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
Hawaii Occupational Safety and Health Division  
**Hoisting Machine Operators Advisory Board**  
830 Punchbowl Street, Room 114  
Honolulu, Hawaii 96813  
Telephone: (808) 586-8146; E-mail: HMOAB@hawaii.gov

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GOVERNOR  
  
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HMOAB CHAIRPERSON  
  
DOC BAILEY  
ANGELA CHINEN  
THOMAS JACOBS  
BOARD MEMBERS  
  
TRACY TAKANO  
EXECUTIVE ASSISTANT

**Testimony of the Hoisting Machine Operators Advisory Board  
Before the  
Senate Ways and Means Committee  
Monday March 29, 2021  
9:00 a.m.  
Via Videoconference**

**On the following measure:  
H.B. 200 H.D. 1, Relating to the State Budget.**

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

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

The Hoisting Machine Operators Advisory Board (HMOAB) was established in 1998 as an attached agency within the Department of Labor and Industrial Relations and is administered by the Hawai'i Occupational Safety and Health Division. HMOAB's mission is to assure that operators of all construction mobile and tower cranes in the state with a lifting capacity of greater than 2,000 pounds perform their work in a safe and lawful manner.

HMOAB operates from a revolving fund defined in Section 36. Section 396-20. This revolving fund consists entirely of certification fees collected from hoisting machine operators under the jurisdiction of HMOAB. These fees are largely paid by the employers of these operators or by the labor unions representing them.

The measure under consideration seeks to eliminate this revolving fund.

In our testimony to this committee on HB 1299 H.D.1, we pointed out that revenue to the HMOAB revolving fund fluctuates. There was a large infusion of monies to the fund when the certification requirement was created, but revenue in subsequent years has been generated mainly from renewals rather than from new operators.

	FY 2019	FY 2020
Total Revenue	\$29, 825	\$31,100
Total Expenses	\$27, 598	\$22, 270
Potential Gain to the General Fund	\$ 2,227	\$ 8,830

HMOAB is a small agency, but the revolving fund has given us the flexibility to conduct activities which have been of benefit to the employers, labor unions, and operators who pay into

the fund. For example, HMOAB provided lunches and secured a meeting space – at no cost – for an event sponsored by the National Commission for the Certification of Crane Operators (NCCCO).

NCCCO is a nonprofit organization which has developed the industry standard safety and training programs in this country. For a very small expenditure from our revolving fund, hosting the NCCCO conference in Honolulu allowed Hawai'i employers, labor unions, and operators to be exposed to the latest safety and construction equipment and information which is usually not available locally. NCCCO was very happy with the outcome of this event, and wanted to return in 2020 (these plans were tabled due to the COVID-19 pandemic).

We feel that a small agency such as HMOAB would not get the same attention, including budget considerations, as the programs conducted by the much-larger state agencies that surround us. HMOAB would very much like to host future NCCCO conferences, conduct training, and other small activities to benefit those who pay into the existing revolving fund. But we worry whether these activities would be appreciated and funded when compared to the other important work of the state that is being conducted on a much larger scale. In addition, HMOAB is staffed by one part-time employee who usually works 10 hours per week. It may cost more to manage our small agency from General Funds rather than from the revolving fund.

In earlier testimony to this committee on H.B.1299, H.D.1, HMOAB proposed automatically transferring any unencumbered balance in excess of \$100,000 from our agency's revolving fund to the General Fund.

We ask the Committee to consider allowing small revolving funds such as ours to continue.

Thank you for your consideration of our proposal.

For the Hoisting Machine Operators Advisory Board,



John P. Muhlbauer, Jr.  
Chair





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  
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Testimony of  
**Gwen Yamamoto Lau**  
Executive Director  
**Hawaii Green Infrastructure Authority**  
before the  
**SENATE COMMITTEE ON WAYS AND MEANS**

Monday, March 29, 2021  
9:00 A.M.  
State Capitol, Conference Room 211 & Videoconference

in consideration of  
**HOUSE BILL NO. 200, HD1**  
**RELATING TO THE STATE BUDGET**

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

Thank you for the opportunity to testify in **support** of House Bill 200, HD1, which appropriates funds for the Hawaii Green Infrastructure Authority's ("HGIA") (BED 138) lending ceiling, bond ceiling and operating budget for the upcoming fiscal year. This will allow HGIA to continue its green infrastructure financing programs and assist underserved ratepayers in lowering their energy costs.

Thank you for this opportunity to testify in support of HB 200, HD1.

Testimony Presented Before the  
Senate Committee on Ways and Means  
March 29, 2021 at 9:00 a.m., Via Video Conference

by  
Jerris Hedges, MD, Dean  
and  
Lee Buenconsejo-Lum, MD, FAAFP  
Associate Dean for Academic Affairs & DIO, UH JABSOM  
John A. Burns School of Medicine  
University of Hawai'i at Mānoa

HB 200, HD1 – RELATING TO THE STATE BUDGET

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

Thank you for the opportunity to provide comments on HB 200, HD1, relating to The State Budget. The purpose of our testimony is to address the deletion of the John A. Burns school of medicine's (JASOM) budget line item from the current draft of the bill. This line item, no. 17, UOH 110, was contained in the original version of HB 200. We request that JABSOM's budget line item be restored.

JABSOM's budget line item has been invaluable in supporting the medical school's efforts to sustain its operations in a time of a severe physician shortage, a recession inducing pandemic where the school's faculty members and resident trainees have helped provide essential health care services. Having a sound fiscal plan for the medical school is essential for its accreditation. JABSOM has used the consistent state support to incrementally grow its medical student cohort over the last decade. Having the separate line item has permitted JABSOM invaluable stability during these challenging times. The separate line item has also provided greater JABSOM accountability to the legislature.

JABSOM is training more students than ever before. Faced with a physician shortage of over 1000 physicians in the state when compared to other continental US jurisdictions, we expanded our class size to help meet the worsening doctor shortage. Our third-year medical students now have the option of doing part of their training in Hilo, West Hawai'i and North Hawai'i, Maui and Kaua'i. First-year and fourth-year medical students have the opportunity for elective rotations on the islands of Hawai'i, Maui, Kaua'i and Moloka'i. This year 59% of the MD 2021 class will begin their post medical school residency training in primary care specialties. Two thirds of the class will remain in Hawai'i or will be close to home on the West Coast. These are bold steps taken to realize the dream of former Governor Burns to allow Hawai'i's children to become some of Hawai'i's most valuable citizens, i.e., those who commit their lives to improve the health of others.

Enabling JABSOM to continue to grow local doctors for Hawai'i is crucial to the health and wellbeing of our communities. JABSOM's budget line item is vital to continuing our work in this endeavor.

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



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

**Date:** 03/29/2021

**Time:** 09:00 AM

**Location:** CR 211 & Videoconference

**Committee:** Senate Ways and Means

**Department:** Education

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

**Title of Bill:** HB 0200, HD1 RELATING TO THE STATE BUDGET.

**Purpose of Bill:** Appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2021-2022 and 2022-2023. (HD1)

**Department's Position:**

The Hawaii State Department of Education (Department) supports the intent but respectfully has several concerns with House Bill (HB) 200, HD1, which appropriates funds for the operating and capital improvement budget of the Executive Branch for Fiscal Years 2021-2022 and 2022-2023.

For the Department to effectively meet its obligations, it is incumbent upon state leaders to work together to secure a predictable, equitable, and stable source of K-12 education funding. Sustaining general funding levels are critical for the Department to consistently and effectively maintain the capacity to address drastic educational inequities among our students and ensure a more secure foundation for their chosen futures.

Overall, HB 200, HD1 amends the Department's general fund appropriation from the level contained in the Governor's Biennium Budget Request by net totals of -288.5 position FTEs and -\$37,076,805. These reductions are in addition to the -\$41 million in Governor's 2.5% Program Review adjustments and the non-recurring -\$100.2 million general fund base budget adjustment imposed for Fiscal Year (FY) 2021, pursuant to Act 9, SLH 2020, that is being carried forward into FY 2022 and FY 2023 in HB 200, HD1. These adjustments are being considered as the Department continues to struggle with existing shortfalls for critical new programs and costs required to address the ongoing health crisis, disruptions to the traditional education models, and students' learning loss.

The Department has specific and grave concerns regarding HB 200, HD1 that include:

### **1. Recurring \$100.2 million general fund cut**

The HD1 maintains the \$100.2 million reduction the Legislature imposed in FY 2021 that was intended to be a non-recurring (one-year only) reduction. The line items that make up this reduction were based on the Department's good-faith response to a request from the Ways and Means Committee during the 2020 Session. The Department identified several potential opportunities for one-time reductions that could be implemented with manageable impacts, all of which were incorporated into the FY 2021 budget appropriations. Consistent with Executive Budget Development general practice, as the reductions were not identified in the Session 2020 Budget Worksheets as "non-recurring", the Governor did not remove this reduction when defining the "base budget" for Fiscal Biennium (FB) 2021-2023. Correction of this technical oversight has been the Department's #1 Legislative Priority this year. The retention of these cuts will result in dramatic and disruptive impacts Department-wide.

### **2. Compliance with Federal Maintenance of (State Support) Effort**

The Department's general fund base budget provides the stability and predictability that is at the heart of long-term planning for excellence.

Apparently anticipating that some states may seek to disproportionately balance the budget with cuts for public schools, Congress included a Maintenance of Effort (MOE) requirement for the federal K-12 education coronavirus relief funds, Elementary and Secondary Schools Emergency Relief (ESSER) II and ESSER III, requiring states to provide assurances that they will maintain state funding support for public schools at least at the same proportion as support for all other state agencies. The result is that the state budget cannot include cuts for public schools that are disproportionately higher than cuts to other areas of the budget.

While the Department is very concerned that the HD1 appears out of compliance with this requirement, the Department is confident that the Legislature, in working with the Department of Budget and Finance, will be able to position the State to meet this federal requirement. The Department will stand by to support this conversation as needed.

### **3. Eliminations of Critical Positions equaling 136.0 positions and \$8,618,069 in salary**

The HD1 proposes to cut 136.0 positions and \$8,618,069 of associated salary. The Department understands that the House Draft was based on an across-the-board policy approach using a vacancy report as of November 30, 2020. The Department has submitted an Impact Statement to both the House Finance Committee and Senate Ways and Means Committee dated March 25, 2021 detailing general and specific concerns with these reductions: [here](#). General concerns included the implication of the cuts on:

- Those positions identified that are filled with employees;
- The disruptive impact on the ability to maintain services, including school operations with Weighted Student Formula and Special Education Per Pupil Allocation funding;
- The equity of eliminating positions associated with specific geographic locations/communities;
- The equity of simply shifting the duties of the eliminated positions to remaining positions;
- The budget practice of including turnover savings adjustments of approximately -\$53 million into the Department's general fund base budget in recognition that (1) not all positions will be filled at any one time, (2) the Department does not pay

salary for vacant positions, and (3) the Legislature does not budget for 100% of the annual salary for any general funded position (note: Over the last two years, the Department has documented in writing and explained verbally to legislative fiscal decision-makers and staff how the decades-old inclusion of turnover savings in the budget is a proactive, responsible, and technical practice that addresses concerns regarding vacancy savings);

- The need to place incumbent into vacant positions as part of the regular reduction-in-force (RIF) process; and,
- Technical concerns regarding apparent duplicate entries for positions and differences between identified and budgeted salaries.

**4. Undetermined general fund cuts totaling \$5,845,617**

There are six line items in the [Budget Worksheets](#) for HB 200, HD1 that total -\$5,845,617. These line items lack details to allow for the ready determination of the nature of the reduction. In the coming days, the Department will be working to determine the nature of these cuts to provide meaningful input into the Legislative budget decision-making process. These reductions are located in the following EDNs:

<b>Program</b>	<b>Amount</b>	<b>Budget Worksheet Sequence #</b>
EDN100 School Based Budgeting	-\$976,364	seq. 1120-002 and 1120-004
EDN150 Special Education & Student Support Services	-\$4,710,000	seq. 1120-001 and 1120-004
EDN200 Instructional Support	-\$51,872	seq. 1120-001
EDN400 School Support	-\$107,371	seq. 1120-003

**5. OITS transfer resulting in reduction of 155.0 FTE and \$22.6 million**

There are two line items totaling -155.0 FTE and -\$22.6 million that indicate an intent to transfer the entire Department's Office of Information Technology Services (EDN300) to the Department of Accounting and General Service's Office of Enterprise Technology Services (AGS131) program.

The basis for this adjustment was verbally communicated to the Department for the first time on Thursday, March 25, 2021, and was described as a consequence for a perceived disregard of spending guidance in relation to a Lump Sum CIP Project (G-118, Act 40 SLH 2019). The Department's preliminary investigation into the concerns indicate that the Finance Committee's perception was based on assumptions drawn from the Department's response to a staff inquiry on February 9, 2021. Upon learning of this misinterpretation, the Department provided additional information to Finance Committee staff in the afternoon of March 25, 2021. As of the preparation of this testimony, the Department is awaiting a response.

As this adjustment appears to be based on an apparent jump to erroneous conclusions, and the implications of such a rash and disproportionate reaction would create tremendous disruption for Department personnel, technology system support, and the information technology team's ability to coordinate and support work across the tri-level

system and across functional lines such as instruction and school support, systems security, and school operations and would jeopardize millions in federal funds, the Department trusts there will be mutual effort to work in a more collaborative manner going forward.

#### **6. Charter School True-Up calculation per HRS 302D-28**

Another concern is related to Section 53 regarding the equalization of the non-facility per-pupil funding between the Department and the charter schools. The funding for the teacher national board certification incentive is being excluded for charter schools but not for the Department. We respectfully request that this funding also be excluded for the Department to ensure that monies meant for qualifying Department teachers are allocated properly.

#### **7. Non-general fund ceiling reductions of \$53,086,873**

There are eighteen line items reducing non-general fund ceilings in the Budget Worksheets of the HD1. While it is possible that the apparent assessment that these amounts constitute unrequired or excess budget ceiling, given the implication of insufficient spending ceiling on the implementation of the budget (particularly for special, interdepartmental transfer, and revolving funds), the Department would appreciate additional time to evaluate the potential risk to operations of these reductions. These ceiling reductions include:

- -\$660,663 for Special Funds (B);
- -\$43,907,764 for Federal Funds (N);
- -\$1,000,000 for Other Federal Funds (P);
- -\$5,275,000 for Trust Funds (T);
- -\$700,000 for Interdepartmental Transfer Funds (U); and
- -\$1,543,446 for Revolving Funds (W).

The Department does appreciate the appropriation of American Rescue Plan funding for Early College and Hawaii Keiki and to offset reductions in EDN100 and 150 for both fiscal years of the biennium and would request permanent support for these programs when fiscal conditions allow. An example of how the Legislature could clearly document its intent to restore general fund support for core Department programs is Section 163 of [Act 162](#), SLH 2009. Such documentation would go a long way toward providing stable and predictable support for public schools as encouraged by the National Conference of State Legislatures as [sound governance principles](#) for statewide education finance systems.

The Department concurs with the inclusion in this budget of funding previously budgeted outside of the primary budget bill for the Hawaii Teachers Standards Board and Teacher Certification Stipend program. This will maintain funding for these programs at current levels. In general, inclusion of core education program funding in a single appropriation bill in this manner is consistent with efforts to provide stable and predictable funding.

In regards to our Capital Improvement Projects (CIP) budget, this measure provides \$297,632,000 for the Department's CIP projects for FY 2022 and \$110,000,000 for FY 2023. This funding will include, but is not limited to, ongoing deferred maintenance projects; the design of the new East Kapolei Elementary School; various athletic facilities such as gymnasiums, locker rooms, and softball fields; multiple health and safety projects; heat abatement; and other necessary projects identified in the Department's lump sum requests.

The Department appreciates the continued support provided to our students, schools, and

school communities during this very trying time. We are cognizant of the difficulties faced by many in our island State over the past year due the economic impact of the COVID-19 pandemic. As our budget makes its way through the legislative process, we look forward to continued discussions with the Hawaii State Legislature on shaping the future of quality education for our students in Hawaii's public schools.

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

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](http://www.hawaiipublicschools.org).



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 SENATE COMMITTEE ON WAYS AND MEANS  
ON  
HOUSE BILL NO. 200, H.D. 1**

**March 29, 2021  
9:00 a.m.  
Conference Room 221 & Videoconference**

**RELATING TO THE STATE BUDGET**

The Department of Budget and Finance (B&F) supports House Bill (H.B.) No. 200 as it reflects the Governor's Budget Requests and the Governor's Message items that relates to the B&F Departmental Budget.

Attached are our Departmental comments, concerns, and impact statements that pertains to H.B. 200, H.D. 1 and which impacts upon the B&F Departmental programs, budget request items, and for certain budget proviso items.

Thank you for your consideration of our Departmental comments, concerns, and impact statements that pertain to H.B. 200, H.D. 1.

Attachment

**DEPARTMENT OF BUDGET AND FINANCE**  
COMMENTS ON FY 2022 and FY 2023 EXECUTIVE BUDGET REQUEST  
IN HOUSE BILL NO. 200, HOUSE DRAFT 1

**OPERATING BUDGET**

**PROGRAM ID: BUF 101**

**Sequence #1000-001** - House transferred out \$7,099,097 in general funds for FY 2022 and FY 2023 from the Department of Budget and Finance to the Judiciary (JUD614) for the Office of the Public Defender for Court Appointed Counsel Fees and Witness Fees & Related Expenses.

**Impact Statement:** The Department of Budget and Finance has and continues to be effective at processing thousands of requests and invoices for court appointed counsel, witness fees & related expenses payments and reimbursements. These duties, among numerous others, are currently performed by the Administrative and Budget and Fiscal staff of the Administrative and Research Office (BUF101). Transferring these funds to JUD 614 under the Judiciary will require the Office of the Public Defender and the Judiciary to ensure the continued efficient and timely payment of court appointed counsel fees and witness & related fees. Unintended consequences and operational concerns for the OPD and the Judiciary may be the result of this proposed H.D.1 adjustment.

**Alternative Reduction:** Not Applicable.

**Sequence #1001-001** - House transferred out \$626,000 in general funds for FY 2022 and FY 2023 from the Department of Budget and Finance to the Department of Accounting and General Services (AGS881) for Subsidy to Bishop Museum.

**Impact Statement:** The impact to the Department is minimal as the subsidy to Bishop Museum is not a core function of the Department.

**Alternative Reduction:** Not Applicable.

**Sequence #101-001 and 1100-001** - House did not approve the Department's request to restore funding of \$84,612 in general funds for FY 2022 and FY 2023 for permanent position #12185 Program Budget Analyst V and cut the position count for this position.

**Impact Statement:** The position count for this Program Budget Analyst position (#12185) is proposed to be repurposed in the Department's budget request for restored funding. The Department needs to retain this Program Budget Analyst V position (#12185) and have it serve as a staff resource for BPPM specifically to improve tax-exempt bond compliance. The State has shortcomings in keeping up with IRS tax-exempt bond compliance and more staff resources are necessary to enable the B&F to beef up its compliance capabilities. This position and the Accountant position in the B&F Financial Administration Division (FAD) are both viewed as the bare minimum of upgraded staffing to ensure that the State maintains its tax

compliance. Failure to do so will have major adverse ramifications to the State and will severely impair its ability to borrow to address its growing capital needs.

**Alternative Reduction:** The department does not have unneeded vacant positions and general funds to re-purpose and offer as an alternate reduction.

**Sequence #1100-001** - House reduced 1.00 FTE permanent position #30726 Office Assistant IV and \$29,340 in general funds for FY 2022 and 2023 for Budget, Program Planning and Management Division.

**Impact Statement:** This Office Assistant (OA) IV position is critical because it provides clerical support capacity to handle the increased workload during peak periods of budget preparation (Sep-Dec), legislative session (Jan-May) & post-legislative session review (May-June). Due to the dramatic reduction in revenues, extensive controls were imposed on certain types of GF expenditures and this has doubled, if not tripled, the amount of normal budget execution requests (such as exemptions from the hiring freeze -- these position fill requests were previously delegated to departments). Also, there is much more demands to have departmental requests expedited. In addition, there are a lot more typing of memos/letters to respond to questions about budgets during the pandemic. Third OA also assures that there would be adequate clerical support when any of one of the 2 other OA's is on leave. Now that BPPM is operating remotely, the OA's manage the flow of work which comes in electronically through emails (B&F and the State does not have an electronic workflow system; we are basically using PDF files in lieu of paper forms and requests), that is then converted to paper for review, writeups and approvals, and then converted to PDF files for transmittal to the Governor's office and departments. With the 2 existing OA's, BPPM has a growing backlog of filing and maintaining office files and records. Without this crucial backbone of clerical support, BPPM would not be able to meet the deadlines for budget submission and bill reviews, and to process allotments and budget execution requests in a timely manner. The 2 existing OA's are stressed and overworked, and their morale is suffering.

**Alternative Reduction:** The department does not have unneeded vacant positions and general funds to re-purpose and offer as an alternate reduction.

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**PROGRAM ID: BUF 115**

**Sequence #1000-001** - House transferred out 2.00 positions (Perm. Accountant III #970080; Perm. Accountant IV #27104) and \$99,756 in general funds for FY 2022 and FY 2023 from the Department of Budget and Finance (BUF115) to the Department of Accounting and General Services (AGS104) for the Office of Fiscal Services.

**Impact Statement:** The two accountant positions are the only positions in the Financial Administration Division (FAD) - Fiscal Office (FO) and, if they are transferred-out, the department would no longer be able to accomplish many critical and core functions including following:

1. Supervises, reviews and/or initiates the acceptance and release, and accounting of securities pledged with this Office.

FAD treasury records cash deposits for SOH, it's critical that FO works closely with Treasury to monitor cash flows daily and ensure SOH deposits are fully collateralized at all time to meet specific statutory requirements.

2. Reconciles all bank accounts, works with agencies and Treasury Cashiers to clear discrepancies and outstanding deposits.

This Function is designed to reconcile Treasury Cashiers' booking records with bank statements; therefore, FO needs to share documents and work closely with Treasury Cashier section.

3. Runs Bond Allocation and Tracking System (BATS), keeps track of bond appropriations and allocations to stay in compliance with the Tax Reform Act of 1986 (TRA).

To stay in compliance with TRA, it's critical that FO works closely with Bond branch for new bond issuance, and with BPPM to ensure correct assignment of CIP project usage.

4. Safekeeping for Unclaimed Property.
5. Works closely and coordinates with branch chiefs on fiscal matters throughout the year on matters including procurements, contract execution and payment, and budget execution.

FO is the custodian of part of Unclaimed Property and is responsible to release unclaimed property to rightful owner timely, required by HRS 523A (Hawaii Revised Statute).

If the two accountant positions are transferred out, DB&F will not have qualified accountants available to perform these critical core functions and is therefore highly likely to fail in meeting its related statutory requirements.

Also, the Accountant III (#970080) position is currently filled. The employee relies heavily on the resource and support provided by the department to perform her daily duties. Moving both accountant positions to another department will create disruption in work and could also cause significant personnel concerns relating to the existing employee.

**Alternative Reduction:** The only viable alternative the department is aware of would be to not make these transfers. Transferring these resources will negate the ability of the Director of Finance to perform core and essential functions. The department respectfully requests that the transfer not be made.

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**PROGRAM ID: BUF 141**

**Sequence #1000-001** - House added 1.00 FTE Investment Officer and \$130,580 in other funds for FY 2022 and FY 2023

**Impact Statement:** The Department is appreciative of this House adjustment in support of the ERS. This position will assist the Chief Investment Officer (CIO) in the prudent management of the ERS’ \$19+ billion investment portfolio under the direction of the ERS Board of Trustees. The Investment Officer will assist the CIO in achieving the goal of preservation of capital with consistent, positive return for the ERS’ investment portfolio to pay the promised retirement benefits to state and county members. Investing in staff and tools results in a net positive impact for the fund, with an estimated \$50 million in savings. Prior to current staff, the investment performance matched the benchmark. Since staff has joined, manager selection and risk management have drastically improved. ERS is lean on the investment staffing side. To achieve ERS’ 7.0% target return, it has become more important for all investors to add additional asset classes – particularly private markets and other complex investments. This position would fill openings in these areas, as part of the overall investment strategic plan. While the ERS Board and Staff have diligently modernized the investments to achieve the return targets, the investment in the team and tools have not kept up with the sophistication of the plan.

**Alternative Reduction:** Not Applicable.

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**PROGRAM ID: BUF 143**

**Sequence #1000-001** - House added 1.00 FTE Investment Specialist and \$116,898 in trust funds for FY 2022 and FY 2023

**Impact Statement:** The Department is appreciative of this House adjustment in support of the EUTF’s Investment Office.

**Alternative Reduction:** Not Applicable.

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**PROGRAM ID: BUF 151**

**Sequence 1000-001** – House Transferred out (133.50) permanent positions and \$12,507,997 in general funds in FY 2022 and FY 2023 from the Department of Budget and Finance (BUF151) to the Judiciary (JUD614) for the Office of the Public Defender.

**Impact Statement:** The Office of the Public Defender (OPD) has five offices on four islands, four of which are in privately owned buildings requiring rent payments. We service all islands, requiring flights to Moloka'i and Lana'i, as examples. Each island office requires support staff and investigative services, in addition to attorneys. In total there are 133.5 FTE statewide OPD employees.

1. Fiscal and Administrative:

Accomplishing the herculean task of transferring the OPD and its employees from the executive to the judicial branch simply cannot be accomplished by the effective date of this measure – July 1, 2021. It is the Legislature's prerogative to determine if this major transfer of the OPD from the Department of Budget and Finance to the Judiciary is both proper and in the best interests of the State. The Department however, requests that separate legislation to be drafted that would among other things lay out the process and stipulate the new relationship, governance structure, organization, and status of the OPD as an agency under the Judiciary. This separate legislation should allow for up to one year to enable all affected parties with enough time to work together and ensure an orderly transfer of the OPD to the Judiciary and needs to include all of the necessary amendments to the existing statutes related to the OPD, B&F, Judiciary and other agencies as may be applicable. Finally, we ask that any respective budgetary changes to both the B&F and Judiciary Budgets to be coordinated and deferred until the FY 2023 budget. At the minimum, one year of transition will be necessary to effectively complete such a major transfer of an agency between the two separate branches of government.

The transfer will involve and impact not only the OPD, DBF and the Judiciary; the impact will also affect the Department of Accounting and General Services (DAGS), the Office of Enterprise Technology Services (ETS), and the Department of Human Resources Development (DHRD). DBF and DHRD must coordinate with the Judiciary to transfer all OPD-related human resource files. DAGS, ETS and the Judiciary will need to transfer all payroll-related information. DAGS must coordinate with the Judiciary to ensure that all accounts, payments, recordation of payments, funds, etc. are transferred from DBF to the Judiciary. ETS and Judiciary will need to make sure that all IT-related license, network connections, websites, and IT-support are transferred smoothly to the Judiciary. In addition, other administrative support matters (e.g., leases, contracts, any matter referencing DBF) must be transferred from DBF to the Judiciary. All of the above will require a substantial amount of time, effort and coordination among DBF, DAGS, ETS, DHRD, OPD, and the Judiciary to ensure a smooth transition and to avoid anything falling through the cracks and/or being left behind.

The Judiciary has also identified the following fiscal and administrative impacts:

- (1) Judiciary Human Resource Department (HRD) Issues. The transfer of 133.5 employees would increase the administrative burden on HRD and the other Judiciary administrative departments with respect to recruitments, onboarding, training, performance issues, timekeeping, leave records, and workers compensation, as well as the processing of the multitude of employee personnel transactions. OPD may also have employees in classes that do not exist in the Judiciary's current classification system. These new classes would need to be analyzed and established within the Judiciary's system and would entail an extensive review of the Judiciary's Compensation Plan to determine appropriate pricing relationships, impact to other individual classes of work, and possible reorganizations within the Judiciary's organizational structure. Considering the timeframe in this measure and existing resources, this is not feasible. Additionally, since OPD is currently part of the Executive Branch, which is a separate employer jurisdiction, there may be service credit issues that could impact existing Judiciary employees with respect to seniority and other labor relations issues.
- (2) Increased Information Technology Costs. Currently, the State Office of Enterprise and Technology Services pays for Microsoft Office 365 licenses for OPD. Transferring OPD to the Judiciary would require the Judiciary to pick up these and other software costs totaling \$42K annually. Connecting the five OPD offices to the Judiciary network would require another \$35K annually in network service costs, as well as one-time costs of about \$200K for network equipment. There are likely additional information technology costs as well.
- (3) Judiciary Financial Services Costs and Issues. The Judiciary's Financial Services Department (FSD) will need additional staffing and financial resources to incorporate OPD into the Judiciary's financial management system. Transferring OPD to the Judiciary will have a major impact to the existing FSD divisions which include the Accounting and Payroll Sections of the Fiscal Services Division and the Contract and Purchasing Division. To effectively maintain the financial integrity of the Judiciary, each division will require one to two additional staff to support the increase in workload. The additional staffing for the Accounting and Payroll Sections will be needed to: (a) process the increased volume of accounting transactions such as vendor payments, journal vouchers, revenues collected; (b) meet financial reporting requirements; and (c) process the higher volume in salary payments and payroll actions for the 133.5 OPD employees. The additional staffing for the Contract and Purchasing Division will support the added need to assist with purchasing and procurement requisitions. Adding to the impact to FSD is that the transition from the Executive Branch to the Judiciary will require the OPD staff to be trained in all the accounting programs and Judiciary financial policies and procedures. Furthermore, additional vendor contracting costs may need to be incurred to accommodate the addition of OPD to the financial management system.

To be successful in the transition of OPD to the Judiciary, it is extremely critical to have sufficient time to facilitate the transition. In addition, the current HD1 appears to transfer from the Department of Budget and Finance approximately \$7 million pertaining to court-appointed counsel and witness fees—tracking and managing these funds will certainly require additional resources for the Judiciary’s fiscal operations

In addition to the administrative and fiscal impacts, the transfer-out of 133.50 permanent positions and funds from the B&F (BUF151) to the Judiciary (JUD614) raises the following concerns:

2. Constitutional issues:

Article V of the Hawai’i Constitution sets forth the powers, responsibilities, and structure of the executive branch of the state government. All executive and administrative offices, departments and instrumentalities of the state government and their respective powers and duties are specifically allocated to executive departments under the supervision of the government.

Article VI of our Constitution provides for the judicial power of the State to be vested in one supreme court, one intermediate court of appeals, and various enumerated courts as established by the legislature. Article VI provides that the chief justice shall be the administrative head of the courts and provides that the chief justice shall appoint an administrative director to assist in directing the administration of the judiciary pursuant to HRS § 601-3. The administrative director is tasked with carrying out all duties and responsibilities specified in Title 7 as it pertains to employees of the judiciary.

3. Separation of powers:

In Briscoe v. Tanaka, 76 Haw. 380, 878 P.2d 719 (1994), the Hawai’i Supreme Court adopted the following test when a party challenges a statutory scheme that assigns the performance of a particular task to the judiciary:

The test is whether the statute authorizes the courts to perform a function so closely connected with and so far, incidental to strictly judicial proceedings that the courts in obeying the statute would not be exercising executive or nonjudicial powers.

Id. at 383, 878 P.2d at 722. (Citations, quotations marks omitted).

In Briscoe, the appellant argued that the placement of the Administrative Driver’s License Revocation Office (ADLRO) in the judiciary branch violated the separation of powers doctrine. In addressing the issue, the Court examined the functions of the officers of the ADLRO. In performing the tasks, the officers are required to determine whether the police have proven



the following: (1) reasonable suspicion existed to stop the vehicle; (2) probable cause existed to believe the arrestee was driving under the influence; and (3) by a preponderance of the evidence, the arrestee did in fact drive under the influence. The Court found that the task of reviewing evidence and determining matters such as the existence of reasonable suspicion, probable cause, and proof of facts by a preponderance of the evidence are ***clearly judicial in nature and do not require officers of the judiciary to exercise executive or nonjudicial powers.*** Thus, the Court held that the placement of the ADLRO within the judiciary did not violate the separation of powers doctrine.

It appears that the placement of the OPD within the Judiciary will violate the separation of powers doctrine. The mission of the OPD is to provide legal representation for indigent defendants charged in state court with offenses involving the possibility of incarceration. The primary duties that the OPD owes to their clients are to serve as their clients' counselor and advocate, to ensure that constitutional and other legal rights of their clients are protected, and to render effective, high quality legal representation with integrity. Clearly, the functions of the OPD are not judicial in nature.

#### 4. Conflict of interest:

The Judiciary is tasked with serving as a neutral arbiter in judicial proceedings, interpreting applicable laws and regulations, and ensuring the due process of law. The Judiciary's role as neutral arbiter and monitor is inconsistent with the role of the OPD.

The OPD is one of the two opposing parties in criminal court proceedings, in which a member of the Judiciary is the arbiter. As noted above, the mission of the OPD to provide legal representation for indigent defendants charged in state court with offenses involving the possibility of incarceration is a role of advocacy, not neutrality. This role necessarily involves advocacy challenging the ruling of judges, both in court when making a record and on appeal when seeking relief from claimed judicial mistakes.

As one example of how the Judiciary undertakes to perform its role in the courtroom, the Judiciary tasks the probation departments under its supervision with investigating and recommending specific sentences in individual cases and monitoring and supervising sentenced defendants and juvenile law violators. While the OPD and probation officers may sometimes work together on occasion to assist a defendant, the OPD attorneys often find themselves on opposing sides from the probation office in court hearings. In representing defendants, an OPD attorney may attack the credibility and performance of the probation officer. HD1 would place opposing parties, both supervised by the Judiciary, in court appearing before judges, also supervised by the Judiciary.

The constitutionally mandated neutrality of the judicial branch of government is clearly inconsistent with the constitutionally mandated role of a deputy public defender to zealously and effectively advocate for his or her client's position. To move the OPD to the administrative

management and control of the judiciary would unnecessarily blur the critical distinction of the two very different roles each entity has in the broader judicial process.

5. Public Perception:

Currently, it is not uncommon for defendants to mistrust attorneys who are employed by the State of Hawai'i. They unfortunately believe that as State employees, the attorneys are simply "part of the system" and that the attorneys' interest and loyalties are to the State and not to the clients. This mistaken belief is often summed up in the equally mistaken assertion "the same people that pay you also pays the judge." Placing the OPD under the Judiciary will certainly exacerbate this misconception. Instead of "working for the State," they will believe that the attorneys are "working with the judges and with the probation officers."

The OPD attorneys often debunk this misconception and can convince most of the clients who are distrustful by simply providing quality legal services. However, a few will remain unconvinced; they will seek the withdrawal of the OPD and the appointment of private counsel. If the OPD is placed under the Judiciary with the judges and probation officer, we foresee the number of clients seeking the withdrawal of the OPD to increase substantially.

**Alternative Reduction:** None

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**PROVISOS:**

House removed SECTIONS 9 and 10 from PART III. PROGRAM APPROPRIATION PROVISIONS of HB 200 regarding appropriations for the community outreach court project for the Officer of the Public Defender, the Judiciary, and Prosecuting Attorney of the City and County of Honolulu.

SECTION 9. Provided that of the general fund appropriation for the office of the public defender (BUF151), the sum of \$126,364 or so much thereof as may be necessary for fiscal year 2021-2022 and the same sum or so much thereof as may be necessary for fiscal year 2022-2023 shall be transferred to the judiciary for the administration and operation of the community outreach court project.

SECTION 10. Provided that of the general fund appropriation for the office of the public defender (BUF151), the sum of \$165,404 or so much thereof as may be necessary for fiscal year 2021-2022 and the same sum or so much thereof as may be necessary for fiscal year 2022-2023 shall be transferred to the office of the prosecuting attorney of the city and county of Honolulu for the operation of the community outreach court project.

**Impact Statement:** The 2017 Legislature enacted Act 55, Session Laws of Hawaii 2017, which supported the establishment of a community outreach court project in the City and County of Honolulu. The community outreach court project is intended to help non-violent offenders charged with offenses which target the homeless community to attend court and clear all their outstanding cases. By taking care of their outstanding charges and bench warrants, the participants are in a better position to obtain necessities such as income assistance and housing. To resolve their cases, the community outreach court imposes alternative sentences such as community service and participation in programs deemed appropriate based upon an offender’s need for mental health services, substance abuse treatment, sustenance, and shelter. These provisos are necessary for the continuing functioning of the community outreach court project.

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**Re: Federal Fund Budget Provisions**

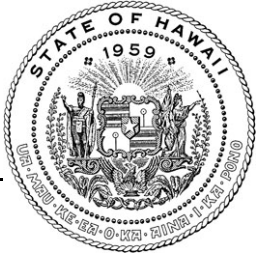
**Impact Statement:** The State of Hawai’i is experiencing a large influx of federal aid due to COVID-19. There are currently six COVID-19 federal aid measures and the potential for an additional federal infrastructure aid package. The systems that have been established by the Department of Budget and Finance to manage federal funds depend upon on certain federal fund budget provisos (see ‘state budget provisos for federal funds’ for a history of federal fund budget provisions) that were included in prior budget bills. HB 200, H.D. 1 contains proposed changes to these federal fund provisions. These proposed changes, if enacted, will have a significant and negative impact on the Department’s ability to manage federal funds.

With the potential result being the inability:

- to receive and expend federal funds in a timely manner.
- to use electronic systems to manage federal funds.
- to generate reports on federal funds spending.
- to meet federal requirements for federal fund management,

Prudence requires that we continue to be able to use established systems, processes, and procedures to manage federal aid. Therefore, the Department respectfully requests that: Section 32, Section 34, and Section 35 be replaced with the following:

<p><b>HB 200 HD1</b></p> <p><b>SECTION 32.</b> Any provision of this Act to the contrary notwithstanding, the federal fund or other federal fund appropriations made for operating costs authorized under this Act for fiscal year 2021-2022 shall not lapse at the end of the fiscal year for which the appropriation is made; provided that all federal fund or other federal fund appropriations made to be expended in fiscal year 2021-2022 which are unencumbered as of June 30, 2023 shall lapse as of that date; and provided further that the governor shall notify the legislature within five days of each use of this authority and submit a report to the legislature of all uses of this authority for the previous fiscal year no later than September 1 of each year.</p>	<p><b>HB 200 REQUESTED LANGUAGE</b></p> <p><b>SECTION 32</b> Any provision of this Act to the contrary notwithstanding, the federal fund or other federal fund appropriations made for operating costs authorized under this Act shall not lapse at the end of the fiscal year for which the appropriation is made; provided that all federal fund or other federal fund appropriations made to be expended in fiscal year 2021-2022 which are unencumbered as of June 30, 2023 shall lapse as of that date and fiscal year 2022-2023 which are unencumbered as of June 30, 2024 shall lapse as of that date.</p>
<p><b>SECTION 34.</b> Any provision of this Act to the contrary notwithstanding, where federal funding becomes available after the legislature adjourns sine die, the governor may approve the expenditure of federal funds that are in excess of levels authorized by the legislature; provided that the approval of excess funding shall not extend beyond July 1 of the immediately succeeding fiscal year; provided further that the governor may only approve the expenditure of previously unbudgeted federal funds on a prorated basis; provided further that for the purposes of this section, "prorated basis" is defined by dividing the amount of the unanticipated federal award by the number of months in the period of performance, and multiplying that amount by the remaining months in the fiscal year in which the authority is utilized; provided further that the governor may allow for an increase in the appropriate federal fund authorization ceiling for the program to accommodate the expenditure of the funds; and provided further that the governor shall notify the legislature within five days of each use of this authority and submit a report to the legislature of all uses of this authority for the previous fiscal year no later than September 1 of each year.</p>	<p><b>SECTION 34.</b> The governor may approve the expenditure of all federal funds which 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; provided further that the governor shall notify the legislature within five days of each use of this authority and submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 19 no later than thirty days prior to the convening of the regular sessions of 2022 and 2023.</p>
<p><b>SECTION 35.</b> Any provision of this Act to the contrary notwithstanding, the governor may approve the extension of the lapse dates for appropriated federal funds and appropriations of other means of financing, except general funds, deemed necessary to qualify for federal aid financing and/or federal reimbursement that are appropriated in this Act and deemed necessary to meet the intent of the federal grant awards; provided that all federal fund appropriations and appropriations of other means of financing, made to be expended in fiscal year 2021-2022 which are unencumbered as of June 30, 2023 shall lapse as of that date; provided further that all federal fund appropriations and appropriations of other means of financing, made to be expended in fiscal year 2022-2023 which are unencumbered as of June 30, 2024 shall lapse as of that date; and provided further that the governor shall notify the legislature within five days of each use of this authority and submit a report to the legislature of all uses of this authority for the previous fiscal year no later than September 1 of each year.</p>	<p><b>SECTION 35.</b> 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 34 of this Act as necessary to meet the intent of the federal grant awards.</p>



## DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE  
GOVERNOR  
MIKE MCCARTNEY  
DIRECTOR  
CHUNG I. CHANG  
DEPUTY DIRECTOR

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Statement of  
**MIKE MCCARTNEY**  
Director  
Department of Business, Economic Development, and Tourism  
before the  
**SENATE COMMITTEE ON WAYS AND MEANS**

Monday, March 29, 2021  
9:00 AM  
State Capitol, Conference Room #211

In consideration of  
**HB 200, HD 1**  
**RELATING TO THE STATE BUDGET.**

Chair Dela Cruz, Vice Chair Keith-Agaran and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) offers comments on HB200, HD1, in relation to DBEDT's budget.

DBEDT understands that this is a challenging year in terms of putting together a balanced budget for the State of Hawaii.

The House version of the budget bill includes many transfers within and outside of our department. We are conducting impact analyses on the budget reductions, programs cuts, and position transfers. As requested in letter dated March 24, 2021, from Ways and Means, DBEDT will provide a detailed response to these changes by the end of the day on Monday, March 29, 2021. We are committed to working with both the Finance and the Ways and Means Committees to shape the department's operating budget to be in the best position to revitalize Hawaii's economy given the impact of COVID-19.

Thank you for the opportunity to testify.

DAVID Y. IGE  
GOVERNOR

JOSH GREEN M.D.  
LT. GOVERNOR



ISAAC W. CHOY  
DIRECTOR OF TAXATION

STATE OF HAWAII  
**DEPARTMENT OF TAXATION**

P O. BOX 259  
HONOLULU, HAWAII 96809  
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FAX NO: (808) [Click here and type fax number]

March 27, 2021

The Honorable Senator Donovan M. Dela Cruz, Chair;  
The Honorable Senator Gilbert S.C. Keith-Agaran, Vice Chair;  
and Members of the Senate Committee on Ways and Means  
Hawai'i State Capitol  
415 South Beretania Street  
Honolulu, HI 96813

**Re: Testimony in Regards to H.B. 200 H.D. 1, Relating to the State Budget**

**Date: March 29, 2021**  
**Time: 9:00 A.M.**  
**Place: Via Video Conference, State Capitol**

Dear Messers. Dela Cruz, Keith-Agaran and Members of the Committee:

The Hawaii State Department of Taxation (Department) is in opposition to many of the amendments made to HB 200 HD1, by the Hawaii State House of Representatives (House), and the Executive Branch Budget initially submitted. The Department is requesting a budget reconsideration based on the current improving economic situation and a reflection of performance expectations of the Legislature.

In 2020, the Department was operating with a broken structure which included 22% vacancies, including five middle line manager positions, in crucial divisions. We began to rehabilitate this situation to bring the Department to some sort of recovery and stability. Unfortunately, the pandemic hit, and we were required by the Executive Branch to cut, from this base line budget, another 20%. At the time the Executive Budget was produced, it properly reflected the economic situation. To add to this calamity, the Department is locked into an ongoing computer expense obligation which were agreed to long before my tenure. This expense represented 50% of the Department's current operating expenses. Fortunately, this situation is being addressed and the Department is anticipating positive outcomes in the future.

The Department's budget was further cut by the House in the House draft of HB 200 HD1. The House draft shows a lack of concern and understanding for collecting revenues owed to the State of Hawaii or the fair administration of the laws enacted by the Legislature.

The Department is the major revenue generating arm of the government, and to not properly fund or demand its stability is folly. The budget as presented by the Department is only the beginning of the healing process. As the Department stabilizes it will produce returns that far exceed any investments in other state departments or increases in taxes.

Currently, the forecast in revenues and the economy has improved. The Department requests restoration of our budget, at least equal to the Department's original request.

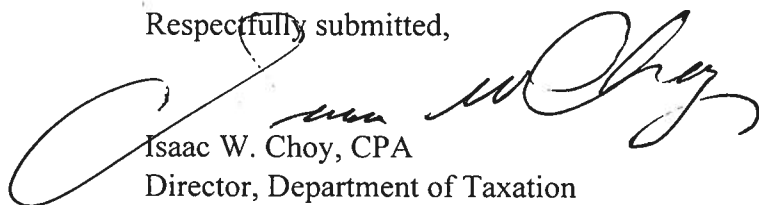
#### SUMMARY OF RESTORATION REQUEST

The Department requests the following budget changes:

- Restoration of all positions that are currently filled (no Reduction in Force or Layoffs).
- Restoration of all positions that were vacated because of retirement or termination of service since July 1, 2020.
- Restoration of computer expenses to sustain our Tax Service Modernization system.
- Restoration of all positions for reorganization (current Governor's Messages).
- Restoration of amounts in the Payroll Adjustment Accounts (crucial with 22% vacancies).
- Restoration of all unfunded positions.
- Two-million-dollar ceiling increase for our Special Enforcement Special Fund.
- Increase in funding for staff for tax collection, audit, and technology to address initial vacancy rate.

A complete detailed modification HB 200 HD1 is attached. I will be most happy to discuss any item in our budget request.

Respectfully submitted,



Isaac W. Choy, CPA  
Director, Department of Taxation

Attachment

SEQ #	TITLE	DESCRIPTION	FY 2022		FY 2023		AGRE / DISAGRE	2. IMPACT STATEMENT	REQUEST ADJUSTMENT		3. ALTERNATE REDUCTION	
			PERM	TEMP	PERM	TEMP			PERM	TEMP	PERM	TEMP
BASE BUDGET			192	5	192	5						
			AMT	MOF	AMT	MOF						
4-001	ADD FUNDS FOR COLLECTIVE BARGAINING		720,301 A		720,301 A		AGREE					
10-001	TRADE-OFF FUNDS FROM PERSONAL SERVICES TO PERSONAL SERVICES FOR COMPLIANCE (TAX100/EO)	PAYROLL ADJUSTMENT (-81,372) SEE TAX 100 SEQ. NO. 10-002	(81,372) A		(81,372) A		AGREE					
10-002	TRADE-OFF FUNDS FROM PERSONAL SERVICES TO PERSONAL SERVICES FOR COMPLIANCE (TAX100/EO)	PERSONAL SERVICES FOR (1) PERM AUDITOR V (#5775, 81,372) SEE TAX100 SEQ. NO. 10-001	81,372 A		81,372 A		AGREE					
11-001	TRADE-OFF FUNDS FROM PERSONAL SERVICES TO PERSONAL SERVICES FOR COMPLIANCE (TAX100/EO)	PAYROLL ADJUSTMENT (-88,000) SEE TAX100 SEQ. NO. 11-002	(88,000) A		(88,000) A		AGREE					
11-002	TRADE-OFF FUNDS FROM PERSONAL SERVICES TO PERSONAL SERVICES FOR COMPLIANCE (TAX100/EO)	PERSONAL SERVICES FOR (1) PERM TAX COLLECTOR (#1545, 88,000) SEE TAX100 SEQ. NO. 11-001, NO. 20-001, NO. 20-002	88,000 A		88,000 A		AGREE					
12-001	TRADE-OFF FUNDS FROM PERSONAL SERVICES TO PERSONAL SERVICES FOR COMPLIANCE (TAX100/EO)	PAYROLL ADJUSTMENT (-48,828) SEE TAX100 SEQ. NO. 12-002	(48,828) A		(48,828) A		AGREE					
12-002	TRADE-OFF FUNDS FROM PERSONAL SERVICES TO PERSONAL SERVICES FOR COMPLIANCE (TAX100/EO)	(1) PERM AUDITOR IV (#172445, 48,828) SEE TAX100 SEQ. NO. 12-001.					AGREE					
13-001	TRADE-OFF FUNDS FROM PERSONAL SERVICES TO PERSONAL SERVICES FOR COMPLIANCE (TAX100/EO)	PAYROLL ADJUSTMENT (-87,996) SEE TAX100 SEQ. NO. 13-002.	(87,996) A		(87,996) A		AGREE					
13-002	TRADE-OFF FUNDS FROM PERSONAL SERVICES TO PERSONAL SERVICES FOR COMPLIANCE (TAX100/EO)	PERSONAL SERVICES FOR (1) PERM AUDITOR VI (#1525, 87,996) SEE TAX100 SEQ. NO. 13-001.	87,996 A		87,996 A		AGREE					
20-001	TRADE-OFF FUNDS FROM PERSONAL SERVICES OAHU COLLECTION BRANCH (TAX100/EO) TO POSITION FUNDS FOR COMPLIANCE (TAX100/EO)	PAYROLL ADJUSTMENT (-71,708) SEE TAX100 SEQ. NO. 20-002.	(71,708) A		(71,708) A		AGREE					
20-002	TRADE-OFF FUNDS FROM PERSONAL SERVICES OAHU COLLECTION BRANCH (TAX100/EO)	PERSONAL SERVICES FOR (1) PERM TAX COLLECTOR (#1545, 71,708) SEE TAX100 SEQ. NO. 20-001.	71,708 A		71,708 A		AGREE					
21-001	TRADE-OFF FUNDS FROM POSITION FUNDS FOR COMPLIANCE (TAX100/EO) TO POSITION FUNDS FOR OAHU COLLECTIONS BRANCH (TAX100/EO)	IT BAND D (-106,608) SEE TAX100 SEQ. NO. 21-002.					AGREE					
21-002	TRADE-OFF FUNDS FROM POSITION FUNDS FOR COLLECTIONS (TAX100/EO) TO POSITION FUNDS FOR OAHU COLLECTIONS BRANCH (TAX100/EO)	(1) TAX COMPLIANCE COORDINATOR (#120118, 106,608) SEE TAX100 SEQ. NO. 21-001					AGREE					
30-001	TRANSFER-IN FUNDS FROM DOCUMENT PROCESSING BRANCH (TAX105/BA) TO COMPLIANCE (TAX100/EO)	PERSONAL SERVICES FOR (1) AUDITOR V (11428, 81,732) SEE TAX105 SEQ. NO. 30-001	81,732 A		81,732 A		AGREE					



DEPARTMENT OF TAXATION  
IMPACT STATEMENTS FOR HB200 HD1

SEQ #	TITLE	DESCRIPTION	HB 200 HD1		2. IMPACT STATEMENT		REQUEST ADJUSTMENT		3. ALTERNATE REDUCTION						
			AGREE / DISAGREE	DISAGREE	AGREE / DISAGREE	AGREE / DISAGREE	PERM TEMP AMT	MOF	PERM TEMP AMT	MOF	PERM TEMP AMT	MOF			
31-001	TRANSFER OUT (1) PERMANENT POSITION FROM COMPLIANCE (TAX100/CO) TO SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA).	(1) PERM MANAGEMENT ANALYST V (#12002;-1.00A)	PERM	1.00	A	AGREE	AGREE	1.00							
32-001	TRANSFER OUT (1) PERMANENT POSITION FROM COMPLIANCE (TAX100/CP) TO SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA).	(1) PERM MANAGEMENT ANALYST V (#1542;-1.00A) SEE TAX107 SEQ. NO. 30-001.	PERM	1.00	A	AGREE	AGREE	1.00							
60-001	REDUCE (1) PERMANENT POSITION AND FUNDS FOR COMPLIANCE (TAX100/CO).	(1) PERM TAX RETURNS EXAMINER I (#120701;-1.00A;-32,976)	PERM	1.00	A	DISAGREE	DISAGREE	1.00							
61-001	REDUCE (1) PERMANENT POSITION AND FUNDS FOR COMPLIANCE (TAX100/CP)	(1) PERM AUDITOR V (#2638;-1.00;-81,372)	PERM	1.00	A	DISAGREE	DISAGREE	1.00							
62-001	REDUCE FUNDS FOR COMPLIANCE (TAX100/CO)	FREIGHT AND DELIVER (-11,000) POSTAGE (-5,000) SERVICES ON A FEE BASIS (-224,112) MISC. CURRENT EXPENSES (-15,000)				DISAGREE	DISAGREE								
63-001	REDUCE (8) PERMANENT POSITIONS AND FUNDS FOR COMPLIANCE (TAX100/CK).	(1) PERM DISTRICT TAX MANAGER (#1619;-1.00A; FYZ2:-44,152; FYZ3:-88,308 (1) PERM TAX CLERK (#1620;-1.00A; FY:-17,130; FYZ3:-34,260) (1) PERM AUDITOR V (#1622;-1.00A; FYZ2:-33,432; FYZ3:-66,864) (1) PERM TAX RETURNS EXAMINER IV (#4421;-1.00A; FYZ2:-30,876; FYZ3:-61,752) (1) PERM OFFICE ASSISTANT III (#1517;-1.00A; FYZ2:-14,664; FYZ3:-29,328) (1) PERM OFFICE ASSISTANT III (#26526;-1.00A; FYZ2:-18528; FYZ3:-37,056) (1) PERM OFFICE ASSISTANT III (#117461;-1.00A; FYZ2:-20,064; FYZ3:-40,128) (1) PERM OFFICE ASSISTANT III (#120791;-1.00A; FYZ2:-17,838; FYZ3:-35,676)	PERM	8.00	A	DISAGREE	DISAGREE	8.00							
64-001	REDUCE (2) PERMANENT POSITIONS AND FUNDS FOR COMPLIANCE (TAX100/CP).	(1) PERM CRIMINAL INVESTIGATION SUPERVISOR (#21194;-115,788) (1) PERM CRIMINAL INVESTIGATOR (#38686;-84,612)	PERM	2.00	A	AGREE	AGREE	2.00							

DEPARTMENT OF TAXATION  
IMPACT STATEMENTS FOR HB200 HD1

PROGRAM ID: TAX100      HB 200 HD1      DISAGREE      2. IMPACT STATEMENT      REQUEST ADJUSTMENT      FY 2022      FY 2023      3. ALTERNATE REDUCTION

SEQ #	TITLE	DESCRIPTION	FY 2022		FY 2023		MOF	DISAGREE	2. IMPACT STATEMENT	REQUEST ADJUSTMENT		FY 2022		FY 2023	
			PERM	TEMP	AMT	AMT				PERM	TEMP	AMT	AMT	MOF	PERM
65-001	REDUCE (2) PERMANENT AND (1) TEMPORARY POSITIONS FOR COMPLIANCE (TAX100/CH)	(1) PERM DELINQUENT TAX COLLECTOR ASSISTANT II (#1458; -1.00A) (1) PERM TAX RETURNS EXAMINER II (#11513; -1.00A) (1) TEMP OFFICE ASSISTANT III (#120637; -1.00A)	(2.00)	(1.00)	(2.00)	(1.00)	A	DISAGREE	KEEP PERMANENT POSITIONS. DO NOT REDUCE. NO FINANCIAL IMPACT. WILL REQUEST FUNDING WHEN AVAILABLE.	2.00		A	2.00		A
66-001	REDUCE (6) PERMANENT AND (1) TEMPORARY POSITIONS FOR COMPLIANCE (TAX100/CM)	(1) PERM SECRETARY II (#109; -1.00A); (1) PERM AUDITOR III (#7050; -1.00A); (4) PERM OFFICE ASSISTANT (#117454, #117458, #121636, #122318; -1.00A EACH) (1) TEMP OFFICE ASSISTANT (#120639; -1.00A)	(6.00)	(1.00)	(6.00)	(1.00)	A	AGREE							
67-001	REDUCE (2) PERMANENT AND (1) TEMPORARY POSITIONS FOR COMPLIANCE (TAX100/CM)	(1) PERM TAX INFORMATION TECH II (#1574; -1.00A) (1) PERM AUDITOR III (#4417; -1.00A) (1) TEMP OFFICE ASSISTANT III (#120646; -1.00A)	(2.00)	(1.00)	(2.00)	(1.00)	A	DISAGREE	KEEP PERMANENT POSITIONS. DO NOT REDUCE. NO FINANCIAL IMPACT. WILL REQUEST FUNDING WHEN AVAILABLE.	2.00		A	2.00		A
68-001	REDUCE (6) PERMANENT POSITIONS FOR COMPLIANCE (TAX100/CO)	(2) PERM TAX RETURNS EXAMINER I (#1521, #120780; -1.00A EACH) (1) PERM MANAGEMENT ANALYST III (#12002; -1.00A) (3) PERM TAX RETURNS EXAMINER II (#47875, #120778, #1536; -1.00A EACH)	(6.00)		(6.00)		A	DISAGREE	KEEP PERMANENT POSITIONS. DO NOT REDUCE. NO FINANCIAL IMPACT. 1. MANAGEMENT ANALYST III POSITION. TECHNICAL ERROR CORRECTION NEEDED. GWS REQUESTS TO ADD ONE (1) PERMANENT POSITION TO OFFSET AN ERROR WHICH RESULTED IN THE MANAGEMENT ANALYST III, POSITION NO. 12002, BEING DELETED TWICE. 2. TAX RETURNS EXAMINERS POSITIONS. WILL REQUEST FUNDING WHEN AVAILABLE.	6.00		A	6.00		A
69-001	REDUCE (5) PERMANENT AND (1) TEMPORARY POSITIONS FOR COMPLIANCE (TAX100/CP)	(2) PERM AUDITOR IV (#1538, #1606; -1.00A EACH) (1) PERM CRIMINAL INVESTIGATOR (#4413; -1.00A) (1) PERM REG/ENF/PUB/SAFETY PROF (#16049; -1.00A) (1) PERM AUDITOR V (#33420; -1.00A) (1) TEMP CRIMINAL INVESTIGATOR (#118027; -1.00A)	(5.00)	(1.00)	(5.00)	(1.00)	A	DISAGREE	KEEP PERMANENT POSITIONS. DO NOT REDUCE. NO FINANCIAL IMPACT. WILL REQUEST FUNDING WHEN AVAILABLE.	5.00		A	5.00		A
69-101	REDUCE (10) PERMANENT POSITIONS FOR COMPLIANCE (TAX100/EO)	(2) PERM TAX CLERK (#1450, #120764; -1.00A EACH) (3) PERM DELINQUENT TAX COLLECTOR ASSISTANT II (#26310, #39121, #117470, #117475, #120117; -1.00A EACH) (1) PERM OFFICE ASSISTANT III (#16056; -1.00A) (1) PERM DELINQUENT TAX COLLECTOR ASSISTANT II (#33459; -1.00A) (1) PERM DELINQUENT TAX COLLECTOR ASSISTANT I (#47881; -1.00A)	(10.00)		(10.00)		A	DISAGREE	KEEP PERMANENT POSITIONS. DO NOT REDUCE. NO FINANCIAL IMPACT. WILL REQUEST FUNDING WHEN AVAILABLE.	10.00		A	10.00		A
1100-001	REDUCE (1) PERMANENT POSITION AND FUNDS FOR COMPLIANCE (TAX100/CM)	(1) PERM TAX RETURNS EXAMINER IV (#47614; -1.00A; -59352)	(1.00)		(1.00)		A	DISAGREE	KEEP PERMANENT POSITION AND FUNDING. DO NOT REDUCE. POSITION IS NECESSARY TO COMPLETE VITAL FUNCTIONS FOR MAUI DISTRICT OFFICE. LOSING THE TAX RETURN EXAMINER POSITION WOULD NEGATIVELY IMPACT THE EFFORTS AT A COST OF APPROXIMATELY \$2.2M/YR IN REVENUE.	1.00		A	1.00		A

DEPARTMENT OF TAXATION  
IMPACT STATEMENTS FOR HB200 HD1

PROGRAM ID: TAX100

HB 200 HD1

DISAGREE

2. IMPACT STATEMENT

REQUEST ADJUSTMENT

3. ALTERNATE REDUCTION

SEQ #	TITLE	DESCRIPTION	FY 2022		FY 2023		AGREE / DISAGREE	REQUEST ADJUSTMENT	FY 2022		FY 2023	
			PERM	TEMP	PERM	TEMP			AMT	MOF	AMT	MOF
1100-002	REDUCE (2) PERMANENT POSITIONS AND FUNDS FOR COMPLIANCE (TAX100/CO)	(1) PERM TAXATION COMPLIANCE COORDINATOR (#120118; -1,00A; -106,608) (1) PERM TAX RETURNS EXAMINER I (#1535; -1,00A; -32976)	(2.00)		(139,584)	A	DISAGREE	KEEP PERMANENT POSITIONS AND FUNDING. DO NOT REDUCE. 1. THE TAX COMPLIANCE COORDINATOR, POSITION NO. 120118, IS FILED. A REQUEST FOR EXCEPTION TO HIRING FREEZE WAS APPROVED ON 12/24/20. THE POSITION IS NOW FILLED. 2. LOSING THE TAX RETURN EXAMINER POSITION WOULD NEGATIVELY IMPACT THE OFFICE AUDIT SECTION EFFORTS AT A COST OF APPROXIMATELY \$2.2M/YR IN REVENUE.	2.00		139,584	A
1100-003	REDUCE (1) PERMANENT POSITION FOR COMPLIANCE (TAX100/CP)	(1) PERM AUDITOR III (#117445; -1,00A)	(1.00)			A	DISAGREE	KEEP PERMANENT POSITION. DO NOT REDUCE. NO FINANCIAL IMPACT. WILL REQUEST FUNDING WHEN AVAILABLE.	1.00			A
1100-004	REDUCE (1) PERMANENT POSITION AND FUNDS FOR COMPLIANCE (TAX100/EO)	(1) PERM DELINQUENT TAX COLL. ASST II (#39123; -1,00A; -59352)	(1.00)		(59,352)	A	DISAGREE	KEEP PERMANENT POSITION AND FUNDING. DO NOT REDUCE. POSITION IS NECESSARY TO COMPLETE VITAL FUNCTIONS FOR THE COLLECTION SECTION. LOSING THE DELINQUENT TAX COLLECTOR ASSISTANT POSITION WOULD NEGATIVELY IMPACT THE EFFORTS AT A COST OF APPROXIMATELY \$2M/YR IN REVENUE.	1.00		59,352	A
1120-001	REDUCE FUNDS FOR PAYROLL ADJUSTMENTS FOR COMPLIANCE (TAX100/CH)	PAYROLL ADJUSTMENT (-27,635A)			(27,635)	A	DISAGREE	KEEP FUNDING. DO NOT REDUCE. THE PAYROLL ADJUSTMENT IS NECESSARY WHEN THE DEPARTMENT EXPERIENCES HIGH VACANCIES OR HIGH UNFUNDED POSITIONS. THIS FUND HELPS MANAGEMENT MOVE PERSONNEL IN ORDER TO KEEP THE FUNCTIONS OF THE DEPARTMENT OPERATIONAL. LACK OF THESE FUNDS AND FLEXIBILITY WILL LEAD TO REQUESTS FOR EMERGENCY APPROPRIATIONS AND/OR SHUTDOWN OF THE DEPARTMENT'S SPECIFIC OPERATION, CAUSING HARM TO THE STATE AND THE TAXPAYERS. PAYROLL ADJUSTMENT FUNDING, IN ADDITION TO THE CB INCREASE, IS NECESSARY TO FUND SALARY ADJUSTMENTS, TEMPORARY ASSIGNMENTS, AND OVERTIME.			27,635	A
1120-002	REDUCE FUNDS FOR PAYROLL ADJUSTMENTS FOR COMPLIANCE (TAX100/CK)	PAYROLL ADJUSTMENT (-80,048A)			(80,048)	A	DISAGREE	KEEP FUNDING. DO NOT REDUCE. THE PAYROLL ADJUSTMENT IS NECESSARY WHEN THE DEPARTMENT EXPERIENCES HIGH VACANCIES OR HIGH UNFUNDED POSITIONS. THIS FUND HELPS MANAGEMENT MOVE PERSONNEL IN ORDER TO KEEP THE FUNCTIONS OF THE DEPARTMENT OPERATIONAL. LACK OF THESE FUNDS AND FLEXIBILITY WILL LEAD TO REQUESTS FOR EMERGENCY APPROPRIATIONS AND/OR SHUTDOWN OF THE DEPARTMENT'S SPECIFIC OPERATION, CAUSING HARM TO THE STATE AND THE TAXPAYERS. PAYROLL ADJUSTMENT FUNDING, IN ADDITION TO THE CB INCREASE, IS NECESSARY TO FUND SALARY ADJUSTMENTS, TEMPORARY ASSIGNMENTS, AND OVERTIME.			80,048	A

DEPARTMENT OF TAXATION  
IMPACT STATEMENTS FOR HB200 HD1

PROGRAM ID: TAX100

HB 200 HD1

AGREE / DISAGREE

2. IMPACT STATEMENT

REQUEST ADJUSTMENT

3. ALTERNATE REDUCTION

SEQ #	TITLE	DESCRIPTION	FY 2022		FY 2023		AGREE / DISAGREE	REQUEST ADJUSTMENT	FY 2023	
			PERM	TEMP AMT	PERM	TEMP AMT			PERM	TEMP AMT
1120-003	REDUCE FUNDS FOR PAYROLL ADJUSTMENTS FOR COMPLIANCE (TAX100/CM)	PAYROLL ADJUSTMENT (-71,408A)		(71,408) A		(71,408) A	DISAGREE		71,408 A	71,408 A
							<p>THE PAYROLL ADJUSTMENT IS NECESSARY WHEN THE DEPARTMENT EXPERIENCES HIGH VACANCIES OR HIGH UNFUNDED POSITIONS. THIS FUND HELPS MANAGEMENT MOVE PERSONNEL IN ORDER TO KEEP THE FUNCTIONS OF THE DEPARTMENT OPERATIONAL. LACK OF THESE FUNDS AND FLEXIBILITY WILL LEAD TO REQUESTS FOR EMERGENCY APPROPRIATIONS AND/OR SHUTDOWN OF THE DEPARTMENT'S SPECIFIC OPERATION, CAUSING HARM TO THE STATE AND THE TAXPAYERS.</p> <p>PAYROLL ADJUSTMENT FUNDING, IN ADDITION TO THE CB INCREASE, IS NECESSARY TO FUND SALARY ADJUSTMENTS, TEMPORARY ASSIGNMENTS, AND OVERTIME.</p>			
1120-004	REDUCE FUNDS FOR PAYROLL ADJUSTMENTS FOR COMPLIANCE (TAX100/CO)	PAYROLL ADJUSTMENT (-14,980A)		(14,980) A		(14,980) A	DISAGREE	14,980 A	14,980 A	
							<p>THE PAYROLL ADJUSTMENT IS NECESSARY WHEN THE DEPARTMENT EXPERIENCES HIGH VACANCIES OR HIGH UNFUNDED POSITIONS. THIS FUND HELPS MANAGEMENT MOVE PERSONNEL IN ORDER TO KEEP THE FUNCTIONS OF THE DEPARTMENT OPERATIONAL. LACK OF THESE FUNDS AND FLEXIBILITY WILL LEAD TO REQUESTS FOR EMERGENCY APPROPRIATIONS AND/OR SHUTDOWN OF THE DEPARTMENT'S SPECIFIC OPERATION, CAUSING HARM TO THE STATE AND THE TAXPAYERS.</p> <p>PAYROLL ADJUSTMENT FUNDING, IN ADDITION TO THE CB INCREASE, IS NECESSARY TO FUND SALARY ADJUSTMENTS, TEMPORARY ASSIGNMENTS, AND OVERTIME.</p>			
1120-005	REDUCE FUNDS FOR PAYROLL ADJUSTMENTS FOR COMPLIANCE (TAX100/CP)	PAYROLL ADJUSTMENT (-40,984A)		(40,984) A		(40,984) A	DISAGREE	40,984 A	40,984 A	
							<p>THE PAYROLL ADJUSTMENT IS NECESSARY WHEN THE DEPARTMENT EXPERIENCES HIGH VACANCIES OR HIGH UNFUNDED POSITIONS. THIS FUND HELPS MANAGEMENT MOVE PERSONNEL IN ORDER TO KEEP THE FUNCTIONS OF THE DEPARTMENT OPERATIONAL. LACK OF THESE FUNDS AND FLEXIBILITY WILL LEAD TO REQUESTS FOR EMERGENCY APPROPRIATIONS AND/OR SHUTDOWN OF THE DEPARTMENT'S SPECIFIC OPERATION, CAUSING HARM TO THE STATE AND THE TAXPAYERS.</p> <p>PAYROLL ADJUSTMENT FUNDING, IN ADDITION TO THE CB INCREASE, IS NECESSARY TO FUND SALARY ADJUSTMENTS, TEMPORARY ASSIGNMENTS, AND OVERTIME.</p>			

DEPARTMENT OF TAXATION  
 IMPACT STATEMENTS FOR HB200 HD1

PROGRAM ID: TAX100

HB 200 HD1

DISAGREE / 2. IMPACT STATEMENT

REQUEST ADJUSTMENT

3. ALTERNATE REDUCTION

SEQ #	TITLE	DESCRIPTION	FY 2022		MOF	FY 2023		DISAGREE	FY 2022		FY 2023			
			PERM	TEMP AMT		PERM	TEMP AMT		PERM	TEMP AMT	PERM	TEMP AMT		
1120-06	REDUCE FUNDS FOR PAYROLL ADJUSTMENTS FOR COMPLIANCE (TAX100/EO)	PAYROLL ADJUSTMENT (-458A)		(458) A		(458) A		KEEP FUNDING. DO NOT REDUCE.		458 A		458 A		
TOTAL BUDGET CHANGES			(48.00)	(4.00)	(257,914) A	(48.00)	(4.00)		40.00	0.00	1,028,947 A	40.00	0.00	1,325,633 A
BUDGET TOTALS			144.00	1.00	9,348,342 A	144.00	1.00		184.00	1.00	10,377,289 A	184.00	1.00	10,377,289 A

THE PAYROLL ADJUSTMENT IS NECESSARY WHEN THE DEPARTMENT EXPERIENCES HIGH VACANCIES OR HIGH UNFUNDED POSITIONS. THIS FUND HELPS MANAGEMENT MOVE PERSONNEL IN ORDER TO KEEP THE FUNCTIONS OF THE DEPARTMENT OPERATIONAL. LACK OF THESE FUNDS AND FLEXIBILITY WILL LEAD TO REQUESTS FOR EMERGENCY APPROPRIATIONS AND/OR SHUTDOWN OF THE DEPARTMENT'S SPECIFIC OPERATION, CAUSING HARM TO THE STATE AND THE TAXPAYERS. PAYROLL ADJUSTMENT FUNDING, IN ADDITION TO THE CB INCREASE, IS NECESSARY TO FUND SALARY ADJUSTMENTS, TEMPORARY ASSIGNMENTS, AND OVERTIME.

DEPARTMENT OF TAXATION  
REQUESTED ADDITIONS TO BUDGET SUBMITTAL

PROGRAM ID: TAX100  
TITLE

DESCRIPTION

FY 2022  
PERM TEMP AMT

FY 2023  
PERM TEMP AMT

MOF

NEEDED POSITIONS: (REFERENCE TABLE 11-A VACANCIES)

TAX100	EO	SEQ. NO. 1100-004	DESCRIPTION	1.00	59,532	A	1.00	59,532	A
TAX100	EO		Delinquent Tax Collection Asst II (#39123)	1.00	54,108	A	1.00	54,108	A
TAX100	EO		Delinquent Tax Collection Assistant II (#17475)	1.00	54,108	A	1.00	54,108	A
TAX100	EO		Delinquent Tax Collection Assistant II (#17470)	1.00	54,108	A	1.00	54,108	A
TAX100	EO		Delinquent Tax Collection Assistant II (#39121)	1.00	54,108	A	1.00	54,108	A
TAX100	EO		Delinquent Tax Collection Assistant II (#28310)	1.00	54,108	A	1.00	54,108	A
TAX100	CO	SEQ. NO. 1100-002	Auditor VI (#15255)	1.00	85,032	A	1.00	85,032	A
TAX100	CO		Tax Returns Examiner II (#120781)	1.00	51,024	A	1.00	51,024	A
TAX100	CO		Tax Returns Examiner II (#120780)	1.00	51,024	A	1.00	51,024	A
TAX100	CO		Tax Returns Examiner II (#47875)	1.00	51,024	A	1.00	51,024	A
TAX100	CP		Auditor V (#26338)	1.00	72,684	A	1.00	72,684	A
TAX100	CP		Auditor V (#33420)	1.00	72,684	A	1.00	72,684	A
TAX100	CP	SEQ. NO. 1100-003	Auditor IV (#17445)	1.00	64,620	A	1.00	64,620	A
TAX100	CH		Auditor V (#5775)	1.00	72,684	A	1.00	72,684	A
TAX100	CM		Auditor V (#11428)	1.00	72,684	A	1.00	72,684	A
TAX100	CM	SEQ. NO. 1100-001	Tax Returns Examiner IV (#47614)	1.00	59,352	A	1.00	59,352	A
TAX100	EH		Delinquent Tax Collection Assistant III (#1458)	1.00	65,760	A	1.00	65,760	A
TAX100	CM		Auditor IV (#4417)	1.00	64,620	A	1.00	64,620	A
<b>TOTALS</b>				<b>18.00</b>	<b>0.00</b>	<b>1,110,180</b>	<b>18.00</b>	<b>0.00</b>	<b>1,110,180</b>

DEPARTMENT OF TAXATION  
IMPACT STATEMENTS FOR HB200 HD1

PROGRAM ID: TAX105

SEQ #	TITLE	DESCRIPTION	FY 2022		FY 2023		AGREE / DISAGREE	REQUEST ADJUSTMENT		3 ALTERNATE REDUCTION	
			PERM	TEMP	PERM	TEMP		PERM	TEMP	PERM	TEMP
BASE BUDGET			128	100	128	100					
			AMT	MOF	AMT	MOF					
4-001	ADD FUNDS FOR COLLECTIVE BARGAINING		443,580	A	443,580	A	AGREE				
10-001	TRADE -OFF FUNDS FROM PERSONAL SERVICES TO PERSONAL SERVICES FOR TAX SERVICES AND PROCESSING (TAX105/BA).	PAYROLL ADJUSTMENT (-63,480) SEE TAX 105 SEQ. NO. 10-002.	(63,480)	A	(63,480)	A	AGREE				
10-002	TRADE -OFF FUNDS FROM PERSONAL SERVICES TO PERSONAL SERVICES FOR TAX SERVICES AND PROCESSING (TAX105/BA).	PERSONAL SERVICES FOR (2) PERM TAX CLERK (#118230: 31,740 EACH) SEE TAX105 SEQ. NO. 10-001	63,480	A	63,480	A	AGREE				
11-001	TRADE -OFF FUNDS FROM PERSONAL SERVICES TO PERSONAL SERVICES FOR TAX SERVICES AND PROCESSING (TAX105/BC).	PAYROLL ADJUSTMENT (-77,628) SEE TAX105 SEQ. NO. 11-002	(77,628)	A	(77,628)	A	AGREE				
11-002	TRADE -OFF FUNDS FROM PERSONAL SERVICES TO PERSONAL SERVICES FOR TAX SERVICES AND PROCESSING (TAX105/BC).	PERSONAL SERVICES FOR (1) PERM TAX INFORMATION TECHNICIAN I (#3691: 43,368) PERSONAL SERVICES FOR (1) PERM TAX CLERK (#118238: 34,260) SEE TAX105 SEQ. NO. 11-001.	77,628	A	77,628	A	AGREE				
30-001	TRANSFER-OUT FUNDS FROM TAX SERVICES AND PROCESSING (TAX100/CM).	PAYROLL ADJUSTMENT (-81,732) SEE TAX100 SEQ. NO. 30-001.	(81,732)	A	(81,732)	A	AGREE				
31-001	TRANSFER-OUT (1) PERMANENT POSITION FROM TAX SERVICES AND PROCESSING (TAX105/BC) TO SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA).	(1) PERM MANAGEMENT ANALYST II (#39132: 1,00A) SEE TAX107 SEQ. NO. 30-001.	(1,000)	A	(1,000)	A	AGREE				
32-001	TRANSFER-OUT (2) PERMANENT POSITIONS AND FUNDS FROM TAX SERVICES AND PROCESSING (TAX105/BA) TO SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA).	(1) PERM MANAGEMENT ANALYST V (#49981: 1,00A; -52,824) (1) PERM MANAGEMENT ANALYST II (#34204: 1,00A; -46,932) SEE TAX107 SEQ. NO. 30-001.	(99,756)	A	(99,756)	A	AGREE				
60-001	REDUCE (1) PERMANENT AND (1) TEMPORARY POSITION FOR TAX SERVICES AND PROCESSING (TAX105/BA).	(1) PERM OFFICE ASSISTANT III (#46128: 1,00A; 31,740) (1) TEMP TAX CLERK (#121084: 1,00A; -31,740)	(63,480)	A	(63,480)	A	DISAGREE	1.00	31,740	1.00	31,740
61-001	REDUCE FUNDS FOR TAX SERVICES AND PROCESSING (TAX105/BA).	OFFICE SUPPLIES (-40,000) TELEPHONE (-12,000) R&M (-20,000) SERVICES ON FEE (-100,000) MISC. CURRENT EXPENSES (-28,000)	(200,000)	A	(200,000)	A	AGREE				

DEPARTMENT OF TAXATION  
 IMPACT STATEMENTS FOR HB200 HD1

PROGRAM ID: TAX105

SEQ #

TITLE

DESCRIPTION

HB 200 HD1

AGREE /  
DISAGREE

2. IMPACT STATEMENT

REQUEST ADJUSTMENT

3. ALTERNATE REDUCTION

SEQ #	TITLE	DESCRIPTION	FY 2022		FY 2023		FY 2022		FY 2023			
			PERM	TEMP	PERM	TEMP	PERM	TEMP	PERM	TEMP		
			AMT	AMT	AMT	AMT	AMT	AMT	AMT	AMT		
62-001	REDUCE (10) PERMANENT AND (74) TEMPORARY POSITIONS FOR TAX SERVICES AND PROCESSING (TAX105/BA).	(4) PERM OFFICE ASSISTANT III (#1489, #1513, #118442, #118445, -1.00A EACH) (2) PERM MANAGEMENT ANALYST IV (#99015T, #99016T, -1.00A EACH) (1) PERM TAX COLLECTOR (#1558, -1.00A) (1) PERM DATA ENTRY OPERATOR I (#1566, -1.00A) (1) PERM SECRETARY III (#5785, -1.00A) (1) PERM OFFICE ASSISTANT IV (#27115, -1.00A) (1) PERM OFFICE ASSISTANT I (#4339, -1.00A) (5) TEMP OFFICE ASSISTANT I (#8221, #8222, #23483, #26967, #26968, -1.00A EACH) (3) TEMP OFFICE ASSISTANT I (#27917, #27918, #27919, -1.00A EACH) (1) TEMP OFFICE ASSISTANT III (#27920, -1.00A) (3) TEMP OFFICE ASSISTANT I (#29037, #29038, #29039, -1.00A EACH) (7) TEMP OFFICE ASSISTANT II (#34089, #34095, #34096, #34097, #34104, #34105, -1.00A EACH) (1) TEMP OFFICE ASSISTANT I (#34130, -1.00A) (1) TEMP OFFICE ASSISTANT III (#34131, -1.00A) (1) TEMP OFFICE ASSISTANT I (#34132, -1.00A) (1) TEMP HUMAN RESOURCES ASSISTANT V #4133, -1.00A) (1) TEMP OFFICE ASSISTANT III (#34134, -1.00A) (4) TEMP OFFICE ASSISTANT I (#34135, #34136, #34138, #34139, -1.00A EACH) (1) TEMP OFFICE ASSISTANT III (#34147, -1.00A) (5) TEMP OFFICE ASSISTANT II (#35023, #35024, #35025, #35026, #35027, -1.00A EACH) (3) TEMP OFFICE ASSISTANT I (#37149, #37150, #37151, -1.00A EACH) (2) TEMP OFFICE ASSISTANT III (#37154, #37155, -1.00A EACH) (2) TEMP OFFICE ASSISTANT I (#37156, #37160, -1.00A EACH) (2) TEMP OFFICE ASSISTANT II (#37573, #37574, -1.00A EACH) (1) TEMP TAX CLERK (#37576, -1.00A) (1) TEMP OFFICE ASSISTANT II (#37579, -1.00A) (2) TEMP OFFICE ASSISTANT III (#37580, #37584, -1.00A EACH) (1) TEMP OFFICE ASSISTANT II (#37586, -1.00A) (3) TEMP OFFICE ASSISTANT III (#41200, #41262, #44626, -1.00A EACH) (1) TEMP MANAGEMENT ANALYST II (#49128, -1.00A)	(10.00)	(74.00)	A	(10.00)	(74.00)	A	AGREE			



DEPARTMENT OF TAXATION  
IMPACT STATEMENTS FOR HB200 HD1

PROGRAM ID: TAX105

HB 200 HD1

AGREE /  
DISAGREE

2. IMPACT STATEMENT

REQUEST ADJUSTMENT

3. ALTERNATE REDUCTION

SEQ #	TITLE	DESCRIPTION	FY 2022		FY 2023		AGREE / DISAGREE	2. IMPACT STATEMENT	REQUEST ADJUSTMENT		MOF	
			PERM	TEMP AMT	PERM	TEMP AMT			PERM	TEMP AMT		PERM
63-001	REDUCE (1) PERMANENT POSITION FOR TAX SERVICES AND PROCESSING (TAX105/BB)	(4) TEMP OFFICE ASSISTANT III (#49943, #49945, #49946, #49947, -1.00A EACH) (2) TEMP OFFICE ASSISTANT I (#49948, #49949, -1.00A EACH)(1) TEMP OFFICE ASSISTANT III (#49950, -1.00A) (1) TEMP MANAGEMENT ANALYST II (#49951, -1.00A) (1) TEMP MANAGEMENT ANALYST I (#49952, -1.00A) (1) TEMP OFFICE ASSISTANT III (#49955, -1.00A) (5) TEMP OFFICE ASSISTANT II (#49956, #49958, #49959, #49960, #49961, -1.00A EACH) (4) TEMP OFFICE ASSISTANT III (#49962, #49963, #49964, #49965, -1.00A EACH) (1) TEMP OFFICE ASSISTANT II (#49962, -1.00A) (1) TEMP TAX CLERK (#49968, -1.00A)	(1.00)	(20.00)	(1.00)	(20.00)	A	KEEP POSITION. DO NOT REDUCE.  POSITION WAS INADVERTENTLY DELETED. POSITION 118500 IS FILLED. GMS includes a request to reinstate one (1) permanent position deleted in error and to transfer \$46,272 from TAX105/BA to fund position 118500.	1.00	A	1.00	A
64-001	REDUCE (1) PERMANENT AND (2) TEMPORARY POSITIONS FOR TAX SERVICES AND PROCESSING (TAX105/BC)	(1) PERM MANAGEMENT ANALYST III (#39132, -1.00A) (8) TEMP OFFICE ASSISTANT III (#26969, #26970, #29041, #32080, #34149, #37152, #37556, #37565, -1.00A EACH) (1) TEMP ACCOUNTANT III (#29040, -1.00A) (5) TEMP TAX INFORMATION TECH I (#32081, #38186, #38189, #40961, #45733, -1.00A EACH) (1) TEMP TAX INFORMATION TECH II (#32082, -1.00A) (5) TEMP TAX CLERK (#38187, #38188, #38194, #38195, #40962, -1.00A EACH)	(1.00)	(20.00)	(1.00)	(20.00)	A	DISAGREE  KEEP PERMANENT POSITION. DO NOT REDUCE NO FINANCIAL IMPACT.  MANAGEMENT ANALYST III POSITION. TECHNICAL ERROR CORRECTION NEEDED. GMS REQUESTS TO ADD ONE (1) PERMANENT POSITION TO OFFSET AN ERROR WHICH RESULTED IN THE MANAGEMENT ANALYST III, POSITION NO. 12002, BEING DELETED TWICE.	1.00	A	1.00	A
100-001	ADD (2) PERMANENT POSITIONS FOR TAX SERVICES AND PROCESSING (TAX105/BA)	(2) PERM OFFICE ASSISTANT I (#29038, #34132, -1.00A EACH)	2.00		A	2.00	A	NO FINANCIAL IMPACT. THIS IS A TECHNICAL CORRECTION.				
101-001	ADD (4) PERMANENT POSITIONS FOR TAX SERVICES AND PROCESSING (TAX105/BC)	(4) PERM OFFICE ASSISTANT III (#32080, #34149, #37555, #37556, -1.00A EACH)	4.00		A	4.00	A	NO FINANCIAL IMPACT. THIS IS A TECHNICAL CORRECTION.				
1001-101	CONVERT (4) TEMPORARY POSITIONS TO PERMANENT FOR TAX SERVICES AND PROCESSING (TAX105/BA)	(4) TAX CLERK #121083, #121085, #121086, #121087, -1.00A EACH; 31,740 EACH)	4.00	(4.00)	126,960	A	4.00	(4.00)	126,960	A	AGREE	KEEP POSITIONS. POSITIONS ARE FILLED.

DEPARTMENT OF TAXATION  
IMPACT STATEMENTS FOR HB200 HD1

PROGRAM ID: TAX105	SEQ #	TITLE	DESCRIPTION	AGREE / DISAGREE		REQUEST ADJUSTMENT		3. ALTERNATE REDUCTION	
				PERM	TEMP	FY 2022	FY 2023	PERM	TEMP
TAX105	TAX105	TAX105	TAX105	AMT	AMT	AMT	AMT	AMT	AMT
1120-001		REDUCE FUNDS FROM OTHER PERSONAL SERVICES FOR TAX SERVICES AND PROCESSING (TAX105/BA).	OTHER PERSONAL SERVICES (-142,478A)	(142,478) A	(142,478) A	142,478 A	142,478 A		
1120-002		REDUCE FUNDS FROM TURNOVER SAVINGS FOR TAX SERVICES AND PROCESSING (TAX105/BB).	TURNOVER SAVINGS (-21,227A)	(21,227) A	(21,227) A	21,227 A	21,227 A		
1120-003		REDUCE FROM TURNOVER SAVINGS FOR TAX SERVICES AND PROCESSING (TAX105/BC).	TURNOVER SAVINGS (-194,219A)	(194,219) A	(194,219) A	194,219 A	194,219 A		
<p>DISAGREE / 2. IMPACT STATEMENT</p> <p>DISAGREE / 3. ALTERNATE REDUCTION</p>									
<p>KEEP FUNDING. DO NOT REDUCE.</p> <p>KEEP FUNDING. DO NOT REDUCE.</p> <p>KEEP FUNDING. DO NOT REDUCE.</p>									
<p>THE PAYROLL ADJUSTMENT IS NECESSARY WHEN THE DEPARTMENT EXPERIENCES HIGH VACANCIES OR HIGH UNFUNDED POSITIONS. THIS FUND HELPS MANAGEMENT MOVE PERSONNEL IN ORDER TO KEEP THE FUNCTIONS OF THE DEPARTMENT OPERATIONAL. LACK OF THESE FUNDS AND FLEXIBILITY WILL LEAD TO REQUESTS FOR EMERGENCY APPROPRIATIONS AND/OR SHUTDOWN OF THE DEPARTMENT'S SPECIFIC OPERATION, CAUSING HARM TO THE STATE AND THE TAXPAYERS.</p> <p>OTHER PERSONAL SERVICES FUNDING, IN ADDITION TO THE CB INCREASE, IS NECESSARY TO FUND SALARY ADJUSTMENTS, TEMPORARY ASSIGNMENTS, AND OVERTIME.</p> <p>THE PAYROLL ADJUSTMENT IS NECESSARY WHEN THE DEPARTMENT EXPERIENCES HIGH VACANCIES OR HIGH UNFUNDED POSITIONS. THIS FUND HELPS MANAGEMENT MOVE PERSONNEL IN ORDER TO KEEP THE FUNCTIONS OF THE DEPARTMENT OPERATIONAL. LACK OF THESE FUNDS AND FLEXIBILITY WILL LEAD TO REQUESTS FOR EMERGENCY APPROPRIATIONS AND/OR SHUTDOWN OF THE DEPARTMENT'S SPECIFIC OPERATION, CAUSING HARM TO THE STATE AND THE TAXPAYERS.</p> <p>TURNOVER SAVINGS FUNDS, IN ADDITION TO THE CB INCREASE, IS NECESSARY TO FUND SALARY ADJUSTMENTS, TEMPORARY ASSIGNMENTS, AND OVERTIME.</p>									
<p>TOTAL BUDGET CHANGES</p>				(6,001,099,000)	(6,001,099,000)	3,899,664 A	3,899,664 A		
<p>BUDGET TOTALS</p>				122,000	122,000	6,093,247 A	6,093,247 A		

DEPARTMENT OF TAXATION

REQUESTED ADDITIONS TO BUDGET SUBMITTAL

PROGRAM ID: TAX105  
TITLE

DESCRIPTION

FY 2022  
PERM TEMP AMT

MOF

PERM TEMP AMT

MOF

ADDITIONAL REQUESTS:

PROGRAM ID/TITLE	DESCRIPTION	FY 2022 PERM TEMP AMT	MOF	FY 2023 PERM TEMP AMT	MOF	DETAILS
TAX105 BB TRANSFER IN FUNDS FROM TAX SERVICES AND PROCESSING (TAX100/BA) TO TAX SERVICES AND PROCESSING (TAX105/BB) SEE SEQ. NO. 63-001	ACCOUNT CLERK III (#118500)	46,272	A	46,272	A	GM5 includes, a request to reinstate one (1) permanent position deleted in error and to transfer \$46,272 from TAX105/BA to fund position 118500. Position 118500 is filled.
TAX105 BA TRANSFER OUT FUNDS FROM TAX SERVICES AND PROCESSING (TAX100/BA) TO TAX SERVICES AND PROCESSING (TAX105/BB) SEE SEQ. NO. 63-001	OTHER PERSONAL SERVICES (-46,272)	(46,272)	A	(46,272)	A	GM5 includes, a request to reinstate one (1) permanent position deleted in error and to transfer \$46,272 from TAX105/BA to fund position 118500. Position 118500 is filled.
<b>TOTALS</b>		<b>0</b>		<b>0</b>		

DEPARTMENT OF TAXATION  
IMPACT STATEMENTS FOR HB200 HD1

PROGRAM ID: TAX107

SEQ #	TITLE	DESCRIPTION	HB 200 HD1						2. IMPACT STATEMENT						3. ALTERNATE REDUCTION							
			FY 2022			FY 2023			FY 2022			FY 2023			FY 2022			FY 2023				
			PERM	TEMP	AMT	MOF	PERM	TEMP	AMT	MOF	PERM	TEMP	AMT	MOF	PERM	TEMP	AMT	MOF	PERM	TEMP	AMT	MOF
		BASE BUDGET	81	12	14,342,560	A	81	12	14,342,560	A												
		BASE BUDGET	0	13	3,545,136	B	0	13	3,545,136	B												
4-001	ADD FUNDS FOR COLLECTIVE BARGAINING				441,564	A			441,564	A												
4-001	ADD FUNDS FOR COLLECTIVE BARGAINING				21,980	B			21,980	B												
6-001	REDUCE FUNDS FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA)				(4,800,000)	A			(4,800,000)	A												
10-001	TRADE-OFF FUNDS FROM PERSONAL SERVICES TO PERSONAL SERVICES FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA)	PAYROLL ADJUSTMENT (-102,132) SEE TAX107 SEQ. NO. 10-002.			(102,132)	A			(102,132)	A												
10-002	TRADE-OFF FUNDS FROM PERSONAL SERVICES TO PERSONAL SERVICES FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA)	PERSONAL SERVICES FOR (1) PERM ACCOUNTANT III (#40346; 55,200) PERSONAL SERVICES FOR (1) PERM TAX INFORMATION SPECIALIST (#38768; 46,932) SEE TAX107 SEQ. NO. 10-001.			102,132	A			102,132	A												
11-001	TRADE-OFF FUNDS FROM PERSONAL SERVICES TO PERSONAL SERVICES FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA)	PERSONAL SERVICES FOR (1) PERM ADMINISTRATIVE RULES SPECIALIST (#117972; 104,796) PERSONAL SERVICES FOR (1) PERM ADMINISTRATIVE RULES SPECIALIST (#120985; 20,204) SEE TAX107 SEQ. NO. 11-002.			(125,000)	A			(125,000)	A												
11-002	TRADE-OFF FUNDS FROM PERSONAL SERVICES TO PERSONAL SERVICES FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA)	PERSONAL SERVICES FOR (1) PERM ADMINISTRATIVE SERVICES OFFICER (#1308; 125,000) SEE TAX107 SEQ. NO. 11-001.			125,000	A			125,000	A												
12-001	TRADE-OFF FUNDS FROM PERSONAL SERVICES TO PERSONAL SERVICES FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA)	PAYROLL ADJUSTMENT (-71,232) SEE TAX107 SEQ. NO. 12-002.			(71,232)	A			(71,232)	A												
12-002	TRADE-OFF FUNDS FROM PERSONAL SERVICES TO PERSONAL SERVICES FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA)	PERSONAL SERVICES FOR (1) PERM MANAGEMENT ANALYST V (#10930; 71,232) SEE TAX107 SEQ. NO. 12-001.			71,232	A			71,232	A												
13-001	TRADE-OFF FUNDS FROM PERSONAL SERVICES TO PERSONAL SERVICES FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA)	PAYROLL ADJUSTMENT (-71,232) SEE TAX107 SEQ. NO. 13-002.			(71,232)	A			(71,232)	A												
13-002	TRADE-OFF FUNDS FROM PERSONAL SERVICES TO PERSONAL SERVICES FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA)	PERSONAL SERVICES FOR (1) PERM MANAGEMENT ANALYST V (#1542; 71,232) SEE TAX107 SEQ. NO. 13-001.			71,232	A			71,232	A												
14-001	TRADE-OFF FUNDS FROM OTHER CURRENT EXPENSES TO PERSONAL SERVICES FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA)	POSTAGE (-48,792) SEE TAX107 SEQ. NO. 14-002.			(48,792)	A			(48,792)	A												

DEPARTMENT OF TAXATION  
IMPACT STATEMENTS FOR HB200 HD1

PROGRAM ID: TAX107

SEQ #	TITLE	DESCRIPTION	2. IMPACT STATEMENT		REQUEST ADJUSTMENT		3. ALTERNATE REDUCTION	
			AGREE / DISAGREE	PERM TEMP AMT	AGREE / DISAGREE	PERM TEMP AMT	AGREE / DISAGREE	PERM TEMP AMT
14-002	TRADE-OFF FUNDS FROM OTHER CURRENT EXPENSES TO PERSONAL SERVICES FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA)	PERSONAL SERVICES FOR (1) PERM PRIVATE SECRETARY (#100008, 48,792)						
		SEE TAX107 SEQ. NO. 14-001.						
20-001	TRADE-OFF FUNDS FROM PERSONAL SERVICES FOR SUPPORTING SERVICES (TAX107/AA) TO PERSONAL SERVICES FOR INFORMATION TECHNOLOGY SERVICES OFFICE (TAX107/AC)	PERSONAL SERVICES FOR (1) PERM ADMINISTRATIVE RULES SPECIALIST (#102246-150,000)						
		SEE TAX107 SEQ. NO. 20-002 AND 20-003						
20-002	TRADE-OFF FUNDS FROM PERSONAL SERVICES FOR SUPPORTING SERVICES (TAX107/AA) TO PERSONAL SERVICES FOR INFORMATION TECHNOLOGY SERVICES OFFICE (TAX107/AC)	PAYROLL ADJUSTMENT (-9,708)						
		SEE TAX107 SEQ. NO. 20-001 AND 20-003						
20-003	TRADE-OFF FUNDS FROM PERSONAL SERVICES FOR SUPPORTING SERVICES FOR INFORMATION TECHNOLOGY SERVICES OFFICE (TAX107/AC)	PERSONAL SERVICES FOR (1) PERM IT BAND D (#1597, 159,708)						
		SEE TAX107 SEQ. NO. 20-001 AND 20-002.						
30-001	TRANSFER-IN (S) PERMANENT POSITIONS AND FUNDS FROM TAX SERVICES AND PROCESSING (TAX105/BC), TAX SERVICES AND PROCESSING (TAX105/BA), COMPLIANCE (TAX106/CP) AND COMPLIANCE (TAX106/CO) FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA).	(1) PERM MANAGEMENT ANALYST V (#1542) (1) PERM MANAGEMENT ANALYST III (#12002) (1) PERM MANAGEMENT ANALYST III (#9132) (1) PERM MANAGEMENT ANALYST III (#49981; 52,824) (1) PERM MANAGEMENT ANALYST III (#34204; 48,932)  SEE TAX100 SEQ. NO. 31-001 AND 32-001. SEE TAX105 SEQ. NO. 31-001 AND 32-001.						
60-001	REDUCE (1) PERMANENT POSITION AND FUNDS FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AC).	(1) PERMANENT IT BAND B, SYSTEM NETWORKING (#120344; -1,000; -43,428)						
61-001	REDUCE FUNDS FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA).	TAX SYSTEM MODERNIZATION PROJECT MANAGEMENT (-100,000) TSM FRAUD PREVENTION TECHNOLOGY (-700,000) TSM ELECTRONIC CONTENT MANAGEMENT PLATFORM (-100,000) OPERATING SUPPLIES (-48,000) OFFICE SUPPLIES; REDUCTION OF FORMS PRINTING (-200,000)						

DEPARTMENT OF TAXATION  
IMPACT STATEMENTS FOR HB200 HD1

PROGRAM ID: TAX107

SEQ #	TITLE	DESCRIPTION	2. IMPACT STATEMENT			REQUEST ADJUSTMENT			3. ALTERNATE REDUCTION						
			PERM	TEMP	AMT	MOF	PERM	TEMP	AMT	MOF	PERM	TEMP	AMT	MOF	
62-001	REDUCE (3) PERMANENT AND (8) TEMPORARY POSITIONS FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA).	(3) PERM ADMINISTRATIVE RULES SPECIALIST (#116470, #120984, #121602; -150,000 EACH) (1) TEMP ADMINISTRATIVE RULES OFFICER (#102247; -119,028) (1) TEMP ADMINISTRATIVE RULES SPECIALIST (#102245; -88,104) (1) TEMP ADMINISTRATIVE RULES SPECIALIST (#103171; -75,324) (1) TEMP ADMINISTRATIVE RULES SPECIALIST (#116389; -70,380) (1) TEMP ADMINISTRATIVE RULES SPECIALIST (#117785; -82,800) (1) TEMP ADMINISTRATIVE RULES SPECIALIST (#118035; -60,828) (1) TEMP ADMINISTRATIVE RULES SPECIALIST (#118504; -91,068) (1) TEMP ADMINISTRATIVE APPEALS OFFICER (#120870; -82,800)													
63-001	REDUCE (1) PERMANENT AND (1) TEMPORARY POSITIONS AND FUNDS FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA).	(1) PERM ADMINISTRATIVE RULES SPECIALIST (#120985; -1,00A; -129,796) (1) TEMP ADMINISTRATIVE RULES SPECIALIST (#117972; -1,00A)	(1.00)	(1.00)	(129,796) A	DISAGREE	KEEP PERMANENT POSITION AND FUNDING. DO NOT REDUCE. POSITION IS FILLED.	1.00	129,796	A	1.00	129,796	A		
64-001	REDUCE (6) PERMANENT AND (1) TEMPORARY POSITIONS FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA).	(1) PERM PURCHASING TECHNICIAN II (#11590; -1,00A) (1) PERM INCOME TAX SPECIALIST V (#40577; -1,00A) (1) TEMP ADMINISTRATIVE RULES SPECIALIST (#102248; -1,00A) (1) PERM HUMAN RESOURCES ASSISTANT IV (#118524; -1,00A) (2) PERM ADMINISTRATIVE RULES SPECIALIST (#120986, 102246; -1,00A EACH) (1) PERM SENIOR EXECUTIVE ASSISTANT (#122832; -1,00A)	(6.00)	(1.00)	(6,00) (1,00) A	DISAGREE	KEEP POSITION (1) PERMANENT HUMAN RESOURCE ASSISTANT IV. DO NOT REDUCE. NO FINANCIAL IMPACT. WILL REQUEST FUNDING WHEN AVAILABLE.	1.00		A	1.00		A		
65-001	REDUCE (10) PERMANENT AND (2) TEMPORARY POSITIONS FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AC).	(2) TEMP MANAGEMENT ANALYST I (#121074, #121076) (1) PERM MANAGEMENT ANALYST III (#110184) (1) PERM SECRETARY II (#15253) (5) PERM INFORMATION TECHNOLOGY BAND A (#1502, #28853, #120347, #120348, #120350) (3) PERM INFORMATION TECHNOLOGY BAND B (#27600, #42923, #42926)				AGREE	WILL REQUEST FUNDING WHEN AVAILABLE.								

DEPARTMENT OF TAXATION  
IMPACT STATEMENTS FOR HB200 HD1

PROGRAM ID: TAX107	SEQ #	TITLE	DESCRIPTION	HB 200 HD1		FY 2022		FY 2023		AGREE / DISAGREE	2. IMPACT STATEMENT	REQUEST ADJUSTMENT		FY 2023		3. ALTERNATE REDUCTION				
				PERM	TEMP	AMT	MOF	PERM	TEMP			AMT	MOF	PERM	TEMP		AMT	MOF		
100-001	ADD (5) PERMANENT AND (6) TEMPORARY POSITIONS AND FUNDS FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA).	(1) PERM CRIMINAL INVESTIGATION SUPERVISOR (#21194; 115,788) (1) PERM CRIMINAL INVESTIGATOR (#38686; 84,612) (2) PERM ADMINISTRATIVE RULES SPECIALIST (#116470; #120984; #121602; 150,000 EACH) (1) TEMP ADMINISTRATIVE RULES OFFICER (#102247; 119,028) (1) TEMP ADMINISTRATIVE RULES SPECIALIST (#102245; 88,104) (1) TEMP ADMINISTRATIVE RULES SPECIALIST (#103171; 75,324) (1) TEMP ADMINISTRATIVE RULES SPECIALIST (#116389; 70,380) (1) TEMP ADMINISTRATIVE RULES SPECIALIST (#117785; 82,800) (1) TEMP ADMINISTRATIVE RULES SPECIALIST (#118035; 60,828) (1) TEMP ADMINISTRATIVE RULES SPECIALIST (#118504; 91,068) (1) TEMP ADMINISTRATIVE APPEALS OFFICER (#120870; 82,800) FRINGE BENEFITS (673,573)	PERM	TEMP	AMT	MOF	PERM	TEMP	AMT	MOF	AGREE	KEEP POSITIONS AND FUNDS IN GENERAL FUNDS.	PERM	TEMP	AMT	MOF				
101-001	ADD FUNDS FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA).	GENTAX POST WARRANT MAINTENANCE (1,151,832) PROFESSIONAL SERVICES FOR GENTAX (1,672,000) PROFESSIONAL SERVICES FOR DOCUMENT IMAGING (210,000)			3,033,832	A			3,033,832	A	AGREE									
1100-001	REDUCE (6) PERMANENT POSITIONS AND FUNDS FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA).	(1) PERM ACCOUNTANT III (#16055; -1,00A) (1) PERM DEPUTY DIRECTOR OF TAXATION (#104171; -1,00A; -130,368)	(2.00)		(130,368)	A	(2.00)		(130,368)	A	DISAGREE	KEEP PERMANENT POSITIONS. DO NOT REDUCE. 1. ACCOUNTANT III POSITION. GMS INCLUDES A REQUEST TO FUND POSITION NO. 16055 TO MAINTAIN EFFICIENCY IN THE FISCAL OFFICE. 2. DEPUTY DIRECTOR OF TAXATION IS AN APPOINTED POSITION.	2.00		130,368	A	2.00		130,368	A
1100-001	REDUCE (6) PERMANENT POSITIONS AND FUNDS FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AA).	(1) TEMP SPCL ENF SECTION INVESTIGATOR (#122697; -1,00B; -53,856) (1) TEMP SPCL ENFC SECTION SUPERVISOR (#119347; -1,00B; -93,156) (1) TEMP SPCL ENF SECTION INVESTIGATOR (#119348; -1,00B; -49,500) (1) TEMP SPCL ENF SECTION INVESTIGATOR (#119349; -1,00B; -57,900)	(4.00)		(254,412)	B	(4.00)		(254,412)	B	DISAGREE	KEEP PERMANENT POSITIONS. DO NOT REDUCE. SPECIAL ENFORCEMENT SECTION IS A LEGISLATIVE MANDATE FOR INVESTIGATING VACATION RENTALS. RECRUITMENT TO FILL POSITIONS IN PROCESS.	4.00		254,412	B	4.00		254,412	B

DEPARTMENT OF TAXATION  
IMPACT STATEMENTS FOR HB200 HD1

PROGRAM ID: TAX107	SEQ #	TITLE	DESCRIPTION	FY 2022		FY 2023		AGREE / DISAGREE	2. IMPACT STATEMENT	REQUEST ADJUSTMENT		3. ALTERNATE REDUCTION			
				PERM	TEMP AMT	PERM	TEMP AMT			PERM	TEMP AMT	PERM	TEMP AMT	PERM	TEMP AMT
	1120-001	REDUCE FUNDS FROM PAYROLL ADJUSTMENT FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107AA)	PAYROLL ADJUSTMENT (-113,671A) PAYROLL ADJUSTMENT (-5,418B)		(113,671) A (5,418) B		(113,671) A (5,418) B	DISAGREE	THE PAYROLL ADJUSTMENT IS NECESSARY WHEN THE DEPARTMENT EXPERIENCES HIGH VACANCIES OR HIGH UNFUNDED POSITIONS. THIS FUND HELPS MANAGEMENT MOVE PERSONNEL IN ORDER TO KEEP THE FUNCTIONS OF THE DEPARTMENT OPERATIONAL. LACK OF THESE FUNDS AND FLEXIBILITY WILL LEAD TO REQUESTS FOR EMERGENCY APPROPRIATIONS AND/OR SHUTDOWN OF THE DEPARTMENT'S SPECIFIC OPERATION, CAUSING HARM TO THE STATE AND THE TAXPAYERS. PAYROLL ADJUSTMENT FUNDING, IN ADDITION TO THE CB INCREASE, IS NECESSARY TO FUND SALARY ADJUSTMENTS, TEMPORARY ASSIGNMENTS, AND OVERTIME.						
	1120-002	REDUCE FUNDS FROM PAYROLL ADJUSTMENT FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AC)	PAYROLL ADJUSTMENT (-200,750A)		(200,750) A		(200,750) A	DISAGREE	KEEP FUNDING. DO NOT REDUCE. THE PAYROLL ADJUSTMENT IS NECESSARY WHEN THE DEPARTMENT EXPERIENCES HIGH VACANCIES OR HIGH UNFUNDED POSITIONS. THIS FUND HELPS MANAGEMENT MOVE PERSONNEL IN ORDER TO KEEP THE FUNCTIONS OF THE DEPARTMENT OPERATIONAL. LACK OF THESE FUNDS AND FLEXIBILITY WILL LEAD TO REQUESTS FOR EMERGENCY APPROPRIATIONS AND/OR SHUTDOWN OF THE DEPARTMENT'S SPECIFIC OPERATION, CAUSING HARM TO THE STATE AND THE TAXPAYERS. PAYROLL ADJUSTMENT FUNDING, IN ADDITION TO THE CB INCREASE, IS NECESSARY TO FUND SALARY ADJUSTMENTS, TEMPORARY ASSIGNMENTS, AND OVERTIME.	80,048 A		80,048 A			
	1120-003	REDUCE FUNDS FOR PAYROLL ADJUSTMENT FOR SUPPORTING SERVICES - REVENUE COLLECTION (TAX107/AD)	PAYROLL ADJUSTMENT (-57,195A)		(57,195) A		(57,195) A	DISAGREE	KEEP FUNDING. DO NOT REDUCE. THE PAYROLL ADJUSTMENT IS NECESSARY WHEN THE DEPARTMENT EXPERIENCES HIGH VACANCIES OR HIGH UNFUNDED POSITIONS. THIS FUND HELPS MANAGEMENT MOVE PERSONNEL IN ORDER TO KEEP THE FUNCTIONS OF THE DEPARTMENT OPERATIONAL. LACK OF THESE FUNDS AND FLEXIBILITY WILL LEAD TO REQUESTS FOR EMERGENCY APPROPRIATIONS AND/OR SHUTDOWN OF THE DEPARTMENT'S SPECIFIC OPERATION, CAUSING HARM TO THE STATE AND THE TAXPAYERS. PAYROLL ADJUSTMENT FUNDING, IN ADDITION TO THE CB INCREASE, IS NECESSARY TO FUND SALARY ADJUSTMENTS, TEMPORARY ASSIGNMENTS, AND OVERTIME.	71,408 A		71,408 A			
TAX107		TOTAL BUDGET CHANGES		(9,000)	(2,000)	(3,143,780) A	(10,000)	(2,000)	(3,143,780) A	8,000	0,000	1,551,840 A	9,000	0,000	1,551,840 A
TAX107		TOTAL BUDGET CHANGES		0,000	(4,000)	(237,850) B	0,000	(4,000)	(237,850) B	0,000	4,000	254,412 B	0,000	4,000	254,412 B
TAX107		BUDGET TOTALS		72,000	10,000	11,198,780 A	71,000	10,000	11,198,780 A	80,000	10,000	12,850,620 A	80,000	10,000	12,850,620 A
TAX107		BUDGET TOTALS		0,000	9,000	3,307,286 B	0,000	9,000	3,307,286 B	0,000	13,000	3,551,698 B	0,000	13,000	3,551,698 B



DEPARTMENT OF TAXATION

REQUESTED ADDITIONS TO BUDGET SUBMITTAL

PROGRAM ID: TAX107  
 TITLE DESCRIPTION  
 PERM TEMP AMT MOF PERM TEMP AMT MOF

NEEDED ADDITIONS:

NEEDED POSITIONS: (REFERENCE TABLE 11-A VACANCIES)

TAX107 AC	SEQ. NO. 60-001	Information Technology Band A (#120344)	1.00		55,200	A	1.00		55,200	A
TAX107 AC		Information Technology Band B (#42923)	1.00		62,136	A	1.00		62,136	A
TAX107 AC		Information Technology Band B (#42926)	1.00		62,136	A	1.00		62,136	A
TAX107 AA	SEQ. NO. 1100-001	Accountant III	1.00		64,136	A	1.00		64,136	A
TOTALS			4.00		243,608		4.00		243,608	

Department of Taxation  
Vacancy Report as of November 30, 2020  
In Priority to Fill

Table 11-A

Position Number	Position Title	Exempt (Y/N)	SR Level	BU Code	Perm Temp (P/T)	FTE	MOE	Budgeted Amount	Actual Salary Last Paid	Authority to Hire (Y/N)	Occupied by 89 Day Hire (Y/N)	# of 89 Day Hire Apts	Describe if Filled by other Means	Priority # to Retain	Status as of 3/15/2021
1508	Administrative Services Officer I	N	EM05	35	P	1	A	125,000	97,476	**	N	0	Temporary Assignment	1	Recruiting
1554	Tax Collector	N	EM05	35	P	1	A	159,708	123,576	**	N	0	Temporary Assignment	2	Recruiting
120118	Tax Compliance Coordinator	N	EM03	35	P	1	A	106,608	110,832	**	N	0	Temporary Assignment	3	Filled
15797	Information Technology Band D	Y	EM05	35	P	1	A	159,708	98,148	*	N	0	Temporary Assignment	4	Recruiting
40346	Accountant III	N	SR20	13	P	1	A	55,200	56,280	*	N	0	Temporary Assignment	5	Filled
39123	Delinquent Tax Collection Asst II	N	SR17	03	P	1	A	32,976	66,192		N	0		6	
117475	Delinquent Tax Collection Assistan	N	SR17	03	P	1	A	0	63,612		N	0		7	
117470	Delinquent Tax Collection Assistan	N	SR17	03	P	1	A	0	63,612		N	0		8	
39121	Delinquent Tax Collection Assistan	N	SR17	03	P	1	A	0	61,176		N	0		9	
26310	Delinquent Tax Collection Assistan	N	SR17	03	P	1	A	0	44,724		N	0		10	
15255	Auditor VI	N	SR26	13	P	1	A	87,996	89,760		N	0	Temporary Assignment	11	Temporary Assignment
1535	Tax Returns Examiner II	N	SR15	03	P	1	A	59,352	41,364		N	0		12	
120781	Tax Returns Examiner II	N	SR15	03	P	1	A	32,976	36,732		N	0		13	
120780	Tax Returns Examiner II	N	SR15	03	P	1	A	0	35,340		N	0		14	
47875	Tax Returns Examiner II	N	SR15	03	P	1	A	0	36,732		N	0		15	
26338	Auditor V	N	SR24	13	P	1	A	81,372	90,144		N	0		16	
33420	Auditor V	N	SR24	13	P	1	A	0	90,144		N	0		17	
117445	Auditor IV	N	SR22	13	P	1	A	0	57,324		N	0		18	
120344	Information Technology Band A	N	SR22	13	P	1	A	43,428	50,004		N	0		19	
42923	Information Technology Band B	N	SR22	13	P	1	A	0	80,112		N	0		20	
42926	Information Technology Band B	N	SR24	13	P	1	A	0	67,044		N	0		21	
122697	Special Enforcement Section Senior	Y	SRNA	73	T	1	B	53,856	95,004	Y	N	0		22	Recruiting
119347	Special Enforcement Section Super	Y	SRNA	93	T	1	B	93,156	113,238		N	0	Temporary Assignment	23	Temporary Assignment
119348	Special Enforcement Section Inves	Y	SRNA	73	T	1	B	49,500	58,368	Y	N	0		24	Filled
5775	Auditor V	N	SR24	13	P	1	A	81,732	86,700		N	0	Temporary Assignment	25	
10930	Management Analyst V	N	SR24	23	P	1	A	71,232	90,144		N	0		26	
1542	Management Analyst V	N	SR24	23	P	1	A	71,232	88,248		N	0		27	
38768	Tax Information Specialist I	N	SR20	13	P	1	A	46,932	50,916		N	0	Temporary Assignment	28	Temporary Assignment
104171	Deputy Director of Taxation	Y	SRNA	00	P	1	A	130,368	142,416		N	0		29	
11428	Auditor V	N	SR24	13	P	1	A	81,732	90,144		N	0		30	
47614	Tax Returns Examiner IV	N	SR20	03	P	1	A	59,352	58,824		N	0		31	
1458	Delinquent Tax Collection Assistan	N	SR20	04	P	1	A	0	66,192		N	0	Temporary Assignment	32	
4417	Auditor IV	N	SR22	13	P	1	A	0	56,280		N	0		33	

Department of Taxation  
Vacancy Report as of November 30, 2020  
In Priority to Fill

Table 11-A

Position Number	Position Title	Exempt (Y/N)	SR Level	BU Code	Perm Temp. (P/T)	FTE	MOF	Budgeted	Actual	Authority	Occupied	# of 89 Day	Describe if Filled by other Means	Priority #	Status
								Amount	Salary Last Paid	to Hire (Y/N)	by 89 Day Hire (Y/N)	Apts		to Retain	as of 3/15/2021
120778	Tax Returns Examiner II	N	SR15	03	P	1	A	0	39,720		N	0		34	
1536	Tax Returns Examiner II	N	SR15	03	P	1	A	0	36,732		N	0		35	
47881	Delinquent Tax Collection Assistan	N	SR15	03	P	1	A	0	39,720		N	0		36	
1521	Tax Returns Examiner II	N	SR15	03	P	1	A	0	36,732		N	0		37	
33459	Delinquent Tax Collection Assistan	N	SR15	03	P	1	A	0	43,008		N	0		38	
120117	Delinquent Tax Collection Assistan	N	SR17	03	P	1	A	0	45,900		N	0		39	
1574	Tax Information Technician	N	SR15	03	P	1	A	0	46,476		N	0		40	
11513	Tax Returns Examiner II	N	SR15	03	P	1	A	0	39,720		N	0		41	
46128	Office Assistant III	N	SR08	03	P	1	A	0	34,020		N	0		42	
121084	Tax Clerk	N	SR12	03	T	1	A	0	35,340		N	0		43	
118238	Tax Clerk	N	SR12	03	P	1	A	0	34,260		N	0		44	
3691	Tax Info Tech III	N	SR15	03	P	1	A	0	43,368		N	0		45	
118230	Tax Clerk	N	SR12	03	P	1	A	0	35,340		N	0		46	
118236	Tax Clerk	N	SR12	03	P	1	A	0	31,740		N	0		47	
16056	Office Assistant III	N	SR08	03	P	1	A	0	30,240		N	0		48	
1450	Tax Clerk	N	SR12	03	P	1	A	0	33,600		N	0		49	
119349	Special Enforcement Section Lead	Y	SRNA	73	T	1	B	57,900	73,608		N	0		50 Recruiting	
30509	Secretary II	N	SR14	03	P	1	A	48,792	38,220		N	0		51 Temporary Assignment	
118524	Human Resources Assistant IV	N	SR11	63	P	1	A	0	34,020		N	0		52	
40577	Income Tax Specialist V	N	SR24	13	P	1	A	0	90,144		N	0		53	
12002	Management Analyst III	N	SR20	13	P	1	A	0	60,900		N	0		54	
11590	Purchasing Technician II	N	SR13	03	P	1	A	0	41,364		N	0		55	
120348	Information Technology Band B	N	SR22	13	P	1	A	0	58,560		N	0		56	
110184	Management Analyst IV	N	SR22	13	P	1	A	0	56,280		N	0		57	
121074	Management Analyst IV	N	SR22	13	T	1	A	0	44,472		N	0		58	
28863	Information Technology Band B	N	SR22	13	P	1	A	0	56,280		N	0		59	
120347	Information Technology Band B	N	SR22	13	P	1	A	0	50,916		N	0		60	
15253	Secretary II	N	SR14	63	P	1	A	0	41,364		N	0		61	
16055	Accountant III	N	SR20	13	P	1	A	0	31,080		N	0		62 GM5 Request trade-off	
120350	ITSO Band B	N	SR22	13	P	1	A	0	67,044		N	0		63	
27600	ITSO Band B	N	SR24	13	P	1	A	0	88,248		N	0		64	
1502	ITSO Band B	N	SR24	13	P	1	A	0	55,092		N	0		65	
121076	Management Analyst IV	N	SR22	13	T	1	A	0	41,856		N	0		66	

Department of Taxation  
Vacancy Report as of November 30, 2020  
In Priority to Fill

Table 11-A

Position Number	Position Title	Exempt (Y/N)	SR Level	BU Code	Perm Temp (P/T)	FTE	MOF	Budgeted Amount	Actual		Authority (Y/N)	Occupied by 89 Day Hire (Y/N)	# of 89 Day Hire Appts	Describe if Filled by other Means	Priority # to Retain	Status as of 3/15/2021
									Salary Last Paid	Hire (Y/N)						
102248	Administrative Rules Specialist	Y	SRNA	73	T	1	A	0	79,692			N	0		67	
39132	Management Analyst III	N	SR20	13	P	1	A	0	56,064			N	0		68	
1538	Criminal Investigator	Y	SRNA	13	P	1	A	0	90,144			N	0		69	
1606	Criminal Investigator	Y	SRNA	13	P	1	A	0	90,144			N	0		70	
1558	Tax Information Technician II	N	SR15	03	P	1	A	0	35,340			N	0		71	
1492	Office Assistant III	N	SR08	03	P	1	A	0	30,240			N	0		72	
1513	Office Assistant III	N	SR08	03	P	1	A	0	30,240			N	0		73	
1566	Office Assistant III	N	SR08	03	P	1	A	0	30,240			N	0		74	
123039	Management Analyst IV	N	SR22	13	P	1	A	0	0			N	0		75	
123040	Management Analyst IV	N	SR22	13	P	1	A	0	0			N	0		76	
118442	Office Assistant III	N	SR08	03	P	1	A	0	30,240			N	0		77	
118445	Office Assistant III	N	SR08	03	P	1	A	0	30,240			N	0		78	
3697	Office Assistant IV	N	SR10	03	P	1	A	46,932	50,304			N	0		79	
27115	Cashier II	N	SR12	03	P	1	A	0	35,340			N	0		80	
118027	Criminal Investigator	Y	SRNA	13	T	1	A	0	90,144			N	0		81	
16049	Criminal Investigator	Y	SRNA	13	P	1	A	0	95,436			N	0		82	
4413	Criminal Investigator	Y	SRNA	73	P	1	A	0	95,436			N	0		83	
5765	Secretary III	N	SR16	63	P	1	A	0	50,304			N	0		84	
120986	Project Development Architect	Y	SRNA	73	P	1	A	0	97,140			N	0		85	
122632	Senior Executive Assistant	Y	SRNA	73	P	1	A	0	154,812			N	0		86	
117972	Administrative Rules Specialist	N	SRNA	73	T	1	A	104,796	99,228			N	0		87	
4421	Tax Returns Examiner IV	N	SR20	04	P	1	A	61,752	68,580			N	0		88	
117468	Delinquent Tax Collection Assistant	N	SR20	04	P	1	A	0	74,508			N	0		89	
7050	Auditor IV	N	SR22	13	P	1	A	0	54,096			N	0		90	
122318	Tax Returns Examiner III	N	SR17	03	P	1	A	0	36,732			N	0		91	
117454	Auditor IV	N	SR22	13	P	1	A	0	71,232			N	0		92	
121636	Delinquent Tax Collection Assistant	N	SR17	03	P	1	A	0	54,432			N	0		93	
109	Secretary II	N	SR14	03	P	1	A	0	46,476			N	0		94	
TOTAL								94	2,208,176	5,678,610						

on on hiring freeze was submitted to Budget and Finance for Governor's approval. APPROVAL RECEIVED 12/24/2020.  
tion on hiring freeze was submitted to Budget and Finance for Governor's approval. APPROVAL RECEIVED 12/24/2020.  
tion on hiring freeze was submitted to Budget and Finance and was approved by the Governor on 10/30/2020.

Department of Taxation  
 Vacancy Report as of November 30, 2020  
 In Priority to Fill

Table 11-A

Position Number	Position Title	Exempt (Y/N)	SR Level	BU Code	Perm Temp (P/T)	FTE	MOF	Budgeted Amount	Actual Salary Last Paid	Authority to Hire (Y/N)	Occupied by 89 Day Hire (Y/N)	# of 89 Day Hire Apts	Describe if Filled by other Means	Priority # to Retain	Status as of 3/15/2021

ALAN S. HAYASHI  
207-4 KAWAIHAE STREET  
HONOLULU, HAWAII 96825

**To: The Honorable Donovan Dela Cruz, Chairman  
The Honorable Gilbert Keith-Agaran, Vice Chairman  
Members of the Senate Committee on Ways and Means**

**Date: Monday, March 29, 2021**

**Time: 9:00 am**

**Location: Via Video Conference**

**From: Alan S. Hayashi, Vice Chairman  
Workforce Development Council**

**Subject: HB 200 HD1 Relating to the State Budget**

My name is Alan Hayashi, Vice Chairman of the Workforce Development Council Board (WDC) as an appointee of the Governor on a voluntary basis. I am testifying in **OPPOSITION to the current form / intent of HB 200 HD1**, which attempts to merge 6 permanent positions from the WDC into the DLIR Workforce Development Division (WDD), and eliminate 5 exempt positions, which will render Hawaii non-compliant with the Federal Workforce Innovation Opportunity Act (WIOA) of 2014, and jeopardize the State of Hawaii's receipt of Federal US Department of Labor (USDOL) funds.

The WIOA regulations require that Federal DOL funds received by the State of Hawaii be allocated and distributed with oversight by a State Workforce Development Board/Council composed of Business, Labor, Associations, and Government representatives. This was the reason the Workforce Development Council was reconstituted by previous legislative action...to create an independent State "Authority" that would fulfill the WIOA Federal mandate and be among the many qualifiers for Hawaii's Federal USDOL funding.

The DLIR WDD is a recipient of USDOL Wagner-Peyser Act funds for basic employment service, excluding training services that WDC's fund cover, at the American Job Centers. They have other federal programs such as apprenticeships, veterans, RESEA to provide direct services at the American Job Centers, which are to work in partnership with WDC. Unlike the WDC, WDD cannot be the allocator or distributor of such Federal funding without severe conflict of interest and firewall issues. Further, the DLIR WDD does not have the Federal requisite composition of Business, Labor, Association and Government representation required by the Federal WIOA. Non-compliance with WIOA would disqualify the State of Hawaii from approximately \$6 to \$8 million annually, in much needed Federal funds, and impact the coordination and oversight of the many necessary training and assistance programs. The WDC projected cost to the State General fund is ONLY \$164,000.

The WDC Board serves **all in-demand industry sectors** of the Hawaiian economy, and as such requires the size (41 members) and diversity of its membership (Labor, Business, Associations, and Government Agencies). As the former Executive Director of the Hawaii Convention Center Authority, that planned and built the Hawaii Convention Center, I can verify the WDC is an excellent functioning organization with very active committee structure and leadership. WDC needs the large volunteer membership to

provide the various sector's intimate knowledge of the specific needs for personnel training and development. Structurally the WDC's seven (7) standing committees report to the Executive Committee. The WDC Board and Committee meetings are well attended and exceed quorum requirements. Business is conducted professionally and efficiently. I personally have witnessed the excellent participation by volunteer community members, as I attend four standing committees, the Executive Committee, and the WDC Board meetings. The size of the WDC board is not an issue.

I respectfully request the Senate Ways and Means Committee amend this HB 200 HD1 measure to restore funding and all positions to the WDC and allow it to continue to act as the State agency to receive and allocate /distribute much needed Federal funds with oversight as designated by the Governor.

I will be glad to answer any questions, if appropriate and asked. Thank you for the opportunity to testify.

Very Respectfully,

Alan S. Hayashi, Vice Chairman  
Workforce Development Council

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

FROM: Lois Hamaguchi, Educational Specialist  
Office of the State Director for Career & Technical Education

RE: HB 200 HD1 Relating to State Budget

POSITION: Strong Opposition with Amendments

I am writing to respectfully request the restoration of the Workforce Development Council (LBR 135) into the State Budget as originally proposed in HB 200; and ask the Senate committee to restore WDC (LBR 135) to the proposed levels. The Council is almost entirely funded with federal funds and WDC's entire staff is instrumental in working directly with statewide workforce, education, industry/employers, community, government, and not-for-profit organization stakeholders to implement the Workforce Innovation and Opportunity Act (WIOA).

The Workforce Development Council (WDC) was established as the State Board as **required** under the Workforce Innovation and Opportunity Act of 2014 (WIOA). The WDC is comprised of local private-sector leaders who provide industry expertise so that Hawaii's workforce development system prepares a workforce with the skills valued by employers.

The WDC is an active board, with eight standing committees, which meet between the quarterly Council meetings. The committees invite stakeholders statewide to participate, providing valuable perspectives from the private sector, various state and county agencies, community organizations, and service providers. These committees make program and policy recommendations. WDC staff is responsible for providing staff services to the Council and its committees. The staff also provides WIOA subject matter expertise and serves as a valuable resource to the members.

I serve on WDC's Youth Services, Employer Engagement, Sector Strategies & Career Pathways committees and hold the WDC staff in highest regard. Their knowledge and expertise also ensures alignment and coordination with the State CTE Office who oversees the "Strengthening Career and Technical Education for the 21<sup>st</sup> Century Act (aka Perkins V). WDC's staff works directly with all major stakeholders in our community to maximize the effectiveness of Hawaii's career pathway system.

The WDC administers WIOA's Title I programs: Adult, Dislocated Worker, and Youth which serve disadvantaged adults, homeless individuals, individuals with disabilities, those with low levels of literacy, dislocated workers, veterans, displaced homemakers, long-term unemployed, out-of-school youth, youth exiting foster care, and formerly justice-involved individuals. The WIOA Title I programs are unique because they offer federally-funded training to enable individuals to be trained in in-demand industries to meet the needs of our local employers.

The programs receive approximately \$6 million annually and because Hawaii's unemployment is so high, that amount will increase to approximately \$8 million for the year starting July 1, 2021. The WDC is almost entirely funded by these federal funds. Eliminating the WDC or diminishing the capability of the Council by reducing needed staffing puts those \$8 million in jeopardy.

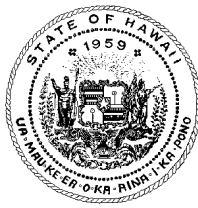


The economic situation today requires a strong and innovative workforce development system. This is not the time to cut essential programs that assist displaced employees with training, skill development, and provides individualized employment services so that they may find a job with higher wages to improve the quality of life for themselves and their families.

Again, WDC is almost entirely funded by federal funds. It doesn't make sense to eliminate needed positions that conduct activities to maintain compliance with federal guidelines while federal funds are available to fund the positions. Reducing staff and eliminating the **required** Council will jeopardize the continuation of funding. Current WDC staff works to maintain compliance with all WIOA requirements.

When the Governor's Executive Orders expire, Unemployment Insurance beneficiaries will be required to post resumes on HireNet and conduct work searches to continue their eligibility. Many of these individuals will need assistance which is available from the American Job Centers. WDC provides resources for the Centers, especially data coordination and technical assistance which will be critically needed with the high volume of dislocated workers that are expected to use the system.

Thank you for this opportunity to provide testimony in support of restoring the funding of the Workforce Development Council, LBR 135 into the state budget. Mahalo.



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

**MAX N. OTANI**  
DIRECTOR

**Maria C. Cook**  
Deputy Director  
Administration

**Tommy Johnson**  
Deputy Director  
Corrections

**Jordan Lowe**  
Deputy Director  
Law Enforcement

No. \_\_\_\_\_

TESTIMONY ON HOUSE BILL 200, HOUSE DRAFT 1  
RELATING TO STATE FUNDS.

by  
Max N. Otani, Director

Senate Committee on Ways and Means  
Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair

Monday, March 29, 2021, 9:00 a.m.  
State Capitol, Conference Room 211  
Via Videoconferencing

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

The Department of Public Safety (PSD) appreciates the support of the House Committee on Finance for PSD's Fiscal Biennium 2021-2023 Budget Request, however, we strongly oppose the additional reductions imposed on PSD's budget submittal. The Department highlights the most impactful reductions as follows:

Operating Budget:

- 215.50 Vacant Position reductions and \$12,153,183 in general funding reductions. Of the 215.50 vacancies, 115.0 of the positions are Adult Corrections Officers (ACOs), who provide 24/7 security at the correctional facilities; 20.50 health care positions that are at the forefront of PSD's pandemic response; 14.0 Deputy Sheriff positions that provide law enforcement services statewide; and 66.0 support staff who are essential to the overall functioning of PSD's Corrections and Law Enforcement Divisions. As of March 25, 2021, 54 of these vacant positions have been filled.

- 20.0 Vacant Position reductions and \$898,295 in revolving fund reductions. PSD 502 – Narcotics Enforcement Division (NED) accounts for 3.0 of the positions, and 17.0 positions are assigned to PSD 422 – Hawaii Correctional Industries. Six of the twenty vacant positions have been filled.
- \$15,000,000 reduction in out-of-state and Federal Detention Center (FDC) housing costs under PSD 808 – Non-State Facilities. This reduction will severely impact PSD's ability to control overcrowding in Hawaii facilities. The reductions will leave the program with only \$32,630,810 to operate our 24/7 facilities. As of March 22, 2021, the number of inmates housed at the Saguaro Correctional Center (SCC) is 1,075; at the rate of \$80.06/day, the cost for housing alone is \$31,413,543. The remaining \$1,217,267 is insufficient to cover the salaries of the 9.0 permanent positions that provide support to this program (\$511,092), housing inmates at the FDC at \$118.97 per day and the costs for inmate transportation, medical costs, and other costs for which PSD is responsible.
- \$676,222 for the first year of the FB 2021-23 for PSD 613 – CVCC (Crime Victim Compensation Commission) was not authorized. CVCC will not be able to continue operating without the requested funding, making Hawaii the only state in the country without a crime victim compensation program.
- \$3,395,807 reduction in General Funded payroll costs which will cripple the ability of PSD to address operational needs in Corrections and Law Enforcement
- \$3,606,864 reduction in Inter-Departmental Transfer (U-Fund) payroll costs that will adversely impact the operations of the Sheriff's Airport Detail. This reduction will reduce their expenditure ceiling.

Capital Improvement Program

1. \$35M construction funds for the Halawa Correctional Facility (HCF) Consolidated Health Care Unit, DAGS Project No. 12-27-5874. This project's planning and design phases are generally complete, and the project is "shovel ready."
2. \$5M design funds for the Oahu Community Correctional Center (OCCC) Laumaka Work Furlough Center (LWFC), DAGS Project No. 12-24-5714. This project is intended to focus on improvement work to address health and safety and life safety deficiencies impacting operations and security, as well as, design strategies to incorporate increased bed capacity for the male pre-release population.

Thank you for the opportunity to present this testimony.

**DAVID Y. IGE**  
GOVERNOR

**CURT T. OTAGURO**  
COMPTROLLER



**ROSS I. YAMASAKI**  
CHAIRMAN, STADIUM AUTHORITY

**SCOTT L. CHAN**  
MANAGER

**RYAN G. ANDREWS**  
DEPUTY MANAGER

*An Agency of the State of Hawaii*

TESTIMONY  
OF  
SCOTT L. CHAN, MANAGER  
ALOHA STADIUM  
STADIUM AUTHORITY  
TO THE  
SENATE COMMITTEE  
ON  
WAYS AND MEANS

March 29, 2021, 9:00 A.M.  
CONFERENCE ROOM 211 AND VIDEO CONFERENCE

H.B. 200, H.D. 1  
RELATING TO THE STATE BUDGET

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee, thank you for the opportunity to submit this testimony in strong opposition to the adjustments being proposed in HB 200, H.D.1, specifically as it relates to AGS-889, Spectator Events and Shows – Aloha Stadium.

Respectfully, we have serious concern and therefore strongly oppose the proposed adjustments and reductions in HB 200, H.D.1. First and foremost, if SEQ #100-001 is left intact, it will not provide the funding required by the Stadium to continue operations in FY 2022 and will essentially shut down the entire stadium operation in July 2021.

Other proposed reductions will also impede the momentum and strides that we have made over the past 12 months on Stadium's comprehensive transition management plan. The Stadium Authority has been actively and diligently working on a comprehensive transition management plan that takes into consideration all of Stadium's current resources (positions and funding) and carefully maps out and strategically transitions resources from the current organizational structure to a new organizational structure designed to meet the needs and support the priorities, functions, and operations of the New Aloha Stadium Entertainment District.

To effectively and efficiently see this transition plan through fruition, we respectfully request that the Committee restore the positions and resources that are currently being proposed for reduction in HB 200, H.D. 1. Of utmost priority and significance is to ensure that Stadium's operating budget request remain intact to ensure funding for continued operation of the Aloha Stadium.

An impact statement that includes the Sequence #'s, proposed adjustment amounts, description of adjustments, and impact of the adjustments are provided for each proposed adjustment.

Disapproval of **SEQ #100-001** would restore funds required to continue stadium operations without disruption. Further detail on the impact is provided below.

**SEQ #100-001 (-2,586,999 A/ 0)**

**1. Reduction of Funds for:**

- |                                |                 |
|--------------------------------|-----------------|
| a. Personal Services           | -\$1,206,755 A; |
| b. Fringe Benefits             | -\$615,445 A;   |
| c. Recurring Fixed Costs Items | -\$765,000 A    |

**This proposed reduction will essentially shutdown the entire Aloha Stadium operation and bring all operations to a halt in the first quarter of FY '2022.** The \$2.587M provides funding for the Stadium's 31.50 filled positions along with minimal operating expenses necessary to continue to operate and provide management and administrative oversight of stadium operations, including representation and involvement in the planning and development of the New Aloha Stadium Entertainment District.

It is absolutely vital to note that the request of \$2.587M in general funds represents only a part of the entire funding requirement for FY 2022. For the Stadium to remain solvent through FYE 2022, its projected total need must also include general funds requested through **SB 1033, SD2** (Relating to Making an Emergency Appropriation to the Stadium Authority). With the status of SB 1033, SD2 in grave jeopardy, it is of even greater importance that the \$2.587M be appropriated and respectfully increased to **\$4.1M** to represent the total subsidy requirement projected for FY 2022. Without full funding of these two measures, the Stadium is clearly unable to operate beyond the beginning of FY 2022.

Disapproval of **SEQ #101-001** would restore funds required to provide the Stadium Authority with structural assess data and information to choose the right course of action to address the existing stadium facility. Further detail on the impact is provided below.

**SEQ #101-001 (-299,999 A/ 0)**

**1. Reduction of funds for:**

Structural Engineering Assessment and Ongoing Monitoring -\$299,999 A

**2. IMPACT of Request:**

With the proposed deletion of funds, the Stadium will not be able to complete the annual assessment and monitoring necessary to track the rate of corrosion affecting the structural integrity of the facility, as recommended in a December 2018 "Weathering Steel and Decking Corrosion Assessment" report by the structural forensic engineering firm – Wiss, Janney,

Elstner Associates, Inc. The increased frequency of assessment became essential when repairs were delayed on the most critical identified areas-to support the Stadium's suitability for occupation under continued operations. Further, the report goes on to state that suitability for continued service cannot be reliably made beyond one-year intervals.

The Stadium Authority is concerned that the lack of regular maintenance commensurate with active use was exacerbated during the past 12 months of COVID-19 pandemic shutdown and may have accelerated the rate of corrosion and its impacts on the condition of the facility. Without funding, the Stadium will not be able to assess the rate at which the corrosion has accelerated.

Disapproval of **SEQ #11001-001** would restore position counts and funds required to allow the Stadium to effectuate its transition management plan in a timely manner. Further detail on the impact is provided below.

**SEQ #11001-001 (-5.00/-275,381 B; -5.00/-275,381 B)**

**1. Reduction of Permanent Position and Funds (-5.00 B/ -275,381 B) for:**

a. Human Resources Assistant IV	(#48140)	(-1.00/B; -44,009 B)
b. Engineer VI,	(#27944)	(-1.00/B/-107,364 B)
c. Cashier I	(#27961)	(-1.00/B/-32,664 B)
d. Janitor II	(#27949)	(-1.00/B/-43,248 B)
e. Stadium Layout & Mtncce Helper	(#27962)	(-1.00/B/-48,096 B)

**2. IMPACT of Request:**

It is important to note that the Stadium Authority is approximately 12 months into the planning, development, and allocation of resources to transition from an organizational structure that supports current operations to an organizational structure and functions that will support efficient operation of the New Aloha Stadium Entertainment District. The positions legislatively proposed for reduction have already been identified as a resource to trade-off and support the NASED model. Deleting any of these positions would result in delays in implementation as the program would have to immediately follow with a request for resources through the Legislature in the next session. There would be a loss of time and would not be prudent use of time for both the Legislature and the Stadium. Since time is of the essence in effectuating the new organizational structure, it is imperative that the Stadium Authority be able to use trade-off existing resources for resources that clearly align with the goals and objectives of the new organization. Finally, as special funded positions, these positions do not directly impact the general fund.

- a. **Human Resources Asst. IV (HRA IV #48140)** position is critical and slated for a reallocation in the new organizational structure. It is the sole position responsible for overseeing/tracking ALL personnel matters for the stadium's 36.50 perm/1.00 temp positions, as well as the approximate **500** part-time/intermittent workers that staff events at the Aloha Stadium. Personnel matters include recruiting, on-boarding, separations, labor

relations, worker's comp, HIP leavekeeper and onboarding duties, fielding questions asked by staff. This position provides liaison duties between DAGS-Human Resources Office and DHRD. Without this position, all of the HRA duties & responsibilities are placed upon the ASO, who is already deeply involved in stadium development, legislature, budget, and other more complex duties. It is neither a prudent nor feasible option to have the HRA duties be absorbed by the Stadium ASO. As a special funded position, deletion of this position does not benefit the state's general fund but rather hampers the Stadium's ability to efficiently support its operation.

- b. **Engineer VI (#27944):** The Engineer VI position count and ceiling are part of the stadium's comprehensive transition management plan that involves the trade-off /transfer of existing position(s)/functions for new position(s)/functions necessary to operate the New Aloha Stadium Entertainment District. Loss of this position will impact the Stadium's ability to timely acquire the staffing resources required to operate the new stadium and entertainment district. As a special funded position, reduction of this position does not benefit the state's general fund but rather hampers the Stadium's ability to operate the new stadium/district.
- c. **Cashier I (#27961):** The Cashier I position count and ceiling are part of the stadium's comprehensive transition management plan that involves the trade-off / transfer of existing position(s)/functions for new position(s)/functions necessary to operate the New Aloha Stadium Entertainment District. Loss of this position will impact the Stadium's ability to timely acquire the staffing resources required to operate the new stadium and entertainment district. As a special funded position, reduction of this position does not benefit the state's general fund but rather hampers the Stadium's ability to efficiently operate the new stadium/district.
- d. **Janitor II (#27949):** The Janitor II position count and ceiling are part of the stadium's comprehensive transition management plan that involves the trade-off / transfer of existing position(s)/functions for new position(s)/functions necessary to operate the new Aloha Stadium Entertainment District. Loss of this position will impact the Stadium's ability to acquire the staffing resources required to operate the new stadium and entertainment district. As a special funded position, reduction of this position does not benefit the state's general fund but rather hampers the Stadium's ability to efficiently operate the new stadium/district.
- e. **Stadium Layout & Maintenance Helper (#27962):** The Stadium Layout & Maintenance Helper position count and ceiling are part of the stadium's comprehensive transition management plan that involves the trade-off / transfer of existing position(s)/functions for new position(s)/functions necessary to operate the new Aloha Stadium Entertainment District. Loss of this position will impact the Stadium's ability to timely acquire the staffing resources required for the new stadium and entertainment district. As a special funded position, reduction of this position does not benefit the state's general fund but rather hampers the Stadium's ability to efficiently operate the new district.



Disapproval of **SEQ #1120-001** would restore funds required to provide the Stadium Authority with resources required to operate as a commercial enterprise and allow it to be responsive and competitive in the business environment. Further detail on the impact is provided below.

**SEQ #1120-001 (-62,000 B; -62,000 B)**

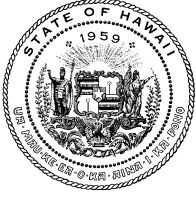
**1. Reduce Funds from Other Personal Services for Spectator Events and Shows – Aloha Stadium (-62,000 B/ -62,000 B) for:**

- a. Personal Svcs (Employer Emp) (-60,000 B)
- b. Temporary Assignment (-2,000 B)

**2. IMPACT of Request:**

- a. A reduction in Personal Services for Employee-Employer contracts decreases the stadium's special fund ceiling and affects the program's ability to address services that are not available through conventional methods. In many ways, the Stadium operates similar to a commercial enterprise and must be competitive and responsive in order to be competitive in the market. In doing so, responsiveness is a key factor in ensuring efficient and effective business/service delivery. The need to enter into personal services contract to remain competitive and responsive is a fundamental characteristic that the Stadium must retain. A reduction in ceiling for this line item will have a great impact on stadium's new operation.
- b. Reduction in temporary assignment may create conflict in the stadium's ability to provide compensation for temporary assignment pursuant to collective bargaining law.
- c. Finally, as special funded program, this proposed reduction to the special fund ceiling neither directly impacts nor benefits the general fund.

Thank you for your ongoing support and guidance over the years and for the opportunity to provide this testimony to express our serious concern and strong opposition to the proposed reductions in HB 200, HD. 1.



# STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

DAVID Y. IGE  
GOVERNOR OF HAWAII

ELIZABETH A. CHAR, M.D.  
DIRECTOR OF HEALTH

SERAFIN COLMENARES, JR., Ph.D., M.P.H.  
ADMINISTRATOR

1177 Alakea St., #402, Honolulu, HI 96813 Phone: 587-0788 Fax: 587-0783 www.shpda.org

## Senate Committee on Ways and Means

### HB 200 HD 1, Relating to the State Budget

#### Testimony of Serafin Colmenares, Jr. SHPDA Administrator

Monday, March 29, 2021  
9:00 a.m., Videoconference

1 House Bill 200 HD 1 is proposing the elimination of the State Health Planning and  
2 Development Agency (SHPDA) as an attached agency and its relegation to a program under  
3 the DOH Director's office, and reduces its funding and its staff from six (6) to three (3).

4 SHPDA is providing testimony in strong opposition to this bill.

5 SHPDA was established by law (HRS 323D) as an independent regulatory body, an  
6 attached agency (versus a mere program) within the DOH, since its inception in 1972. It is  
7 tasked with the responsibility for promoting accessibility for all the people of Hawaii to quality  
8 health care services at reasonable cost. Its functions include the administration of the state's  
9 statutorily mandated certificate of need program, the preparation and implementation of the  
10 State Health Services and Facilities Plan, the coordination of state-wide community health  
11 planning activities to determine the health needs of the state, and the collection of data and the  
12 conduct of studies regarding the causes of health care costs.

13 As an independent body, it exercises regulatory authority by requiring/approving  
14 Certificates of Need for the establishment and expansion of hospitals and other health facilities  
15 and the purchase of major medical equipment. Its regulatory authority extends to all hospitals,

1 including state and other hospitals or health facilities falling under the purview of, or are under  
2 contract with, the DOH.

3 Placing SHPDA as a program under the DOH Director would result in a possible conflict  
4 of interest, given the fact that DOH is a provider of services, with the State Hospital and some  
5 former HHSC hospitals under it. It would mean DOH regulating itself.

6 SHPDA must continue to be an independent agency to prevent conflict of interest legal  
7 actions in the certificate of need process. Because DOH is a provider of health care services, it  
8 cannot also be the decision maker. To allow the CON program to be within the DOH would  
9 jeopardize every CON application where HHSC, for example, had a financial interest in the  
10 outcome of the decision. Specifically, this conflict of interest would arise if any HHSC hospital  
11 opposed a CON application submitted by a competitor or if HHSC was the CON applicant and  
12 the application was opposed by a competitor. Not only would this lead to a multitude of legal  
13 actions, but it would also be of concern from the public health perspective. The legal actions  
14 would prevent HHSC safety net hospitals from proceeding with crucially important projects or  
15 prevent the purchase of needed medical equipment while the conflict of interest lawsuit makes  
16 its way through the court system.

17 The annexation of the CON program within DOH would also create the same conflict of  
18 interest situation in any application involving the Hawaii State Hospital or in any application  
19 where the DOH was contracting with a third party health care provider.

20 Eliminating SHPDA would also affect other State programs that were established on the  
21 basis of SHPDA's statutory authority. For example, based on its authority to collect data from  
22 health insurance providers, the State's All-Payer Claims Database (APCD) and the Hawaii  
23 Data Center were established under Act 139 and Act 55 which were signed into law by  
24 Governor Ige in 2016 and 2018 respectively. Hawaii's APCD and Data Center is a

1 collaborative program with SHPDA, DOH, DHS, DCCA, EUTF, and UH as partners, and it is  
2 already up and running.

3 The bill recommends eliminating three of SHPDA's current six positions and transferring  
4 three permanent full-time staff positions to the DOH Director's office. It identified the three  
5 positions as the CON regulatory officer, comprehensive health planning coordinator and  
6 research statistician. We believe such an arrangement would cripple SHPDA and not allow it  
7 to fully perform its mandated functions. It would remove the position of administrator (which  
8 supervises the agency, administers the CON program, and reviews and approves all CON  
9 applications), a second comprehensive health planning coordinator (which is in charge of  
10 staffing SHPDA's six subarea health planning councils and coordinates statewide community  
11 health planning activities to determine the health needs of the State, and the secretary, which  
12 provides administrative support to the agency.

13 We understand that, owing to the budgetary shortfall that was expected due to the  
14 COVID-19 pandemic, the State has to plan on budget cuts, layoffs and other cost-cutting  
15 measures. However, these actions appear to be no longer needed with the passage of the  
16 2021 American Recovery Act. It is to be noted that eliminating SHPDA's six positions and  
17 transferring three of the six positions to the DOH Director's office would only result in a savings  
18 of \$238,505. The potential legal costs as well as the overall healthcare costs to the State  
19 associated with the conflict of interest created by the annexation of SHPDA into the DOH  
20 exponentially outweigh the budget savings associated with this measure.

21 We, therefore, strongly recommend that SHPDA remain as an independent attached  
22 agency and retain all of its six permanent full-time staff.

23 Thank you for this opportunity to testify.



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

830 PUNCHBOWL STREET, ROOM 420  
HONOLULU, HAWAII 96813  
[www.hawaii.gov/labor](http://www.hawaii.gov/labor)  
Phone: (808) 586-8675 / Fax: (808) 586-8685

March 28, 2021

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

Re: HB 200, HD 1 – relating to the State Budget

Hearing: Monday, March 29, 2021, 9:00 a.m.  
Conference Room 211 and via videoconference

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

**I. Overview of the Present Bill**

This is the primary State budget bill for 2021-2023 biennium. It has been seriously affected by the economic downturn that the State has experienced due to the Covid-19 pandemic. Accordingly, the budgets of the vast majority of State agencies have been adversely affected.

**II. Present Law**

The Office of Community Services (OCS) was established by the Legislature by Act 305 of the 1985 Legislature to consolidate several existing State anti-poverty offices and to provide leadership for long-term services for immigrant and other low-income communities in the State. OCS regularly serves low-income communities by being the Hawaii administrative agency of multiple federal programs, including the Community Services Block Grants, multiple food assistance programs, TEFAP – The Emergency Food Assistance Program, the Senior Farmers’ Market Nutrition Program, the Commodity Supplemental Food Program, plus other programs such as the Weatherization Assistance Program, Legal Advocacy services for at-risk children and youth, refugee services, and others. OCS also administers a State-funded Employment Services program for persons having persistent difficulties finding and maintaining employment.

These forms of assistance are very important in “normal” years to help underserved communities make ends meet and to promote their resiliency. In difficult times such as the present, we cannot function without them.

**III. Comments on the Proposed Legislation**

Even in “good” years, federal programs invariably provide insufficient administrative funds to make their programs actually functional “on the ground” here in Hawaii. Funding from the Legislature is critical to make all of this work, and OCS is truly grateful that, in the HD 1

amendment to this present bill, the House Finance Committee has restored the full amount of funding that OCS has requested for our operations. On behalf of the underserved communities throughout the State that OCS serves, we would be truly humbled if the Ways and Means Committee would affirm the decisions of the House Finance Committee with respect to the LBR903 line item. Accordingly, OCS “supports” the line item for LBR903.

Thank you very much for this opportunity to testify.



EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

Testimony of **Linda Chu Takayama**  
Chief of Staff, Office of the Governor

Before the  
**Senate Committee on Ways and Means**  
March 29, 2021  
9:00 a.m., Conference Room 211  
via Videoconference

In consideration of  
**House Bill No. 200 HD1**  
**RELATING TO THE STATE BUDGET**

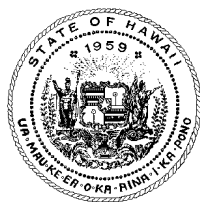
Chair Dela Cruz, Vice Chair Keith-Agaran, and committee members:

Thank you for the opportunity to testify on House Bill 200 HD1. We appreciate the importance of the task before you and, considering improving fiscal conditions, the Office of the Governor respectfully requests consideration of the Office's original Executive Supplemental Budget submittal.

The Office of the Governor requests \$13,000 each fiscal year to support efforts to develop and maintain intergovernmental programs and relationships with government – state, city, and federal, military officials, foreign dignitaries, and our local community. While the COVID-19 pandemic has, for the time-being, impacted the ability to have in person meetings and events, it is still important to strengthen relationships to advance the interests of the State. Additionally, the 175<sup>th</sup> Anniversary of Washington Place will occur in 2021. As one of the most esteemed homes in Hawai'i and residence of Queen Lili'uokalani as well as several Governors, \$53,000 in FY22 is requested to support this event.

HB200 HD1 reduces eight positions of the Office of the Governor that serve important functions. Additionally, some of these positions are filled so the reductions would have very adverse consequences for staff. We respectfully request and would appreciate your consideration in restoring these reductions. Our review and analysis of the adjustments made by the house draft to the requested budget of the Office of the Governor is attached for your review.

We appreciate your careful work on the state budget and will be available to answer your questions. Thank you for your continued support of the Governor's Office budget.



EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

March 27, 2021

TO: The Honorable Donovan M. Dela Cruz, Chair  
Senate Committee on Ways and Means

FROM: Linda Chu Takayama, Chief of Staff  
Office of the Governor *Linda Chu Takayama*

SUBJECT: Request for Impact Statements for HB200 HD1

As requested in the Request for Impact Statements for HB200 HD1 memo dated March 24, 2021, enclosed is the Impact Statement for the Office of the Governor.

Please let me know if you have any questions.

Mahalo.



**OFFICE OF THE GOVERNOR  
WAM REQUEST FOR IMPACT STATEMENTS  
HB200 HD1**

10-002 EXECUTIVE REQUEST/HOUSE DOES NOT CONCUR

- TRADE OFF FUNDS FROM EQUIPMENT TO OTHER CURRENT EXPENSES FOR OFFICE OF THE GOVERNOR

**Impact statement:** While the House agreed to the first portion of this adjustment reducing the funds to transfer it out from Equipment to more accurately reflect the equipment costs for the office we respectfully request the second portion transferring in the funds to Other Current Expenses. Without these funds it may be difficult to cover equipment costs falling under other current expenses.

100-001 EXECUTIVE REQUEST/HOUSE DOES NOT CONCUR

- ADD FUNDS FOR OFFICE OF THE GOVERNOR – 175<sup>TH</sup> ANNIVERSARY OF WASHINGTON PLACE

**Impact statement:** As one of the most esteemed houses in Hawai'i, residence of Queen Lili'uokalani and home to several Governors the 175<sup>th</sup> Anniversary of Washington Place will occur in 2021 and will have cultural and historical significance. This request will allow for webinars and virtual exhibitions featuring the home, its collections and gardens with students, teachers, and kupuna throughout the State of Hawai'i. As we anticipate that restrictions will be gradually relaxed as the vaccination efforts continue and case rates decline, in-person celebrations and initiatives will also be sponsored and incorporated with virtual events. Planning committees are currently being formed and will include legislative representatives from both the House of Representatives and Senate. In addition to any allocated state funds, private donations will be also solicited to support the overall costs relating to the anniversary events. We strongly believe that it is important to celebrate Hawai'i's history and promote historic preservation for the future.

101-001 EXECUTIVE REQUEST/HOUSE DOES NOT CONCUR

- ADD FUNDS FOR OFFICE OF THE GOVERNOR – PROTOCOL

**Impact statement:** These funds will be used to support developing and maintaining relationships with not only state, city, and federal governments but also military officials, foreign dignitaries, and the community. The COVID-19 pandemic has impacted the ability to have in person meetings and events but also magnified the importance of virtual communication

and outreach. We anticipate that restrictions will be gradually relaxed as the vaccination efforts continue and case rates decline. These funds are necessary to support both smaller gathering as well as virtual events and larger gatherings as allowed in the future. It is important to develop these strong relationships in order to advance state programs, services, and initiatives.

1000-001 HOUSE ADJUSTMENT/HOUSE DOES NOT CONCUR

- REDUCE (2) PERMANENT AND (5) TEMP POSITIONS AND FUNDS FOR OFFICE OF THE GOVERNOR

**Impact statement:** Good governance requires a unit within the governor's office that interfaces with the public and other governments on policy issues facing our state and nation. The unit's focus on leveraging resources within and beyond our borders is imperative to providing innovative ideas and best practices to a state that is already geographically and time-zone challenged to remain current with national and international policy changes.

The loss of any of the senior special assistant (SSA) positions will result in the reduction or complete loss of the convening of stakeholders for research, analysis and consolidation of efforts surrounding issues that cross departments such as housing, land use and other issues of critical importance to the well-being of the state that results in developing and resolving state wide policy initiatives and programs. Senior special assistants are also critical in the development and preparation of legislation for the administration's annual package, the final analysis of legislation enrolled to the governor for enactment, implementation of legislative direction, and the organization of information on policy issues to the judicial and legislative branches.

Additionally, SSAs provide research and representation for the state on federal initiatives like pandemic response task forces, working groups, and the Council of Governors which regularly interfaces with federal officials to address matters of homeland security including reformation of catastrophic disaster response and recovery, cybersecurity threat awareness and response, support of the National Guard components and civil authorities, and federal budget discussions.

During the pandemic the SSAs were integral in applying for and securing a nationally competitive grant that provides funding and technical assistance to develop a tool to connect those out of work with resources beyond unemployment benefits. This is a resource that will remain in our community beyond the current pandemic. We are awaiting decisions on

two other grants. Loss of the SSAs will result in a loss of future opportunities to secure outside resources to benefit our community.

Loss of the legislative coordinator (LC) position will result in the inability to compile the annual administration legislative package, monitor legislation, and communicate pertinent information efficiently to departments, process enrolled bills, coordinate review and summaries of department analysis of bills enrolled to the Governor, coordinate bill signing ceremonies.

Loss of LC would also result in the inability for the governor to fulfill the statutory obligation to process administrative rule changes and respond to Uniform Information Practice Act requests.

Loss of the Boards and Commissions coordinator will result in the inability for the governor to fulfill the statutory obligation to appoint members to the one hundred and seventy Boards and Commissions that provide an opportunity for public engagement in government which is the foundation of our democracy.

Loss of the director will result in reduced capacity to interface with federal departments to represent Hawaii's needs in the decisions that are being made at the national level, triage issues that are raised through the trusted travel partners resulting in a slower reopening to transpacific travelers, and respond to legislator inquiries.

In addition to the paid staff, the IRP has benefitted from part-time student interns. Loss of the IRP unit will cut the opportunity for students to gain first hand experience in governmental operations and civic engagement which is important in the development of future leaders.

### **The Executive Office of the Governor - Intergovernmental Relations and Policy**

The overall purpose of this unit is to support and assist in the development of strong relationships between government/military officials and the Governor and Governor's Office; support and assist in developing strong relationships between federal, state and county agencies to advance state programs, services and initiatives; actively monitor federal legislation and funding decisions which may impact state programs, services, and initiatives; monitor and assess overall impact of state programs, services, and initiatives on local communities statewide; conduct research and develop recommendations regarding issues of statewide impact; and work with unit staff to provide technical assistance and support to enable them to be more effective and efficient. This unit drafts, coordinates and tracks legislation and is also responsible for managing and coordinating the appointments of Boards and Commissions statewide.

## **Director (101868 - FILLED)**

Provides leadership and guidance to staff in the Intergovernmental Relations and Policy (IRP) unit which along with the Director consists of four (4) Senior Special Assistant, one (1) Legislative Coordinator, and one (1) Board and Commissions Coordinator.

### Management oversight

- Works with IRP subject matter area (SMA) staff to research various issues in order to provide recommendations as to policy actions and to assist in development of related legislation, administrative rules, or policy/practice development.
- Guides and directs unit staff to coordinate and track legislation to ensure that the Governor, Governor's Office, and the various state departments and agencies are addressing policy issues and responding to legislative actions in a consistent and coordinated manner.
- Guides and direct unit staff to manage and coordinate the appointment of Boards and Commissions statewide in an effective and efficient manner.
- Works collaboratively with the IRP staff to address issues and concerns regarding the overall operation and functioning of the work unit and to assist in the development and implementation of plans to improve the efficiency and effectiveness.

### Intergovernmental Relations

- Ensures that communications are established and maintained with various federal, state, and county agencies to advance state programs, services, and initiatives.

### Policy

- Oversees the annual legislative package process from concept to final delivery.
- Convenes meetings to address department conflicts with proposed legislation.
- Meets with legislators to address concerns regarding proposed legislation.
- Identifies support and opposition from community, business, and elected officials.

### COVID-19

- Participates in national level calls with federal departments and white house intergovernmental affairs.
- Assisted with the establishment of travel quarantine exemption program and provides ongoing policy review and coordination for incoming requests.

- Assists with Trusted Travel Partner program.

**Senior Special Assistants (102148, 102338, 120362 – FILLED; 100576 – OFFER PENDING)**

Conducts research and develops recommendations about issues that may have statewide impact; monitors state program operations, services and initiatives directly or indirectly; researches policy trends and issues as well as tracks legislative actions; convenes stakeholders to address issues and develop solutions.

*Senior Special Assistant – Land Use*

- Governor’s Affordable Housing Working Group
  - Responsible for convening the Governor’s Affordable Housing Working Group, a stakeholder group made up of private and nonprofit developers and housing advocates.
  - Coordinates efforts to provide constructive feedback to government agencies to address bottlenecks and drive solutions.
  - Outcomes have also included legislation to streamline processes and encourage construction of more housing.
  - As Governor’s Housing Coordinator, helped surpass goal of building 10,000 new homes by 2020 while setting a new goal of 3,000 new units by 2022. Developed key messages, success metrics and legislative agenda to support housing targets.
- Land Use Coordination Working Group
  - Convenes cabinet-level Land Use Coordination Working Group, formed to ensure productive dialogue and partnerships between state agencies with conflicting missions as it relates to land use involving housing, clean energy, and agriculture/food sustainability.
- COVID Crisis Comms support
  - Prepares correspondence to legislators and constituents.
  - Participates in national planning efforts.

*Senior Special Assistant – Economic Sustainability*

- National Governors Association Workforce Innovation Network (WIN)
  - Convened multiple State agencies to apply for technical assistance and funding support from NGA for the planning of a State one-stop shop for unemployed jobseekers.
  - Current status: NGA notified HI (February 24, 2021) of a successful application to the WIN and \$84,000 award. We

started the fiscal process of receiving award and the WIN kick-off meeting is on March 10, 2021.

- Hui Emergency Broadband Benefit WG
  - Working with other broadband stakeholders to coordinate efforts to bring more emergency assistance funding to Hawaii via this program under the Consolidated Appropriations Act.
- Broadband Infrastructure
  - Working on a series of projects to establish statewide broadband network, especially for under served areas.
- Intergovernmental Relations
  - Regularly convenes and coordinates with federal, state, and county to address programs and needs in the community.
  - Interfaces with national organizations such as National Governors Association and federal agencies to ensure there is sufficient funds and expertise for Hawai'i needs.

#### *Senior Special Assistant – Public Safety*

- Legislation Tracking
  - Monitors hearings for Administration Bills and other legislation of interest to the departments.
  - Drafts Governor's testimony for legislation.
- Convening Stakeholders
  - Brings together stakeholders to resolve conflict around given legislation (one department opposes a piece of legislation that another department supports).
  - Convenes stakeholders to formulate policy solutions. For example, working with DEF, CCA, and Senator Baker on temporary licensure for military dependents holding out of state professional licenses.
- NGA Coordination
  - Works with NGA to amend position letters such as a recent letter opposing a change in FEMA's cost calculation procedure that would have cost the state an additional \$2 million on average in the event of a major disaster.
  - Coordinates with departments to access NGA's technical assistance, training, and grant opportunities. Most recently with a \$100,000 Workforce Innovation Grant to help develop a one stop shop for jobseekers to access state resources.
- COVID-19 Additional Initiatives
  - Set up and monitored Gov.Assistance database to help lawmakers' constituents who were have trouble with Unemployment Insurance and Pandemic Unemployment

Assistance. We have received requests for assistance from more than 3,000 individuals to date.

#### *Senior Special Assistant – Individual Well-being*

- Convening Stakeholders
  - Brings together stakeholders to resolve conflict around given legislation
  - Convenes departments to formulate policy recommendations.
- Legislation Tracking
  - Monitors hearings for Administration Bills and other legislation of interest to the departments.
  - Drafts Governor's testimony for legislation.

#### **Legislative Coordinator (101869 – FILLED)**

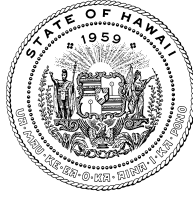
- Legislation Coordination
  - Coordinates and tracks legislation for the Governor's office, coordinates with departments to compile and submit the annual legislative package, and processes enrolled legislation for Governor's signature or veto.
- Hawaii Administrative Rules
  - Receives proposed rules changes from the departments, reviews, processes for Governor's signature and files official changes.
- Uniform Information Practices Act (UIPA)
  - As lead for UIPA requests, collaborates with office staff and the Attorney General's office to prepare response.
  - While the UIPA deadlines are currently waived by the Governor's Emergency Proclamation due to Covid-19 we are still responding to UIPA requests as possible. We have received 24 requests and closed 10 of them we are currently processing a request that is comprised of more than 1,800 pages of documents.

#### **Boards and Commissions Coordinator (100178 – FILLED)**

Recruits the public to apply by coordinating information with the Communications team and technology and various associations. Discuss with the directors, department staff, and/or board members on the type of applicants needed. Monitor applicants to ensure that they are qualified representatives.

- Monitors vacancies and works with Departments and Board leadership to ensure smooth transition of member terms.
- Prepares documentation for appointment.
- Coordinates responses for the Governor regarding boards and commissions with the Attorney General and Communications team.
- Responds to daily telephone and emails from administrators and general public.
- Research and track legislation affecting boards and commissions
- Provides coordination and orientation for Senate confirmation as requested.





EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

TESTIMONY BY CRAIG K. HIRAI  
DIRECTOR OF FINANCE  
ON BEHALF OF THE OFFICE OF THE GOVERNOR  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
HOUSE BILL NO. 200, H.D. 1

**March 29, 2021**  
**9:00 a.m.**  
**Conference Room 211 & Videoconference**

RELATING TO THE STATE BUDGET

The Administration offers comments on House Bill (H.B.) No. 200, H.D. 1.

This bill appropriates funds for the Executive Branch's operating and capital improvement program (CIP) budget for FB 21-23. Among various means of financing, it appropriates federal funds for direct state aid from the American Rescue Plan Act (ARPA) of 2021 for various operating programs and CIP projects.

ARPA provides substantial amounts of federal funds to assist Hawai'i in addressing and recovering from the COVID-19 pandemic and its adverse economic impacts. It is estimated that the State of Hawai'i will receive:

- \$1.632 billion of direct state aid through the Coronavirus State Fiscal Relief Fund (CSFRF);
- \$412.3 million for public schools through the Elementary and Secondary School Emergency Relief (ESSER) Fund; and

- \$115.3 million of direct state aid through the Coronavirus Capital Projects Fund (CCPF) “to carry out critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to” the coronavirus public health emergency.

Additionally, significant funding will be provided to various departments through specific federal grant programs for mental health and substance abuse, supplemental nutrition assistance program (SNAP), supplemental nutrition assistance program for women, infants and children (WIC), COVID-19 mitigation and vaccination, public health workforce, childcare, childcare stabilization, higher education, Medicaid, and homeowners and renters assistance.

As with all federal funding, there are strings (allowable uses, restrictions, and conditions) attached to the federal monies. The following comments outline the major considerations that need to be taken into account in planning for and programming use of the ARPA funding.

**CSFRF Conditions:**

There are four allowable uses of CSFRF monies, which must be spent by December 31, 2024:

- Use “A” to respond to the COVID-19 public health emergency or its negative economic impacts, including assistance to households, small businesses and nonprofits, or aid to impacted industries such as tourism, travel and hospitality.
- Use “B” to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible state workers that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work.

- Use “C” for provision of government services to the extent of the reduction in revenue of such state due to the COVID-19 public health emergency relative to revenues collected in the state’s most recent full fiscal year prior to the emergency.
- Use “D” to make necessary investments in water, sewer or broadband infrastructure.

There are two restrictions placed on states in using CSFRF monies. States are not allowed to:

- Either directly or indirectly offset a reduction in the state’s net tax revenue from a change in law, regulation, or administrative interpretation during the covered period (from March 3, 2021 to the last day of the state’s fiscal year in which all funds received by the state have been expended or returned to, or recovered by the Secretary of the Treasury) that reduces any tax (by providing a reduction in a rate, a rebate, a deduction, a credit, or otherwise) or delays the imposition of any tax or tax increase.
- Deposit these monies into any pension fund.

Any state that does not comply with above requirements is required to repay to the Secretary of the Treasury an amount equal to the amount of funds used in violation.

States are required to periodically report to the Secretary of the Treasury providing a detailed accounting of state uses of CSFRF monies including all modifications to state’s tax revenue sources during the covered period and other information as required.

**CSFRF Guidance:**

As yet, there is no guidance from the U.S. Department of the Treasury as to specific uses/expenses that would be allowed under each of the four categories above.

- Use “A” has no inherent spending cap and appears to be the category that the State can use to maximize CSFRF expenditures. In concept, Use “A” appears to be

analogous to the Coronavirus Relief Fund (CRF) under the Coronavirus Aid, Relief, and Economic (CARES) Act and if Treasury follows their previous CRF guidelines, this could mean that the following costs could be initially planned for under Use "A":

- COVID-19 public health response costs (direct expense)
- COVID-19 economic response costs (direct expense)
- Repaying unemployment insurance (UI) advances from the federal government (direct expense)
- Repaying UI advances interest (direct expense)
- UI costs where the State is the employer (direct expense)
- Matching for Federal Emergency Management Agency reimbursements (direct expense)
- Presumed payroll costs for public health and public safety employees (reimbursing expense)
- Use "C" is the most difficult to plan for because the revenue loss calculation is dependent on several variables for which guidance is necessary (there was no comparable provision under the CARES Act so there is no precedent):
  - Which years would be allowed in the calculation (FY 20, FY 21, FY 22, FY 23, FY 24)?
  - Whether the loss is based on projected revenues (based on revenue projections at the time of adoption of a state's budget or some other reference point) or actual revenues?
  - Whether the revenues in question are tax revenues or tax and non-tax revenues?
  - Whether the revenues in question are all tax revenues or general fund tax revenues?

- Also, there are questions as to how the CSFRF monies can be used under Use “C”:
  - If the calculation is based on actual revenue loss, would a state be able to transfer an amount equivalent to that loss to its general fund?
  - If the calculation is based on projections, would a state be able to substitute an amount equivalent to the projected loss for its general spending in that year? Or would state need to use CSFRF monies to increase spending?

Because it is unclear how CSFRF monies can be used with respect to Use “C”, the Administration, out of an abundance of caution, strongly recommends that funding for working capital debt service be double budgeted (appropriating both general funds and CSFRF monies) if the Legislature is appropriating CSFRF monies to supplant general funds for this purpose in FY 22 and FY23, as reflected in H.D. 1. The full faith and credit of the State has been pledged for repayment of the State’s general obligation (G.O.) bonds, including its working capital bonds. This means that the G.O. bonds have a first call on the State’s general fund for the repayment of such bonds. Guidance from Treasury is needed to determine if the proposed use of the CSFRF monies to pay debt service on G.O. bond, specifically the working capital bonds, is proper.

There is also no guidance as to whether the tax reduction prohibition applies to all tax revenues or only general fund taxes. This is important because it would determine whether any action to reduce UI contributions (such as repaying UI advances) would be allowed without jeopardizing CSFRF monies.

It should also be pointed out that CSFRF’s tax revenue reduction prohibition could be interpreted to mean that the State cannot restart the Transient Accommodations Tax (TAT) allocation waterfall for various purposes in FY 22 & FY 23. The TAT allocation waterfall was suspended through emergency proclamation in the fourth quarter of FY 20 and for all of FY 21. Restarting the TAT allocation waterfall in

FY 22 would result in a general fund loss of \$203 million (for all TAT allocations) and \$85.5 million (for the Convention Center and Hawai'i Tourism Authority allocations only).

**ESSER Conditions:**

ESSER monies can be used for a wide range of educational purposes including: activities authorized by the Elementary and Secondary Education Act of 1965, Individuals with Disability Education Act, Adult Education and Family Literacy Act, Carl D. Perkins Career and Technical Education Act of 2006; coronavirus preparedness and response efforts; activities to address unique needs of disadvantaged students; staff training and professional development on sanitation and minimizing spread of infectious diseases; purchasing sanitation and cleaning supplies; providing meals to eligible students during long-term closures; purchasing educational technology (including hardware, software and connectivity); providing mental health services and supports; planning and implementing activities related to summer learning and supplemental afterschool programs; addressing learning loss among students; school facility repairs and improvements to reduce risk of virus transmission and support student health needs; repair, replacement and upgrade projects to improve school facility indoor air quality; developing strategies and implementing public health protocols for reopening and operation of school facilities; and other activities that are necessary to maintain operation and continuity of services and continuing to employ existing staff.

ESSER monies must be spent by September 30, 2023.

There are two ESSER conditions of note. One is the mandate that at least 25.0% of the \$412.3 million (or \$103.1 million) be allocated specifically for learning loss programs including summer enrichment and afterschool programs.

The other is a maintenance of effort (MOE) requirement that the State maintain support for both elementary and secondary education and for higher education in FY 22

and FY 23 at least at proportional levels of state support for education relative to the state's overall spending, averaged over FY 17, FY 18 and FY 19. MOE waivers may be granted by the Secretary of Education for the purpose of relieving a state's fiscal burden in preventing, preparing and responding to COVID-19. It is noted that there is also a proportional spending MOE requirement for the \$183.6 million of ESSER II monies from P.L. 111-260 for FY22 only. This means that \$595.9 million of ESSER II and ESSER III monies going to DOE are subject to the proportional spending MOE requirement.

**ESSER Proportional Spending MOE Guidance:**

As yet, there is no guidance from the U.S. Department of Education as to how the MOE spending proportions are to be determined.

- Do the terms “state support” and “State’s overall spending” refer to the state’s general fund?
- The denominator for computing the education spending proportions is based on executive budget general fund spending, or total general fund spending for the state?
- What is the definition of “spending” with respect to FY 17, FY 18 and FY 19? Would general fund appropriations for those years suffice? Or are actual general fund dollar expenditures made during the fiscal year required?
- What is the definition of “support for” education with respect to FY 22 and FY 23? Is it general fund appropriations for those years? And the same would apply to overall spending?
- MOE compliance would be tested at what points in time? When the FY 22 and FY 23 appropriations are first made? When supplemental appropriations are made for FY 23? A post audit after the fiscal year is completed?

- Can “corrective” appropriations be made to bring the state into compliance if it is found to not be in compliance?
- What is the penalty for not being in compliance with the MOE requirement? Will there be a recoupment?

**ESSER Preliminary Assessment of Proportional Spending MOE Compliance:**

The Department of Budget and Finance (B&F), with the assistance of the Department of Education (DOE) and University of Hawai'i (UH), made a preliminary proportional spending MOE compliance assessment and it appears that neither the Administration's proposed FB 21-23 Executive Budget (including Governor's Budget Message #1) nor H.B. No. 200, H.D. 1, maintains the proportion of DOE and UH appropriations for FY 22 and FY 23 at the average proportion for FY 17 through FY 19. In order to meet the proportional spending MOE requirement, general fund appropriations for both DOE and UH will need to be increased. The amount of increase required would need to be calculated after the amount of the non-DOE and non-UH budget is determined.

**Recommended ARPA Failsafe Provisions:**

Because, as noted above, there are many unknowns and more than likely federal guidance will trickle out of Washington over the next several months, it is highly recommended that three ARPA failsafe provisions be established to allow the Governor to take corrective action(s) as may be necessary.

- With regard to taxes, permit the Governor to temporarily suspend any tax law provisions passed during the current legislative session that would jeopardize full receipt of CSFRF monies.
- With regard to use of CSFRF monies, permit the Governor to adjust uses of appropriated CSFRF monies to conform to federal guidance.



- With regard to ESSER's proportional spending MOE requirement for DOE and UH, permit the Governor to adjust general fund and ARPA appropriations within certain limits between non-DOE and non-UH programs and DOE and UH programs to maintain the required proportionality.

If these failsafe provisions are provided to the Governor, then the Legislature can proceed with their decision-making based on the most current information available during session. The Governor can then execute what was passed by the Legislature and take appropriate corrective action(s) as necessary.

**Technical Concerns with Federal Fund Provisos:**

Finally, the Administration has serious technical concerns with amendments made in H.D. 1 to Sections 32, 34 and 35 of this bill. These sections are the federal fund provisions pertaining to lapsing and approval of federal funding above levels specified in the budget act. Please see Attachment A detailing our specific concerns and recommended replacement proviso language.

**Departmental Concerns/Issues with H.B. 200, H.D. 1:**

The respective departments have reviewed H.B. No. 200, H.D. 1, and have identified specific concerns/issues with the various budget adjustments taken in H.D. 1. Each department will be separately addressing these concerns/issues in their testimony and impact statements.

Thank you for your consideration of our comments.

Attachment

**DEPARTMENT OF BUDGET AND FINANCE**  
**COMMENTS ON FY 2021 SUPPLEMENTAL BUDGET REQUEST**  
**IN HOUSE BILL NO. 2200, HOUSE DRAFT 1**

OPERATING BUDGET

N/A

**PROGRAM ID: BUF 101****Re: Federal Fund Budget Provisions****Impact Statement:**

The State of Hawai'i is experiencing a large influx of federal aid due to COVID-19. There are currently six COVID-19 federal aid measures and the potential for an additional federal infrastructure aid package. The systems that have been established by the Department of Budget and Finance to manage federal funds depend upon on certain 'federal fund budget provisos (see 'state budget provisos for federal funds' for a history of federal fund budget provisions) that were included in prior budget bills. HB 200 HD 1 contains proposed changes to these federal fund provisions. These proposed changes, if enacted, will have a significant and negative impact on the Department's ability to manage federal funds.

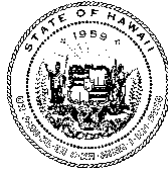
With the potential result being the inability:

- to receive and expend federal funds in a timely manner.
- to use electronic systems to manage federal funds.
- to generate reports on federal funds spending.
- to meet federal requirements for federal fund management,

Prudence requires that we continue to be able to use established systems, processes, and procedures to manage federal aid. Therefore, the Department respectfully requests that: Section 32, Section 34, and Section 35 be replaced with the following:

<b>HB 200 HD1</b>	<b>HB 200 REQUESTED LANGUAGE</b>
<p><b>SECTION 32.</b> Any provision of this Act to the contrary notwithstanding, the federal fund or other federal fund appropriations made for operating costs authorized under this Act for fiscal year 2021-2022 shall not lapse at the end of the fiscal year for which the appropriation is made; provided that all federal fund or other federal fund appropriations made to be expended in fiscal year 2021-2022 which are unencumbered as of June 30, 2023 shall lapse as of that date; and provided further that the governor shall notify the legislature within five days of each use of this authority and submit a report to the legislature of all uses of this authority for the previous fiscal year no later than September 1 of each year.</p>	<p><b>SECTION 32</b> Any provision of this Act to the contrary notwithstanding, the federal fund or other federal fund appropriations made for operating costs authorized under this Act shall not lapse at the end of the fiscal year for which the appropriation is made; provided that all federal fund or other federal fund appropriations made to be expended in fiscal year 2021-2022 which are unencumbered as of June 30, 2023 shall lapse as of that date and fiscal year 2022-2023 which are unencumbered as of June 30, 2024 shall lapse as of that date.</p>
<p><b>SECTION 34.</b> Any provision of this Act to the contrary notwithstanding, where federal funding becomes available after the legislature adjourns sine die, the governor may approve the expenditure of federal funds that are in excess of levels authorized by the legislature; provided that the approval of excess funding shall not extend beyond July 1 of the immediately succeeding fiscal year; provided further that the governor may only approve the expenditure of previously unbudgeted federal funds on a prorated basis; provided further that for the purposes of this section, "prorated basis" is defined by dividing the amount of the unanticipated federal award by the number of months in the period of performance, and multiplying that amount by the remaining months in the fiscal year in which the authority is utilized; provided further that the governor may allow for an increase in the appropriate federal fund authorization ceiling for the program to accommodate the expenditure of the funds; and provided further that the governor shall notify the legislature within five days of each use of this authority and submit a report to the legislature of all uses of this authority for the previous fiscal year no later than September 1 of each year.</p>	<p><b>SECTION 34.</b> The governor may approve the expenditure of all federal funds which 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; provided further that the governor shall notify the legislature within five days of each use of this authority and submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 19 no later than thirty days prior to the convening of the regular sessions of 2022 and 2023.</p>
<p><b>SECTION 35.</b> Any provision of this Act to the contrary notwithstanding, the governor may approve the extension of the lapse dates for appropriated federal funds and appropriations of other means of financing, except general funds, deemed necessary to qualify for federal aid financing and/or federal reimbursement that are appropriated in this Act and deemed necessary to meet the intent of the federal grant awards; provided that all federal fund appropriations and appropriations of other means of financing, made to be expended in fiscal year 2021-2022 which are unencumbered as of June 30, 2023 shall lapse as of that date; provided further that all federal fund appropriations and appropriations of other means of financing, made to be expended in fiscal year 2022-2023 which are unencumbered as of June 30, 2024 shall lapse as of that date; and provided further that the governor shall notify the legislature within five days of each use of this authority and submit a report to the legislature of all uses of this authority for the previous fiscal year no later than September 1 of each year.</p>	<p><b>SECTION 35.</b> 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 34 of this Act as necessary to meet the intent of the federal grant awards.</p>

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  
SENATE COMMITTEE ON WAYS AND MEANS

MONDAY, MARCH 29, 2021, 9:00 A.M.  
CONFERENCE ROOM 211 AND VIA VIDEOCONFERENCE, STATE CAPITOL

H.B. 200, H.D. 1

RELATING TO THE STATE BUDGET

Chair Dela Cruz, Vice Chair Keith-Agaran and members of the Committee, thank you for the opportunity to testify on H.B. 200, HD1, which appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2021-2022 and 2022-2023.

The Department of Accounting and General Services (DAGS) respectfully requests the support of the Legislature in funding our priorities as we strive to provide quality and consistency in the delivery of essential support services to other State departments and agencies.

**I. Operating Budget:**

DAGS is appreciative of the House for their concurrence with our request for Trade-Off/Transfer (TO/TR) of funds to support defunded but critical positions in various programs, and the restoration of funding for some critical Other Current Expense items in Program Review and restoration of select positions deleted in HB 200.

However, we offer the following comments to the budget adjustments contained in H.B. 200, HD1:

**Reduce funds budgeted for Temporary Assignments (TA) and Adjustments**

Funds budgeted for TA were deleted from our programs. Without the ability to fund TA, most programs will not be able to maintain the current level of services or provide the necessary services that support all of State government.

TA allows for the continuation of essential work duties of a position when it's vacant or when the position's incumbent is unavailable, such as on vacation or sick leave, on extended family

leave to care for someone with a serious health condition or who cannot care for themselves, on leave due to an injury (work related or not) and cannot perform their usual and customary duties, on extended military leave, etc. Additionally, some of our positions are unique and the workload cannot be easily distributed amongst other staff.

When temporary assignments are made, the collective bargaining contracts define temporary assignment, how employees are considered for temporary assignment, and prescribes the timeframe when employees shall be compensated for performing temporary assignment. As such, funds are needed to cover these necessary payroll costs mandated by collective bargaining agreements outlining compensation for employees taking on higher level duties.

Operating with the hiring freeze (and defunded positions) for almost a year, there are more vacancies than usual as regular attritions continue. It has been a challenge to maintain current services that these vacant positions were justified and approved through the budget process to do. TA is only a short term but necessary tool to band-aid much needed services. If these funds were eliminated, the ability to cover payroll costs within the current budget may be jeopardized and could result in the elimination of services provided or delays in providing services.

Funds budgeted as Adjustments are needed to cover unanticipated expenses, expenses that are not within our control, general fluctuations in operating costs, etc.; in many instances, the funds provide programs with the ability to meet budgetary restrictions imposed during budget execution. Reducing the payroll budget for these Other Personal Services items will directly affect operations.

We respectfully request that the funding for TA and Adjustments deleted in H.B. 200, HD1 be restored.

**Deletion of vacant positions (majority are budgeted)**

We ask that the critical position vacancies be restored for the following DAGS programs (attached agencies will be submitting testimony separately):

A. AGS-102 Expenditure Examination

- a) The manager position (Position No. 3537) is key to the Pre-Audit Branch's ability to review, analyze, examine, and direct processes and activities relating to all contracts entered into by the State of Hawaii for propriety and legality, and subsequent payment of claims against the contract, authorized travel expenditures, claims against expired State checks and reissuance of replacement checks, and Central Payroll, which handles the State's payroll system covering all employees of the State and oversees all operations to ensure proprietary and legality in regards to payments on behalf of the Comptroller.
- b) Position No. 3545 is one of seven positions in the Payroll Section, and only one of two in a supervisory capacity, that processes payrolls on a semi-monthly frequency and covers approximately 70,000 employees and \$140,000,000 in payroll in each such period. If this position is not filled it would result in payment delays to employees, contrary to following

the Federal Fair Labor Standards Act and salary periods defined in Hawaii Revised Statutes §78-13. It would also delay voluntary deduction payments to agents or other payees and mandatory deduction requirements, including those relating to income taxes, social security taxes, retirement, and various garnishments.

If the unit is not fully staffed, it would jeopardize the entire state's paychecks being processed timely and paid accurately. This is especially critical with the recent rollouts of the Time & Leave System that interfaces with the Payroll System and the need to provide consistent and sustained support for the stabilization of these systems and the rollout to future groups.

- c) Position No. 28819 is one of four positions in the Vouchering Section that pre-audits all contracts and encumbrances, establishes vendor maintenance tables and processes Summary Warrant Vouchers statewide for payments. If this position is not filled it would result in delays in the review of contracts that allows contractors to build/repair/provide services for the State's infrastructure. It would also delay payment to vendors and incur late interest fees and penalties. This section processes over 78,000 Summary Warrant Vouchers which generate over 770,000 checks annually, as well as reviews over 1,300 contracts, contract certifications and encumbrances.

With the upcoming Financial System Modernization Project to modernize the financial accounting system associated with the implementation of the Uniform Chart of Accounts (UCOA), it is imperative that the vouchering section is fully staffed and has the requisite support resources already in place prior to full system implementation.

**All 3 positions have received the Governor's exemption to recruit dated March 12, 2021 and are in the recruitment process.**

#### B. AGS-103 Recording and Reporting

This supervisor position (Position No. 3539) is one of four Accountant positions in the Accounting section of UARB. This position received the Governor's exemption to recruit dated March 5, 2021 and is currently in recruitment.

The branch has encountered tremendous challenges in recruiting for well qualified individuals with the knowledge and abilities required at the Accountant VI level. Without the ability to fill the position, there will be a risk to timely monthly and annual closings, establishing appropriations and assisting statewide agencies with proper maintenance of departmental accounts. If there is a delay in closing the fiscal year end, it could put in jeopardy the timely completion of the Comprehensive Annual Financial Report and Schedule of Expenditures of Federal Awards which could affect the State's bond ratings causing significant interest charges. With the upcoming Financial System Modernization Project to modernize the financial accounting system associated with the implementation of the Uniform Chart of Accounts (UCOA), it is imperative that this position is filled and current funding stays in place to perform all essential functions of the branch.

C. AGS-111 Archives-Records Management

- a. This position listed for elimination (Position No. 00017 Archivist IV) has been continuously **filled** for three years. We inadvertently entered the wrong position number on our vacancy table for the Budget Briefing testimony. The position that has been vacant to cover continuous budget restrictions -- What should have been reported -- is PN8890, Archivist V. Please do not eliminate Position No. 00017 – the incumbent employee is one of our finest, hardest working team members.
- b. The other position being proposed for reduction, Position No 122064, is the ingestion coordinator for the Special Funded Digital Archives project (<https://digitalarchives.hawaii.gov/>). This position is vital to the continued growth and operation of the Digital Archives, as well as the ability of the State Archives to meet its Legislative Mandate to preserve the (in this case Digital) records of the State. There are only three staff assigned this project, so this position represents 33% of the workforce. Furthermore, this position is the ingestion coordinator responsible for creating the software code that allows the State Archives to bring in digital records from the many, many different computer systems used throughout the State into a single, searchable digital preservation repository. The Archives currently has a backlog of several MILLION records waiting to be brought into the Digital Archives and made accessible to the public online; work that cannot continue smoothly, timely or efficiently without this position. Given the difficulty of travel and the widespread impact of the pandemic, allowing free, online access to the most important records of State government has never been more important to the public's ability to access the records of their government. This position is vital to placing these records online. Personnel was actively soliciting applicants when the Governor put a hold on all recruitment at the beginning of 2020 because of the pandemic. We have recently received approval under EM 21-01 as a special funded position to continue with that recruitment, and solicitation of applicants is currently in process. The dedicated funding source for the Digital Archives project has remained relatively stable throughout the pandemic, and is, therefore, not at risk of having insufficient funding to cover the expenses for this position. As a special funded position, eliminating this position will have no direct impact on the General Fund, but will cripple the ability to the Digital Archives to make new records accessible online.

D. AGS-231-FA Custodial Services

Request for an exception to fill has been submitted to B&F for Position No. 7305. This position is the head of the Division's purchasing office, which has only 1 other position to help perform the procurement and administrative tasks. This position is responsible for administering about 20 contracts which total over \$2M for the Division (contracts include AC, Elevator, Pump and Generator Maintenance and Tree Trimming). This position also oversees the purchasing of supplies for about 80 janitors and 18 trades staff that service over 70 facilities on Oahu. Without this position, the Division will struggle to service and supply all the facilities with which it is involved.

E. AGS-233-FK Building Repairs and Alterations

- a. Request for an exception to fill has been submitted to B&F for Position No. 22339, Engineer VI. This position oversees the operations of the Repairs and Alterations Branch. The Branch consists of trades staff and engineers and is responsible for building maintenance repairs to ensure State employees have a safe and operable place to work and serve the public. The engineers are responsible for providing engineering support to the more than 70 facilities on Oahu and to oversee the facility backlog list for over 150 facilities, statewide. This position is responsible for ensuring the responsible spending of over \$2.8M for the branch's budget and participating in project consultant selection for over \$15M of CIP projects annually. Without this position, the branch will struggle to run efficiently, with consistency and to complete its tasks timely.
- b. Request for an exception to fill has been submitted to B&F for Position No. 118758. After Electrician I (#15619) is deleted from the program, this Electrician I position will be 1 of 2 Electrician I positions within the program to support over 70 facilities on the island by performing repair electrical work that requires a licensed electrician. Without this position, needed repairs, for state employees to safely work, will take longer before they are completed, and the program will have to hire contractors to do the repairs that cannot wait.

F. AGS-244 Surplus Property Management

- Account Clerk III – Position No. 10486
- Office Assistant IV – Position No. 48155

The two positions are sustained by a revolving fund and have no impact on the State General Fund.

The elimination of the positions impacts the operation of the State Procurement Office (SPO) Surplus Property Office, which brings in property that is no longer needed by state agencies in the State of Hawaii and makes it available to all state government agencies, commissions, authorities, and state university system at greatly reduced fees. This is a vital part of the procurement lifecycle in which surplus or unneeded items can be utilized instead of simply being discarded.

The vacant positions affect the Surplus Property Office's ability to operate under the Federal Property and Administrative Services Act of 1949, 63 Stat. 377 as amended, and other applicable laws. The office is not able to perform major functions necessary to ensure the processing and maintaining accounts ledgers, issuing of purchase orders, and surplus property management.

G. AGS-251 Motor Pool and AGS-252 Parking Control

- Account Clerk III Position No. 15117
- Parking and Security Officer I. Position No. 120962

The Account Clerk III position is the only Account Clerk in the Division that is responsible for the upkeep of accounts payable and receivables. This position collects on delinquent accounts from which contributes to special funds that the program solely operates on. The Division needs to ensure that cash flow remains constant and accounts' revenues tracked to ensure the long-term solvency of program. This critical position upkeeps the program's financial records accordingly.

The Parking and Security Officer ensures Health and Safety of the parking facility in the West Oahu area and is responsible for patrolling the Kapolei Court, Kapolei Civic Center and Waipahu facilities. Two positions in West Oahu are responsible for 1,000 parking stalls. Throughout the pandemic, the Parking Control Officers have been critical in ensuring the parking facilities in this region are constantly monitored to ensure the safety of the building occupants who continue to report to the state offices to provide critical services to the public.

#### H. AGS-807-FR School R&M, Neighbor Island Districts (Kauai District Office)

- Building Maintenance Worker II, Position Number 17234
- Building Maintenance Worker I, Position Number 17246

These two vacancies coupled with two defunded positions total to a more than 36% reduction in BMW positions for the district. This significantly and severely reduces the in-house capacity to meet the repair and maintenance needs for the public schools as well as the public libraries and DAGS-managed facilities on island, as it amounts to approximately 1,000 less work orders completed per year. The island has four individual BMW work units that service various parts of the island and the BMW II position is the lead for one of those work units. As such, the vacancies have reduced the available individual and independent work crews by 25%.

With the two positions that were defunded last year and these two vacant positions, there are only seven BMW positions remaining to serve the repair and maintenance needs for the entire island. If these two positions are also eliminated, this permanent 36% reduction in BMW staffing would lead to the necessary deferral of work orders and increase the time needed to complete the requests due to the significant reduction of available manpower. This would increase the likelihood of conditions impacting health and safety at the various public schools, public libraries and DAGS-managed facilities as work goes unaddressed. The lack of available manpower also impacts the response times to emergencies and trouble-calls and becomes extremely problematic if multiple urgent requests are simultaneously received. The continual deferral of timely repair and maintenance activities on the various public schools, libraries, and DAGS-managed facilities would also result in an accumulation of issues that will become significantly costlier and take much longer to fix.

A request for exemption to Executive Memorandum No. 20-08 was submitted to B&F to fill these positions.



I. AGS-807-FR School R&M, Neighbor Island Districts (Maui District Office)

A request for exemption to Executive Memorandum No. 20-08 was submitted to B&F to fill Position No. 47641, Plumber I.

The reduction of this Plumber I position would result in over 500 less plumbing work orders to be done at various public buildings, libraries and schools. Not only would the number of completed work orders be decreased, but the time to address the work will increase and at a greater subsequent cost to the state.

J. AGS-901-AA General Administrative Services

Request to transfer-in funds from AGS223/FB to fund Position Number 21557 was included in the Executive Budget but did not receive concurrence in HB200, HD1.

This vacant Secretary position was defunded during the 2020 legislative session and is a sole and therefore critical position within the Hawaii District Office (HDO). The position also functions in the HR capacity for 68 FTEs; handling, but not limited to, all personnel files/records/payroll/retirement issues, and materials pertaining to DHRD and the various bargaining units. The Secretary serves as the program's timekeeper/leave keeper to manage employee leave records, workers compensation, and other employee leave in the new HIP Time and Leave system. All confidential matters and subsequent correspondence are routed through this position. As the Engineering Program Manager's assistant, this position prioritizes, maintains, and disseminates sensitive schedules/deadlines/information in an appropriate and timely manner. This position has an overall awareness and knowledge of the activities, programs, policies, and administration of the State, DAGS and the Hawaii District Office.

There is a dire need to fill this vacancy to ensure proper responsiveness to and the handling of the well-being of the HDO's personnel and operations. Not being adequately informed and a failure to adhere to current protocols and processes can potentially result in costly and harmful consequences. Within this last year alone, there has been so many changes, new rules and requirements especially pertaining to the COVID pandemic, and budgetary issues that have been difficult to track and follow without a secretary to maintain proper records.

The HDO requires this position filled to function at an acceptable level, and therefore respectfully requests your favorable consideration in not eliminating this vacancy and allowing the transfer of funds from AGS 223/FB as the secretary is critical to and is a focal point of the island of Hawaii's operations.

**II. CIP Budget:**

DAG appreciates the funding appropriated in HB 200, HD1 and offers the following comments on select items below:

ProgID	Title	FY22	FY23	MOF	DEPT COMMENTS
AGS131	ERP CAPITAL IMPROVEMENTS PROGRAM STAFF COSTS, STATEWIDE	-	-	C	Reduces FY22 and FY23 funding requested by \$1.443M each year. This action may negatively impact the Governor's Executive Budget Request by increasing general revenue expenses.
AGS131	DATA CENTERS, RENOVATIONS, REPLACEMENTS, AND/OR NEW, STATEWIDE	-	-	C	This reduces FY22 funding requested by \$12M. The current Kalanimoku data center cannot be brought up to standards for safe operation of critical state IT systems, more general funds will be needed to move equipment to commercial facilities.
AGS131	LUMP SUM BROADBAND INFRASTRUCTURE FOR DEPARTMENT OF EDUCATION, STATEWIDE	9,773	-	V	ETS does not have sufficient staff to manage or oversee this project for DOE.
AGS221	CAPITAL IMPROVEMENTS PROGRAM STAFF COSTS, STATEWIDE	-	-	C	Reduces FY22 and FY23 funding requested by \$10.141M each year. This action may negatively impact the Governor's Executive Budget Request by increasing general revenue expenses.
AGS221	LUMP SUM MAINTENANCE OF EXISTING FACILITIES, PUBLIC WORKS DIVISION, STATEWIDE	2,100	50,000	C	Reduces FY22 funding requested by \$17.9M, but adds \$50M in FY23. DAGS appreciates and supports the additional funding being appropriated over the biennium, provided this does not negatively impact the Executive Budget. While DAGS understands the current budgetary constraints, it would be very helpful to shift more funding into FY22 to allow more planning and design work to start earlier, which would then facilitate bidding and encumbering funds for construction projects prior to the funds lapse date.
AGS221	STATE CAPITOL BUILDING, REHABILITATION OF CHAMBERS LEVEL WATERPROOFING SYSTEM, OAHU	1,000	-	C	Reduces FY22 funding requested by \$16.5M and FY23 funding requested by \$12.5M. DAGS understand the current budgetary constraints that the State is facing but the health and safety of the Hawaii State Capitol tenants and employees is our top priority. DAGS recommends interim measures in the amount of <b>\$6.0M</b> which would provide a 5-year warranty and is the first step necessary for more permanent repairs. While there are other interim measures that may be less costly, they are also less effective, lack warranties, and may not fully address leaks.
AGS221	LUMP SUM STATE OFFICE BUILDING REMODELING, STATEWIDE	2,500	8,000	C	Provides an additional \$5.5 M in funding for FY23. DAGS appreciates and supports the additional funding being appropriated, provided this does not negatively impact the Executive Budget.
AGS221	WASHINGTON PLACE, HEALTH AND SAFETY AND QUEEN'S GALLERY RENOVATION, OAHU	-	-	C	Reduces FY22 and FY23 funding by \$1.5 M each year. Deletion of funding will delay efforts to address necessary health & safety, accessibility, and preservation work needed for the facility.

Thank you for the opportunity to testify on this measure.

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

TESTIMONY TO THE  
SENATE COMMITTEE ON WAYS AND MEANS

For Hearing on Monday, March 29, 2021 at 9:00 a.m.  
Conference Room 211 and via videoconference

BY

RYKER WADA  
DIRECTOR

**House Bill No. 200, House Draft 1**  
**Relating to the State Budget**

CHAIR DELA CRUZ, VICE CHAIR KEITH-AGARAN AND MEMBERS OF THE COMMITTEE:

The purpose of House Bill No. 200, House Draft 1 is to appropriate funds for the operating and capital improvement costs for agencies in the Executive Branch for the fiscal biennium 2021-2023. The Department of Human Resources Development (DHRD) provides these comments in **support in part and opposition in part** of HB200 HD1.

We support this measure as it provides additional funding from the American Rescue Plan Act for DHRD's biennium budget requests to address increasing workers' compensation costs and unemployment insurance benefit costs. The House draft also includes continued funding for upgrades to the department's learning management system.

However, we are opposed to the reduction of 7 positions and attendant funding from HRD102, as well as the reduction in funding from HRD191 for pay adjustments recommended by the Commission on Salaries.

Over the years, DHRD has suffered a series of staff reductions, yet remains responsible for administering a statewide personnel system covering 17,000 civil service and exempt employees. We humbly and respectfully ask that these positions be restored, as all are essential to the maintenance of current operations in support of the Executive Branch departments.

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

STATE OF HAWAI‘I  
**OFFICE OF THE PUBLIC DEFENDER**

**Testimony of the Office of the Public Defender,  
State of Hawai‘i to the Senate Committee on Ways and Means**

March 29, 2021

H.B. No. 200 HD1 : RELATING TO THE STATE BUDGET

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

H.B. No. 200 HD1 removes the Office of the Public Defender (OPD) from the Executive Branch, specifically the Department of Budget and Finance (DBF) by the transfer-out of 133.50 permanent positions and funds from the DBF (BUF151) to the Judiciary (JUD614) raises the following concerns:

For the reasons set forth below, the OPD cannot support HD1 of H.B. No. 200.

**Fiscal and Administrative**

The OPD has five offices on four islands, four of which are in privately owned buildings requiring rent payments. We service all islands, requiring flights to Moloka‘i and Lana‘i, as examples. Each island office requires support staff and investigative services, in addition to attorneys. These make up the 133.50 statewide OPD employees. Accomplishing the herculean task of transferring the OPD and its employees from the executive to the judicial branch simply cannot be accomplished by the effective date of this measure – July 1, 2021. The transfer will involve and impact not only the OPD, DBF and the Judiciary; the impact will also affect the Department of Accounting and General Services (DAGS), the Office of Enterprise Technology Services (ETS), and the Department of Human Resources Development (DHRD). DBF and DHRD must coordinate with the Judiciary to transfer all OPD-related human resource files. DAGS, ETS and the Judiciary will need to transfer all payroll-related information. DAGS must coordinate with the Judiciary to ensure that all accounts, payments, recordation of payments, funds, etc. are transferred from DBF to the Judiciary. ETS and Judiciary will need to make sure that all IT-related license, network connections, websites, and IT-support are transferred smoothly to the Judiciary. In addition, other administrative support matters (e.g., leases, contracts, any matter referencing DBF) must be transferred from DBF to the Judiciary. All of the above will require a substantial amount of time, effort and

coordination among DBF, DAGS, ETS, DHRD, OPD, and the Judiciary to ensure a smooth transition and to avoid anything falling through the cracks and/or being left behind.

The Judiciary, in its written testimony on H.B. No. 185 HD1 (Relating to Judiciary) submitted to the Senate Committee on Judiciary for hearing held on March 16, 2021, has also identified the following fiscal and administrative impacts:

(1) Judiciary Human Resource Department (HRD) Issues. The transfer of 133.5 employees would increase the administrative burden on HRD and the other Judiciary administrative departments with respect to recruitments, onboarding, training, performance issues, timekeeping, leave records, and workers compensation, as well as the processing of the multitude of employee personnel transactions. OPD may also have employees in classes that do not exist in the Judiciary's current classification system. These new classes would need to be analyzed and established within the Judiciary's system and would entail an extensive review of the Judiciary's Compensation Plan to determine appropriate pricing relationships, impact to other individual classes of work, and possible reorganizations within the Judiciary's organizational structure. Considering the timeframe in this measure and existing resources, this is not feasible. Additionally, since OPD is currently part of the Executive Branch, which is a separate employer jurisdiction, there may be service credit issues that could impact existing Judiciary employees with respect to seniority and other labor relations issues.

(2) Increased Information Technology Costs. Currently, the State Office of Enterprise and Technology Services pays for Microsoft Office 365 licenses for OPD. Transferring OPD to the Judiciary would require the Judiciary to pick up these and other software costs totaling \$42K annually. Connecting the five OPD offices to the Judiciary network would require another \$35K annually in network service costs, as well as one-time costs of about \$200K for network equipment. There are likely additional information technology costs as well.

(3) Judiciary Financial Services Costs and Issues. The Judiciary's Financial Services Department (FSD) will need additional staffing and financial resources to incorporate OPD into the Judiciary's financial management system. Transferring OPD to the Judiciary will have a major impact to the existing FSD divisions which include the Accounting and Payroll Sections of the Fiscal Services Division and the Contract and Purchasing Division. To

effectively maintain the financial integrity of the Judiciary, each division will require one to two additional staff to support the increase in workload. The additional staffing for the Accounting and Payroll Sections will be needed to: (a) process the increased volume of accounting transactions such as vendor payments, journal vouchers, revenues collected; (b) meet financial reporting requirements; and (c) process the higher volume in salary payments and payroll actions for the 133.5 OPD employees. The additional staffing for the Contract and Purchasing Division will support the added need to assist with purchasing and procurement requisitions. Adding to the impact to FSD is that the transition from the Executive Branch to the Judiciary will require the OPD staff to be trained in all of the accounting programs and Judiciary financial policies and procedures. Furthermore, additional vendor contracting costs may need to be incurred to accommodate the addition of OPD to the financial management system. To be successful in the transition of OPD to the Judiciary, it is extremely critical to have sufficient time to facilitate the transition. In addition, the current HD1 appears to transfer from the Department of Budget and Finance approximately \$7 million pertaining to court-appointed counsel and witness fees—tracking and managing these funds will certainly require additional resources for the Judiciary’s fiscal operations

In addition to the administrative and fiscal impacts, the transfer-out of 133.50 permanent positions and funds from the DBF (BUF151) to the Judiciary (JUD614) raises the following concerns:

### **Constitutional**

Article V of the Hawai‘i Constitution sets forth the powers, responsibilities, and structure of the executive branch of the state government. All executive and administrative offices, departments and instrumentalities of the state government and their respective powers and duties are specifically allocated to executive departments under the supervision of the government.

Article VI of our Constitution provides for the judicial power of the State to be vested in one supreme court, one intermediate court of appeals, and various enumerated courts as established by the legislature. Article VI provides that the chief justice shall be the administrative head of the courts and provides that the chief justice shall appoint an administrative director to assist in directing the administration of the judiciary pursuant to HRS § 601-3. The administrative director

is tasked with carrying out all duties and responsibilities specified in Title 7 as it pertains to employees of the judiciary.

### **Separation of powers**

In Briscoe v. Tanaka, 76 Haw. 380, 878 P.2d 719 (1994), the Hawai'i Supreme Court adopted the following test when a party challenges a statutory scheme that assigns the performance of a particular task to the judiciary:

The test is whether the statute authorizes the courts to perform a function so closely connected with and so far incidental to strictly judicial proceedings that the courts in obeying the statute would not be exercising executive or nonjudicial powers.

Id. at 383, 878 P.2d at 722. (Citations, quotations marks omitted).

In Briscoe, the appellant argued that the placement of the Administrative Driver's License Revocation Office (ADLRO) in the judiciary branch violated the separation of powers doctrine. In addressing the issue, the Court examined the functions of the officers of the ADLRO. In performing the tasks, the officers are required to determine whether the police have proven the following: (1) reasonable suspicion existed to stop the vehicle; (2) probable cause existed to believe the arrestee was driving under the influence; and (3) by a preponderance of the evidence, the arrestee did in fact drive under the influence. The Court found that the task of reviewing evidence and determining matters such as the existence of reasonable suspicion, probable cause, and proof of facts by a preponderance of the evidence are ***clearly judicial in nature and do not require officers of the judiciary to exercise executive or nonjudicial powers***. Thus, the Court held that the placement of the ADLRO within the judiciary did not violate the separation of powers doctrine.

It appears that the placement of the OPD within the Judiciary does violate the separation of powers doctrine. The mission of the OPD is to provide legal representation for indigent defendants charged in state court with offenses involving the possibility of incarceration. The primary duties that the OPD owes to their clients are to serve as their clients' counselor and advocate, to ensure that constitutional and other legal rights of their clients are protected, and to render effective, high quality legal representation with integrity. Clearly, the functions of the OPD are not judicial in nature.

## **Conflict of interest**

The Judiciary is tasked with serving as a neutral arbiter in judicial proceedings, interpreting applicable laws and regulations, and ensuring the due process of law. The Judiciary's role as neutral arbiter and monitor is inconsistent with the role of the OPD.

The OPD is one of the two opposing parties in criminal court proceedings, in which a member of the Judiciary is the arbiter. As noted above, the mission of the OPD to provide legal representation for indigent defendants charged in state court with offenses involving the possibility of incarceration is a role of advocacy, not neutrality. This role necessarily involves advocacy challenging the ruling of judges, both in court when making a record and on appeal when seeking relief from claimed judicial mistakes.

As one example of how the Judiciary undertakes to perform its role in the courtroom, the Judiciary tasks the probation departments under its supervision with investigating and recommending specific sentences in individual cases and monitoring and supervising sentenced defendants and juvenile law violators. While the OPD and probation officers may sometimes work together on occasion to assist a defendant, the OPD attorneys often find themselves on opposing sides from the probation office in court hearings. In representing defendants, an OPD attorney may attack the credibility and performance of the probation officer. HD1 would place opposing parties, both supervised by the Judiciary, in court appearing before judges, also supervised by the Judiciary.

The constitutionally mandated neutrality of the judicial branch of government is clearly inconsistent with the constitutionally mandated role of a deputy public defender to zealously and effectively advocate for his or her client's position. To move the OPD to the administrative management and control of the judiciary would unnecessarily blur the critical distinction of the two very different roles each entity has in the broader judicial process.

## **Public Perception**

Currently, it is not uncommon for defendants to mistrust attorneys who are employed by the State of Hawai'i. They unfortunately believe that as State employees, the attorneys are simply "part of the system" and that the attorneys' interest and loyalties are to the State and not to the clients. This mistaken belief is often summed up in the equally mistaken assertion "the same people that pay you



also pays the judge.” Placing the OPD under the Judiciary will certainly exacerbate this misconception. Instead of “working for the State,” they will believe that the attorneys are “working with the judges and with the probation officers.”

The OPD attorneys often debunk this misconception and are able to convince most of the clients who are distrustful by simply providing quality legal services. However, a few will remain unconvinced; they will seek the withdrawal of the OPD and the appointment of private counsel. If the OPD is placed under the Judiciary with the judges and probation officer, we foresee the number of clients seeking the withdrawal of the OPD to increase substantially.

### **Related Issues**

There are additional serious problems involving the practical administrative logistics of this measure’s proposed movement of the OPD from the executive to the judicial branch. To put it mildly, it would create new tensions between the courts and deputy public defenders. By the provisions of the proposed HD1, the OPD budget would become part of the Judiciary budget. Therefore, the Chief Justice would have a say in appropriations for the OPD who would be competing for funding with other judicial circuits, the ADLRO, the Children’s Justice Center, the Center for Alternative Dispute Resolution, the Criminal Justice Research Center, the Supreme Court Law Library and any other programs within the Judiciary. The chief administrator of the courts would understandably have a role in personnel and hiring decisions. As the administrative head of the Judiciary (*see* HRS § 601-2) involved in budget and personnel decision-making and/or supervision, would the Chief Justice need to recuse him/herself in all appearances involving the OPD before the Hawai‘i Supreme Court? What would opposing counsel (county prosecutor or attorney general) think of not having the Chief Justice sitting in any case involving the OPD? What would happen in cases requiring the need for substantial expert witness costs (such as those involving DNA, accident reconstruction, battered women syndrome, just to mention a few that have come up over the years)? Would the budgetary constraints of the entire judicial branch affect the approval or denial of the expenditure of such funds in individual cases, arguably impacting due process rights?

There should also be consideration of the role of the OPD as it currently affects the Judiciary. Presently, the Public Defender is one of the regular resources for the Judicial Selection Commission (JSC) for comment on the retention and appointment of judges, including the Chief Justice. How would our ability to give independent and honest appraisals be impacted if the OPD was under the supervision

and control of the Judiciary? Would it not adversely affect the work of the JSC to have to eliminate one of the primary consumers of the day-to-day work of the courts?

What about the role of the OPD at the Legislature? We believe we do serve a purpose in testifying on bills that affect our clients and the judicial system. We strive to offer credible, reliable testimony. For example, we do not cry “unconstitutional” at the drop of a hat but do raise such concerns when appropriate. We point out when a bill would have unintended consequences, particularly when it would have significant costs that had not yet been noted. Over the years, we believe our input has positively affected legislation through timely amendments and other changes.

We have also been called upon, on occasion, to assist in the drafting or review of proposed legislation, which we have always been willing to do. Would the OPD under the proposed HD1 have to stop all such activity if we were part of the branch of government which might be called upon to interpret the legislation if it ever came before the courts in a case?

The Judiciary as a rule do not take positions on proposed changes to statutes. Their representatives offer comment rather than support or opposition. How would our role change if we came under Judiciary supervision? Would the Legislature be well-served to have less input on such important issues as changes to the penal code affecting time of incarceration, penal responsibility and such other significant issues?

There is no indication that these and other unforeseen consequences were fully considered in the process leading up to the proposed HD1.

### **Rationale**

We are at a loss to understand the purpose of the proposed HD1. There was little explanation and no discussion prior to passage of the HD1 as it relates to the OPD. There was no explanation offered in the Committee Report that accompanied passage of the HD1.

There was no prior notice to or discussion with the affected parties. There are a number of statutory provisions that would be affected and/or impacted by the transfer of an office from the executive to the judicial branch, none of which are addressed in the proposed HD1.

It seems to come down to the simple but very wise adage, “If it ain’t broke, don’t fix it.” Our current placement in the executive branch is not broken but working well and requires no “fixing.”

### **Community Outreach Court Project**

Finally, HD1 removed SECTIONS 9 and 10 from PART III. PROGRAM APPROPRIATION PROVISIONS of H.B. No. 200 regarding appropriations for the community outreach court project for the Officer of the Public Defender, the Judiciary, and Prosecuting Attorney of the City and County of Honolulu.

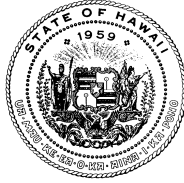
SECTION 9. Provided that of the general fund appropriation for the office of the public defender (BUF151), the sum of \$126,364 or so much thereof as may be necessary for fiscal year 2021-2022 and the same sum or so much thereof as may be necessary for fiscal year 2022-2023 shall be transferred to the judiciary for the administration and operation of the community outreach court project.

SECTION 10. Provided that of the general fund appropriation for the office of the public defender (BUF151), the sum of \$165,404 or so much thereof as may be necessary for fiscal year 2021-2022 and the same sum or so much thereof as may be necessary for fiscal year 2022-2023 shall be transferred to the office of the prosecuting attorney of the city and county of Honolulu for the operation of the community outreach court project.

The 2017 Legislature enacted Act 55, Session Laws of Hawai‘i 2017, which supported the establishment of a community outreach court project in the City and County of Honolulu. The community outreach court project is intended to help non-violent offenders charged with offenses which target the homeless community to attend court and clear all their outstanding cases. By taking care of their outstanding charges and bench warrants, the participants are in a better position to obtain necessities such as income assistance and housing. To resolve their cases, the community outreach court imposes alternative sentences.

Accordingly, we respectfully request this Committee to reinstate the OPD’s 133.50 permanent positions and funds to the DBF (BUF151) and the community outreach court project appropriations provision.

Thank you for the opportunity to comment on H.B. No. 200 HD1.



STATE OF HAWAII  
DEPARTMENT OF HEALTH  
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**Testimony COMMENTING on H.B. 200 HD1  
RELATING TO THE STATE BUDGET**

SENATOR DONOVAN M. DELA CRUZ, CHAIR  
COMMITTEE ON WAYS AND MEANS

Hearing Date: March 29, 2021

Room Number: 211 Via  
Videoconference

Time: 9:00am

1 **Fiscal Implications:** Several cuts to appropriations in HB200 HD1 will negatively impact core  
2 public health services, the details of which are provided below.

3 **Department Testimony:** The Department of Health (DOH) looks forward to working with the  
4 Legislature to craft a balanced budget that supports robust public health practice. Although the  
5 department opposes many of the proposed reductions that will have immediate and long-lasting  
6 impacts, DOH supports certain recommendations that increase special fund ceilings to assure  
7 continuity of operations and reduces overall general fund dependency.

8 **HEALTH RESOURCES ADMINISTRATION**

9 HTH590 Health Promotion and Chronic Disease Prevention Division

10 DOH opposes the 40% reduction general ("A") funds from \$6,882,284 to \$4,126,008. This  
11 reduction eliminates all general funded positions in the Chronic Disease Management Branch,  
12 cuts funding to remaining bilingual health aide positions across the Oahu and Neighbor Islands,  
13 eliminates all public health education for prevention and chronic disease management, eliminates  
14 all agreements for standards-based physical and health education and the School Wellness

1 Policy, and community-based walkable and bikeable neighborhood solutions. Funding cuts  
2 severely restricts the department's work achieving equity across Hawaii communities. 66% of  
3 people in Hawaii has at least one preventable chronic disease, which also increased risk for  
4 COVID-19 complications and death for Native Hawaiians, Pacific Islanders, Filipino, and people  
5 experiencing lower socioeconomic conditions. Preventable chronic disease is a major contributor  
6 to the life expectancy gap in communities, ranging from high 87 years to lowest 73 years. (The  
7 program distributes but does not retain the special fund appropriation in HTH590.)

8 HTH730 Emergency Medical Services and Injury Prevention Branch

9 DOH opposes the 100% reduction in general ("A") funds from \$68,933,353.00 to \$0.0, for  
10 FY23. This reduction eliminates all 911 ambulance funding statewide, the Hawaii Poison Hotline  
11 with its matching federal funds, the statewide suicide prevention program, and 13.4 FTE  
12 Emergency Medical Services (EMS) general funded positions. Hawaii will have no emergency  
13 ambulance service for its residents and visitors. Annually, more than 85,000 are transported by  
14 911 ambulance. Hawaii will have no poison center services that is currently providing a  
15 telehealth services to 7,000 callers of which 27% of callers were health care professionals. The  
16 State averages greater than 1000 suicides by poisoning per year. There will be no support  
17 available for these members of our community and their health care providers.

18 HTH131 Disease Outbreak Control Division

19 DOH opposes the reduction of operational funds in the amount of \$32,338 that currently support  
20 personal services and other expenses. Additionally, movement of funding from Other to Payroll  
21 to cover DOCD's Administrative Specialist III position is restricted by this bill. DOCD  
22 operational funds were already depleted with \$250K removed from Payroll this year; we have

1 had to temporarily cover permanent positions with federal funds and move Other funds into  
2 Payroll to maintain critical positions to lead and support Disease Investigations and to cover core  
3 administrative functions. Core investigation capacity and administrative support for activities is  
4 essential not just to maintain DOCD's capacity to respond to the COVID-19 pandemic, but also  
5 to ensure capacity of the Division to respond to any future threats. DOCD administrative  
6 positions sustain not only the hiring and administrative needs of DOCD itself, but also support  
7 multiple programs department-wide to address pandemic response gaps through hiring and  
8 procurement made possible by federally awarded funds. Removing additional funds adds further  
9 burden to be able to cover DOCD operational expenses. DOCD already met the request for  
10 reduced budget proposals by moving an Epi Specialist IV (disease investigator) position from  
11 state to supplemental federal COVID award funds. Other core positions are being supported by  
12 moving Other funds to Payroll. These adjustments are temporary and state funds for our program  
13 will need to be reinstated once federal COVID-19 funds are depleted for DOCD to maintain  
14 adequate disease investigation and administrative capacity. Additionally, the program may not be  
15 able to cover standby and callback pay, or vacation payouts should staff leave the program, as  
16 those payments cannot be made with federal dollars. We have already seen an increased number  
17 of retirements and staff turnover due to the stresses placed on staff by the COVID-19 pandemic  
18 response. Short-funding DOCD is short-sighted because it can compromise both current  
19 pandemic response and additionally impair the capability of the Division and DOH to detect and  
20 respond to any future pandemic or other emerging health threat.

21 HTH100 Communicable Disease and Public Health Nursing Division

1 DOH opposes the reduction of \$540,087 which is needed to adjust any payroll shortages due to  
2 unforeseen overtime, temporary assignment and salary differential expenditures that are outside  
3 employees' budgeted salaries. Loss of these funds will mean cuts to filled positions as the  
4 program will not be able to make payroll, due to recent salary increases negotiated under the  
5 terms of Union Collective Bargaining Adjustments. In addition, there is a line item for 5%  
6 turnover savings in HTH100/KJ with the amount of -543,293.

7 HTH561 Family Health Services Division

8 The Department opposes the \$3,042,949 reduction in general fund appropriations and positions  
9 that will affect the delivery of mandated Early Intervention services, services for medically  
10 fragile newborns, as well as prevention-based Family Planning and Perinatal Support services.  
11 Reducing funds for Early Intervention Services (EIS) through community-based providers will  
12 reduce and/or eliminate the availability of services across the state for newborns, infants, and  
13 toddlers with developmental delays. Elimination of a nurse position impacts the assessment, care  
14 coordination, and medical consultation for newborns and children with medical complications  
15 due to prematurity/low birth weight, congenital heart conditions, neurological disorders, and  
16 behavioral problems. Loss of the recurring general fund appropriations and a position for  
17 perinatal support services and family planning will eliminate basic maternal and child health  
18 public health programs that support birth spacing, intended pregnancies, preventive services for  
19 new mothers/babies, and basic family planning supports. Instead of reducing funding, Hawaii  
20 should be investing in the health and wellbeing of all women, children, youth, families, and  
21 communities. Improving the well-being of mothers, infants, and children is an important public  
22 health goal since their well-being determines the health of the next generation.





1 facilities and offices statewide, random moment audit services required for administrative  
2 claiming of federal dollars, and managing the department's overall recruitment, hiring, employee  
3 benefits and transactions, and labor relations functions.

4 Additionally, the DOH requests the concurrence for the Hawaii District Health Office (HDHO)  
5 trade-off/transfer of funds within programs in General Administration to fund the District Health  
6 Officer II position for the HDHO. The HDHO serves as the Hawaii island administrator for  
7 overseeing DOH operations on that island. It has been an essential position of leadership during  
8 normal times and in emergency response events like the Kilauea lava flow and the COVID-19  
9 pandemic (\$0; MOF: A). This position is the Director of Health's liaison to the Hawaii island  
10 community and county operations.

11 The Department requests that the Human Resources Office (HRO) maintains the Departmental  
12 Human Resources Officer that is in the middle of recruitment with applicant interviews slated to  
13 begin, and the filled positions slated to be reduced (HR Specialist V, HR Specialist IV, HR  
14 Technician VI, HR Specialist IV). If the proposed HB200 HD1 position reductions are not  
15 adjusted, the HRO will be cut by 32% and will be severely hamstrung and will likely increase  
16 DOH's exposure to grievances, internal complaints, lawsuits for failure to comply with  
17 respective collective bargaining agreements and/or statutory requirements.

18 The DOH respectfully requests the reinstatement of 2.0 FTE Information Technology positions.  
19 Position #47166 is an IT system administrator. The responsibilities include involves maintaining  
20 complex technical environments of VMWARE, Active Directory, Azure Cloud, Azure EMS,  
21 Dynamic 365, Tanium, Sentinel One, and system security, including implementation of security  
22 initiatives from ETS, and researching technology solutions to improve overall operational

1 efficiency. These are all critical IT components that provides the infrastructure for DOH  
2 applications to operate in an efficient manner. Filling this position will enable DOH to  
3 effectively manage the technical environments. Currently, an existing vendor support contract is  
4 being leveraged to assist with some of these responsibilities, but on-going support will be limited  
5 to funding availability. Please note that position #90010H is listed as #45576 on the budget  
6 worksheet, however the correct position number is #90010H, an IT System Analyst position  
7 responsible for supporting the highly complex case management system.

8 BEHAVIORAL HEALTH ADMINISTRATION

9 HTH501 Developmental Disabilities Division

10 DOH supports extension of the expenditures ceiling for Intellectual and Developmental  
11 Disabilities (I/DD) Medicaid Waiver Administrative Claiming Special Fund per Act 165, SLH  
12 2019. The expenditure ceiling in Act 9, SLH 2020 is set at \$3,200,000 for FY 2021 only. The  
13 request is to make this special fund recurring in DOH/BHA base budget beyond FY2021. This  
14 will allow the BHA to maximize the use of federal Medicaid administrative claiming to operate  
15 Home and Community-Based Services waiver for persons with intellectual and developmental  
16 disabilities and ensure compliance with all federal Medicaid requirements. In addition, the new  
17 expenditures ceiling includes the estimates of Special Fund Assessments Pursuant to Sections  
18 36-27 and 36-30, HRS. (\$3,200,000 in FY22 and FY23, MOF: B)

19 HTH430 Adult Mental Health Division

20 DOH support the request for the expenditure ceiling for the mental health and substance abuse  
21 special fund remain at FY21 level for FY22 to assure completion of projects initiated/supported  
22 through the fund.

1 The Department supports the intent of the re-organization and is reassessing the needs and  
2 present circumstances related to the proposed reorganization of the Developmental Disabilities  
3 Division, Adult Mental Health Division-Inpatient, Adult Mental Health Division-Outpatient,  
4 Child and Adolescent Mental Health Division, Alcohol and Drug Abuse Division, and  
5 Behavioral Health Administration. We are committed to working with Legislators to improve the  
6 behavioral health structures and systems to best serve the clients and community.  
7 Thank you for the opportunity to testify on this measure.

DAVID Y. IGE  
GOVERNOR



JOHN S.S. KIM  
CHAIRPERSON

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

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FOR: HB 200 HD1 Relating to the State Budget  
DATE: March 29, 2021  
TIME: 9:00 A.M.  
COMMITTEE: Committee on Ways & Means  
ROOM: Conference Room 211  
FROM: Yvonne Lau, Interim Executive Director  
State Public Charter School Commission

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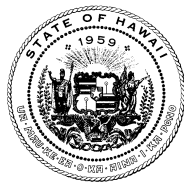
Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee:

The State Public Charter School Commission (“Commission”) appreciates the opportunity to submit this testimony providing **COMMENTS on HB 200** which appropriates funds for the operating and capital improvement budget of the Executive Branch for the upcoming fiscal biennium beginning July 1, 2021 through June 30, 2023. The Commission supports the Governor’s Fiscal biennium 2022-2023 budget package, including Governor’s Messages as submitted, which restores funding to EDN 600, the charter school per pupil allocation.

The Commission is aware that funding for charter schools is contingent on the primary program areas of the Department of Education and hopes that, as the budget process continues this session, there will be the opportunity to restore funds to EDN 600. The Commission is available to provide any assistance that is needed to facilitate the budget process on behalf of the charter schools throughout the State.

The Commission is also grateful for the support and commitment shown to the charter school Early Education program through the inclusion of funding in EDN 612 that will sustain the program through the biennium.

Thank you for the opportunity to provide this testimony.



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

**SENATE COMMITTEE ON WAYS AND MEANS**  
**Monday, March 29, 2021**

**9:00 am**

**Via Video Conference, State Capitol Room 211**

**By Stacey A. Aldrich**  
**State Librarian**

**H.B. 200 H.D.1 RELATING TO THE STATE BUDGET**

To: Chair Donovan Dela Cruz  
Vice Chair Gilbert Keith-Agaran  
Members of the Senate Committee on Ways and Means

The Hawaii State Public Library System (HSPLS) **supports** House Bill 200 H.B.1 relating to the State Budget, which appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2021-2022 and 2022-2023.

HSPLS will be able to operate with the operating budget provided in H.B. 200 H.B.1 but request for following amendments:

- **EDN407 operating budget worksheet page 540** – request that the \$240,000 be allocated to fund temporary and student helpers to help keep our public library doors open to the public.
- **EDN407 operating budget worksheet page 542-543** – request that the Librarian III, Library Assistant IV and two Librarian Assistant III positions not be permanently deleted. Loss of these positions would have long-term impacts on our ability to keep our doors open to the public to provide resources in underserved and economically vulnerable communities. We would not be able to provide equitable access to technology, the internet and resources that our communities need for education, workforce development, health and well-being.
- **EDN407 capital improvement project (CIP) worksheet page 157-159** – request that instead of specific line item appropriations as set forth in the HD1, that the requested CIP lump sum appropriation in H.B.200 be restored. The \$5m in lump sum appropriations for both FY22 and FY23 are needed to ensure completion of ongoing projects, as well as provide some funding to initiate new projects.

- **EDN407 federal funding ceiling** – HSPLS will receive a one-time increase of approximately \$2.3m in American Recovery Act Plan funds from the Institute of Museum and Library Services. The funding must be focused on specific priorities and will be available to HSPLS from April 2021 through September 2022.

HSPLS consists of 51 public library operations statewide on six islands. We are one of the few, if not only, state agencies that has been providing direct services to the public since May 2020. We continue to provide basic services despite budget reductions and budget restrictions while also trying to pivot our resources to meet new community needs.

In total, our 51 public libraries are operating with about 300 fewer employees at a time when there are increased requests for materials, technology access, community space, and other government agencies and community service organizations seeking partnerships with HSPLS to provide new and expanded public services to support resilience and recovery in our communities.

At the end of FY2020, 69 positions were frozen and we lost the funding to replace those employees; since the start of FY2021, roughly another 50 permanent staff have left HSPLS. Altogether, HSPLS has approximately 120 permanent staff vacancies out of 561 positions statewide. Budget reductions and budget restrictions have also eliminated funding to replace approximately 170 student helpers who provided behind-the-scenes support so that our library staff could serve the public. This loss of staffing has begun to impact our ability to provide services and remain open to the public during a time when our communities need us most.

Aside from not being able to keep our public library doors open, the inability to replace experienced permanent staffing consistently will present HSPLS with long-term impacts from gaps in experience and managerial skills. This issue will be particularly problematic on the neighbor islands where each library is its own separate operation.

HSPLS has stepped up to help provide new services needed by communities due to the impacts of the pandemic and economic crisis, but we need the Legislature's support in order to continue. We have serious concerns about burn out and/or the departure of additional staff if we are not able to fill more vacancies. Loss of positions and funding directly impact whether we can keep our doors open to the public at a time when they are relying on our services more than ever.

We understand the dire economic situation of the State. However, since the start of the pandemic, public libraries have continued to provide crucial access to technology, Wi-Fi, and materials that support needs of our communities. In many of our rural communities, public libraries are the only place where people have access to high-speed internet access – internet access is essential for employment, education and more. To ensure

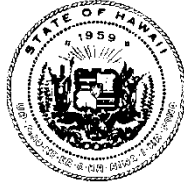
equitable access to our resources, we must have sufficient funding and staffing to keep our libraries open.

Over the last few years, the Legislature has also provided HSPLS with increased CIP funding to help address deferred health and safety projects and maintenance at many of our public library buildings. HSPLS is grateful to the Legislature for their support of our public libraries and recognition of their importance to their communities. More than 50% of our public library buildings are more than 50 years old and most have not had any significant repairs and improvements made to them since they were built.

HSPLS requests that the H.B. 200 CIP lump sum appropriation be restored so that HSPLS can complete projects that are already in the planning, design and construction process. We also note that the new line item appropriations outlined in H.D.1 do not have sufficient funding to be completed. Without the flexibility of lump sum funding, HSPLS would not be able to efficiently fund the completion of many projects.

Thank you for the opportunity to provide comments on this measure and the Committee's continued support of the Hawaii State Public Library System.

DAVID Y. IGE  
GOVERNOR



HAKIM OUANSAFI  
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO  
EXECUTIVE ASSISTANT

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

IN REPLY PLEASE REFER TO:

Statement of  
**Executive Director Hakim Ouansafi**  
Hawaii Public Housing Authority  
Before the

**SENATE COMMITTEE ON WAYS AND MEANS**

March 29, 2021 9:00 A.M.  
Room 211, Hawaii State Capitol

In consideration of  
**HB 200, HD1**  
**RELATING TO THE STATE BUDGET**

Honorable Chair Dela Cruz and Members of the Senate Committee on Ways and Means, thank you for the opportunity to provide testimony concerning House Bill (HB) 200, HD1 relating to the State Budget.

The Hawaii Public Housing Authority (HPHA) **supports the intent** of HB 200, HD1, which appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2021-2022 and 2022-2023 and offers the following comments.

The HPHA **does not** agree with the following HB 200, HD1 decisions to remove four (4) permanent positions in HMS 220, and to remove thirty-two (32) permanent positions and fifteen (15) temporary positions in HMS 229.

Removing these fifty-one (51) positions from the HPHA's Property Management and Maintenance Branch (PMMSB), Construction Management Branch (CMB), Procurement Office and Fiscal Management Office (FMO) will severely impact the HPHA in accomplishing its mission to provide adequate and affordable housing for low-income families, will severely impact federal funding that the HPHA relies on (over 95% of our funding is from federal sources), will gravely impact our HUD scores and impede our ability to compete for federal grants.



During the beginning of the COVID-19 pandemic in March of 2020, Executive Memorandum (EM) 20-01 was issued on April 3, 2020 to all Department Heads in regards to addressing the State's immediate funding needs to take immediate action to minimize potential budget shortfalls, and current and future position vacancies were deemed frozen until further notice, with exceptions. This had an effect on:

- PMMSB which performs management and maintenance of assigned housing, vacant land and equipment owned or managed by the HPHA; and works directly with residents in identifying their needs in order to assist in coordinating services and programs to meet those needs.
- CMB which provides overall administration for construction administration and technical assistance projects which are assisted by the HPHA to increase housing opportunities for low-income households, the elderly and special needs groups. Architectural and engineering review and inspection services are provided to contractors for the modernization, capital improvement, and repair and maintenance of existing facilities.
- The Procurement Office which provides central procurement, storekeeping, scope of services and inventory/inventory control services for all HPHA programs in accordance with State, Federal and HPHA requirements.
- FMO which is responsible for providing administrative assistance and advisory services in fiscal management, budget, and accounting services for the HPHA. FMO monitors State owned affordable housing rental contracts on behalf of the HPHA and oversee/manages the HPHA's assets, including real property.

Under the Annual Contribution Contract (ACC) with the U.S. Department of Housing and Urban Development (HUD), the HPHA must keep its units safe, decent, and sanitary at all times, making the HPHA a 24/7 operation agency. Although the offices are not staffed 24/7, the HPHA must respond at any time our approximately 40,000 tenants report an emergency or health and safety issues as housing is not something where a tenant can just wait until the office opens. Staff are required to respond to calls for emergency repairs, other emergencies such as fire, flood, fights, law enforcement matters, domestic abuse, and medical emergencies. Executive and Supervisory administrative staff, such as the Property Management Branch Chief and Office of the Executive Director, are notified when emergency responders are called to a property.

Obligations under the ACC include requirements, such as Cooperation agreements; Preparing operating budgets; Depository Agreements and General Fund, Pooling of funds; Books of account, records, and government access; Notices, defaults, and remedies; Conflict of interest; Civil Right requirements; and housing standards. The ACC also outlines remedies for breaches of contract with HUD.

As these positions are not General funded, the loss of these mission critical positions will severely impact HPHA operations such as processing payroll for employees, reconciling financial statements on a monthly basis, disbursing checks to vendors, procuring goods and services in a timely matter, negatively affect HUD Real Estate Assessment Center (REAC) scores, increase vacant units that will result in the loss of federal funds as our funding is based on occupied units, and will ultimately result in serving less vulnerable people who have lost their jobs and are in desperate need of permanent rental housing.

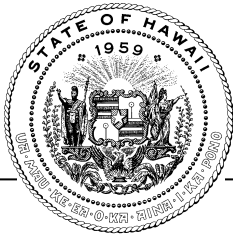
Throughout the COVID-19 pandemic, HUD provided waivers to delay certain tasks and activities with health and safety in mind to protect our public housing communities. These tasks include, but are not limited to, unit inspections, meeting with tenants, annual recertifications and performing non-life-threatening maintenance and repairs. These waivers are set to expire on June 30, 2021 and will most likely require additional staffing for vacant non-general funded positions. Additionally, once the eviction moratorium ends, staff will be required to send notices to hundreds of families that have not paid their rent. Every family is entitled to an informal meeting, a grievance hearing, and an eviction hearing. Those requests must be processed timely to meet existing regulations.

Please know that HUD will occasionally provide additional grant funding which the HPHA will apply for and receive. These additional federal funds go towards providing assistance to serve more needy families and are expeditiously distributed to the community. The most recent example is the HPHA's Section 8 Branch providing Section 8 vouchers to 838 families in December of 2020.

With the addition of these 838 families, the increased workload has resulted in additional case load burden for the entire Section 8 Branch and an increase in overtime. In 2018, the Legislature removed eight (8) permanent positions and funds for Rental Assistance Services (HMS222/RA), which prevented the HPHA from hiring additional staff to meet the Section 8 Branch administrative needs and also prevented additional families from being assisted. As you know, the HPHA is currently requesting (1) PERM PUBLIC HOUSING SUPERVISOR and four (4) PERM PUBLIC HOUSING SPECIALISTS I to administer the additional workload and we thank the House Finance Committee for concurring with the HPHA's request with the hopes that the Senate Ways and Means Committee will do the same.

We understand that the COVID-19 pandemic is undoubtedly one of the most life-changing events that we have seen in modern times and do not envy the task that you and the Legislature have in guiding us through in rebounding our economy. The HPHA stands ready to continue to assist our less fortunate brothers and sisters and hopes to be given the opportunity to recruiting and filling these much-needed positions.

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



# OFFICE OF PLANNING STATE OF HAWAII

DAVID Y. IGE  
GOVERNOR

MARY ALICE EVANS  
DIRECTOR  
OFFICE OF PLANNING

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813  
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Telephone: (808) 587-2846  
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Statement of  
**MARY ALICE EVANS**  
Director, Office of Planning  
before the  
**SENATE COMMITTEE ON WAYS AND MEANS**  
Monday, March 29, 2021  
9:00 am  
in consideration of  
**HB 200, HD 1**  
**RELATING TO THE STATE BUDGET.**

Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Senate Committee on Ways and Means:

The Office of Planning (OP) **supports the intent** of HB 200, **appreciates amendments** made in the HD 1, and **offers comments**.

HB 200, HD1, consolidates various government land use and environmental policy functions of different agencies into the Office of Planning and carries over reductions from the Governor's budget request and reduction of a critical existing position, the Transit-Oriented Development Program Manager. This position is filled on a TA basis due to the Covid hiring freeze.

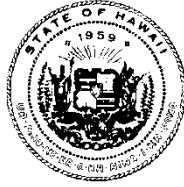
OP respectfully requests that the TOD Program Manager position and funds be restored, as OP's workload to enable development of state lands around transit stations and hubs is growing.

The HD1 transfers the LUC budget (BED 103) into the Office of Planning (BED 144). This transfer, combined with HB 1149, consolidates the LUC with OP, but retains the LUC's autonomy and structure. HB 1149 provides for a policy firewall between the LUC and OP, however a fiscal firewall is also needed. OP respectfully requests that funds and positions for the LUC be transferred back to BED 103. OP has the capacity to provide accounting support for additional Program IDs.

The HD1 also transfers the Office of Environmental Quality Control (OEQC) from the Department of Health (HTH 850) to OP. This consolidation seems beneficial to both agencies, but the implementing bill, HB 1318, HD1, was not heard in the Senate subject matter committees. Language from HB 1318 could be added to HB 1149 if the bill is heard by WAM, if the Senate is so inclined.

The HD1 also transfers the Land Survey Division from DAGS (AGS 211/HA) to OP. This transfer does not have an enabling bill to support discussion.

The Office of Planning *thanks* the Legislature for recently passing [Act 45, SLH 2020](#), and is actively working on the sustainable development and climate adaptation of the state to meet the needs of the present without compromising the ability of future generations of Hawai'i to meet their own needs. Mahalo for the opportunity provide testimony on HB 1149, HD 1.



**STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
677 QUEEN STREET, SUITE 300  
Honolulu, Hawaii 96813  
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of  
**DENISE ISERI-MATSUBARA**  
Hawaii Housing Finance and Development Corporation  
Before the

**SENATE COMMITTEE ON WAYS AND MEANS**

March 29, 2021 at 9:00 a.m.  
State Capitol, Room 211

In consideration of  
**H.B. 200, H.D. 1**  
**RELATING TO THE STATE BUDGET.**

The HHFDC supports H.B. 200, H.D. 1 with requested amendments. HHFDC would like to express its concerns with the reductions to its operating budget related to the elimination of key positions and reduction in expenditure ceilings made by the House Committee on Finance in the H.D. 1. We respectfully request this Committee consider restoring the operating budget so that HHFDC can continue to effectively finance and develop affordable housing for the state of Hawaii.

HHFDC's ability to continue financing and developing affordable housing will be adversely affected by the proposed reduction in positions. H.B. 200, H.D. 1 captured the position vacancy count of 15 FTE from a point in time last year during the hiring freeze. We would like to take this opportunity to provide more current information for your consideration. Eight (8) of the 15 impacted positions have either been filled, are in the hiring process of being filled, or are in recruitment. Four (4) additional positions are necessary to retain personnel in specialized fields to be competitive with what the market pays for such talent, knowledge, and expertise.

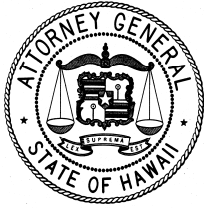
The H.D. 1 also reduced line item amounts for Payroll Adjustment (\$20,400 in BED160HD) and Other Payroll (\$9,472 in BED160HF). These amounts are needed to cover costs that are not budgeted, such as salary differentials resulting from temporary assignments to cover emergency or scheduled absences by another employee, vacation payout at termination, or to cover insufficient payroll adjustments obligated by collective bargaining agreement.

We respectfully request that the reductions in position count and salary ceilings in the H.D. 1 be reconsidered in the context of more current information on status of the agency so that HHFDC may retain its recently-hired staff, continue the recruitment process, and keep the flexibility it needs to attract and keep qualified employees.

H.B. 200, H.D. 1 also includes the following General Obligation Bond appropriations, which HHFDC strongly supports:

- \$20,000,000 in FY2022-2023 for infusion into the Dwelling Unit Revolving Fund, which may be used for the acquisition of real property; development and construction of residential, commercial, and industrial properties; interim and permanent loans to developers; development of regional infrastructure; and any and all things necessary to carry out the purposes of the Housing Development Program, including administrative expenses.
- Infusions into the Rental Housing Revolving Fund, which finances the development of rental housing for very low- and low-income families and individuals, including the homeless and special need groups, of:
  1. \$25,000,000 in FY 2022-2023;
  2. \$38,000,000 in FY 2021-2022 and \$38,000,000 in FY2022-2023 to replace dedicated conveyance tax revenues over the fiscal biennium; and
  3. \$40,000,000 in FY 2021-2022 for financing of the Hawaii Public Housing Authority's Senior Affordable Housing Project to be located on School Street, Honolulu, Oahu.

We respectfully request your favorable consideration of these requests. Thank you for the opportunity to testify.



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
THIRTY-FIRST LEGISLATURE, 2021**

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**ON THE FOLLOWING MEASURE:**

H.B. NO. 200, H.D. 1, RELATING TO THE STATE BUDGET.

**BEFORE THE:**

SENATE COMMITTEE ON WAYS AND MEANS

**DATE:** Monday, March 29, 2021 **TIME:** 9:00 a.m.

**LOCATION:** State Capitol, Room 211, Via Videoconference

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

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Chair Dela Cruz and Members of the Committee:

The Department of the Attorney General (Department) provides the following comments and respectfully requests retainment of the positions that the H.D. 1 proposes to abolish. Attached to this testimony is a listing of the positions that would be abolished or partially abolished and the impact of the Department's not having each of these positions.

The Department requests reconsideration of any proposal to eliminate positions. Many of the identified positions are either special funded or partially special funded. The Department is also concerned that discontinuing the general fund portion for some of the positions would cause the State to lose the applicable federal grants as they require the State to match the funding.

The Department is responsible, among many things, for representing the State in civil and criminal cases, investigating violations of state laws and initiating actions to enforce the laws or prosecute the violators, providing legal opinions or advice to the Governor, the Legislature, and the heads of state agencies, advising state officials on legal matters so they may faithfully execute their duties and responsibilities, and defending and representing state officials and employees when they are sued for actions committed during and within the scope of employment. The Department also provides child support enforcement services to families, conducts child support

hearings, plans and implements crime prevention programs, maintains current and accurate records in our criminal data base, and administers the State's sex offender registration system.

The Department is committed to fulfilling our duties to the State and its communities. It is especially important for the Department to retain these positions at this moment. Our resources have been stretched thin because of the past position reductions and/or defunding, the current hiring freeze, and the need to focus more resources to address the pandemic. We also expect increases in caseloads once the courts fully reopen and a demand for more services due to the negative impacts the pandemic had on the State and the communities.

The following are the specific positions eliminated by the H.D. 1, which we respectfully request be reinstated:

**1. ATG100 (Office of Child Support Hearings (OCSH))**

- a. Position #102115, Child Support Hearings Officer
- b. Position #102116, Child Support Hearings Officer
- c. Position #49335, Legal Assistant III

**Impact:** Hearing Officers (HOs) conduct administrative child support hearings statewide and have the same jurisdiction as Family Court Judges. With these positions fully staffed (the positions have been vacant since October 1, 2020 and September 1, 2020, respectively), HOs conducted 1,888 hearings last year despite the pandemic, even when the Family Courts were not hearing the cases. The positions need to be filled to maintain the uninterrupted service to the public and provide continuous relief to minimize case congestion within the Family Court System. Not filling the positions would worsen the case backlog within the Family Court system, already exacerbated by the pandemic, and negatively impact the public. Position #49335 (Legal Assistant III) plays a critical role in assisting the OCSH unit with high volume discovery and the filing of legal documents in ongoing child support cases.

**2. ATG100 (Family Law Division)**

- a. Position #101171, Deputy Attorney General

- b. Position #37479, Legal Clerk (Hilo)

**Impact:** Position #101171 (Deputy Attorney General) is responsible for providing legal advice and representation across multiple divisions within the Department of Human Services, Department of Health, and Department of Education. Losing this position would affect the level of the legal services provided to these divisions. Position #37479 plays an important role in providing support in the Hilo office.

3. **ATG100 (Criminal Justice Division - Medicaid Fraud Control Unit (MFCU))**

- a. Position #100411, Deputy Attorney General
- b. Position #30098, Legal Assistant III
- c. Position #29623, Office Assistant III

**Impact:** MFCU investigates and prosecutes provider fraud involving medical assistance programs, as well as patient abuse and neglect statewide. Currently, MFCU has only one full-time deputy dedicated to prosecuting its cases. MFCU is 75% federally funded and the retainment of the federal funding depends on MFCU meeting its performance standards, including the requirement to adequately staff the unit, that are set and overseen by the Office of Inspector General. **Failure to fulfill its staffing requirements will jeopardize MFCU's 75% federal funding.**

4. **ATG100 (Criminal Justice Division – Hawaii Internet Crimes Against Children (HI ICAC))**

- a. Position #122746, Investigator V

**Impact:** The purpose of the HI ICAC is to protect Hawaii's keiki from the harm caused by adult sexual predators who use computers, cellular phones, and cyberspace to facilitate child sexual exploitation, child sexual enticement, and child sex trafficking in the State. A loss of even one of the special agents will severely hamper the ability of the HI ICAC to investigate and prosecute technology-facilitated child sexual exploitation and internet crimes against children.



5. **ATG100 (Criminal Justice Division – Tobacco Enforcement Unit (TEU))**

- a. Position #43884, Legal Clerk
- b. Position #111856, Investigator V (Investigations Division Position assigned to TEU)

**Impact:** These positions are special funded from tobacco settlement and cigarette tax moneys. Recruitment actions have been initiated for Position #43884. It is the single legal clerk position for TEU. Both positions are essential for the successful operation of TEU, which is critical for the State's obligation to diligently enforce the Master Settlement Agreement. The tobacco industry has rigorously challenged the states' diligent enforcement of the MSA. **If found to be non-diligent in its enforcement, the State is in danger of losing tens of millions of dollars from the MSA settlement.**

6. **ATG100 (Human Services Division)**

- a. Position #101027, Deputy Attorney General
- b. Position #40721, Legal Assistant III
- c. Position #49321, Legal Clerk

**Impact:** The retainment of the positions is important to maintain the level of services the Human Services Division provides to its clients. Especially, position #101027 (Deputy Attorney General) is critical as it primarily represents the Department of Human Services (DHS), Division of Vocational Rehabilitation, including the Blind Vendor Program, as well as the Financial Management Office, the Investigations Office for DHS, and General Assistance Program.

7. **ATG100 (Investigations Division)**

- a. Position #49338, Investigator V

**Impact:** This position is **currently filled** by an 89-day hire and paid for with the Department of Health Care Homes funds.

8. **ATG100 (Employment Law Division)**

- a. Position #101270, Deputy Attorney General

**Impact:** This position provides critical legal advice and representation defending various state agencies in court litigation and arbitration for employment discrimination cases. Filling this position is essential for the Department to be able to provide proper representation and defense to the various state agencies in employment litigation.

9. **ATG100 (Tort Litigation Division)**

a. Position #6249, Legal Secretary

**Impact:** It is a supervisory position responsible both for providing secretarial services and administrative support to the division supervising deputy and supervising the legal clerks who provide legal support and office services for the deputies in the division. Filling the position is important for the smooth operation of the division and its demands associated with a high volume of incoming and outgoing documents, and many rushed deadlines.

10. **ATG100 (Legislative Division)**

a. Position #29005, Legal Clerk

**Impact:** It is the single support position for the division and without a legal clerk to provide clerical assistance to the deputies within the division, the clerical duties would fall on the deputies, potentially affecting the level of legal services in the legislative matters to the Governor and other state agencies, as well as the Legislature.

11. **ATG100 (Crime Prevention and Justice Assistance Division)**

a. Position #110144, Criminal Justice Planning Specialist

**Impact:** The position is responsible for the grant administration and management of several federal grant programs – critical to ensuring that federal funding can be awarded in a timely manner and state and county agencies can successfully implement their projects. Federal restrictions do not allow other grant management positions in the Grants and Planning Branch to cover this position, as **the restrictions prohibit federally funded positions from conducting work that is outside the scope of the grant program.**

12. **ATG231 (Criminal Justice Data Center (HCJDC))**: The H.D. 1 removes two positions assigned to the Information Systems Section at the HCJDC, one position assigned to the Sex Offender Unit, and another assigned to the Data Integrity Unit:

- a. Position #47829, Information Technology Band A:
- b. Position #117159, Information Technology Band B:

**Impact:** Recruitment actions have been initiated for these positions. Without the required IT personnel, HCJDC system updates and compliance with state and federal requirements, including the following programs and services, will be impacted:

- Criminal Justice Information Services (CJIS) -Hawaii upgrades (statewide criminal history repository).
- Advanced Interactive eXecutive (AIX) infrastructure refresh/replacement - AIX houses CJIS-Hawaii database and interfaces to the federal criminal justice systems. Hardware has reached end-of-life and unsupported equipment does not meet federal security policies. **Failure to successfully update the AIX infrastructure would subject the State to high risk of unsecure criminal history and result in failure to transmit data to state and federal law enforcement.**
- Automate court records to CJIS-Hawaii - Delayed court records, including dispositions, result in inaccurate criminal history records. HCJDC is mandated by state statutes to provide timely and accurate criminal history record information (CHRI) to criminal justice and law enforcement agencies. Automate Prosecutor data to CJIS-Hawaii - Delayed prosecution data, including case outcomes, result in inaccurate criminal history records. HCJDC is mandated by state statute to provide timely and accurate CHRI to criminal justice and law enforcement agencies.

- Application update to transmit data to the federal criminal history systems via a federal mandated National Information Exchange Model (NIEM) XML format and Web Services – the Federal Bureau of Investigation (FBI) has required states to transmit criminal history and communicate with federal agencies via Web Services in NIEM XML format by September 2022. **Failure to update communication methods puts Hawaii in noncompliance with Federal policies and risks Hawaii data rejection at the FBI** and inability to transmit data nationally.

c. Position #52799, Office Assistant IV (Sex Offender Unit)

d. Position #117715, Office Assistant IV (Data Integrity Unit)

**Impact:** Recruitment actions have been initiated for these positions. These positions are required to maintain and update the offender registry and CJIS-Hawaii in a timely manner.

**13. ATG500 (Child Support Enforcement Agency (CSEA)):**

- a. Position #118469, Legal Assistant III
- b. Position #42606, Legal Assistant III
- c. Position #41347, Investigator III
- d. Position #119094, Professional Trainee II
- e. Position #37407, Accountant III
- f. Position #37335, Support Payments Officer
- g. Position #118484, Supervising Legal Clerk (Hilo)
- h. Position #40701, Legal Assistant III
- i. Position #119165, Investigator IV
- j. Position #118475, Legal Clerk
- k. Position #37342, Support Payments Officer
- l. Position #37350, Support Payments Officer
- m. Position #38061, Office Assistant III
- n. Position #117864, Social Service Assistant IV
- o. Position #30110, Account Clerk II

- p. Position #42395, Office Assistant III
- q. Position #117866, Social Service Assistant IV
- r. Position #38421, Office Assistant III
- s. Position #110169, Support Payments Officer

**Impact:** The nineteen positions identified in the H.D. 1 are critical to maintain timely child support services to the public. The positions proposed to be eliminated represent 9.5% of the CSEA's total allocated positions. All the positions under the CSEA receive 66% matching funds with only 34% being funded with general funds. **For every \$1 that the agency receives from the state general fund, \$2 is received from the federal government.** Any budget restriction on CSEA's general fund appropriations reduces the agency's available funds by threefold. Please see the attached listing for the details of the critical role each position plays in the successful operation of the CSEA.

CSEA is under strict federal regulations that establish timeframes in which the agency must provide child support services to families. The agency is evaluated on these requirements every year and must meet specific performance measures in five different categories based on a data reliability audit.

The loss of these positions would adversely impact the agency's ability to meet these five performance measures and possibly **result in a loss of federal incentive funding and/or a penalty and loss imposed on Temporary Assistance for Needy Families (TANF) funding received by the Department of Human Services.** The incentive funds are used to supplement, but not to supplant, the agency's general and federal funding sources for operational purposes. The Office of Child Support Enforcement has also established that the agency's base spending in general funds is \$5,546,266 per year. **This base amount must be maintained to avoid a non-compliant penalty which will result in disallowances of federal**

**funds.** A loss of federal funding would require 100% of the agency's operations to be funded with general funds.

#### **14. The Law Enforcement Standards Board**

The Department also respectfully requests funding to pay for the positions of an executive director and staff and basic operational supplies and costs for the Law Enforcement Standards Board. The Law Enforcement Standards Board, established in 2018 by section 139-2, Hawaii Revised Statutes, is responsible for establishing minimum standards for employment as a law enforcement officer and certifying persons qualified as law enforcement officers. It is also responsible for establishing minimum criminal justice curriculum requirements for basic, specialized, and in-service courses and programs for the training of law enforcement officers. It must consult and cooperate with the counties, state agencies, other governmental agencies, universities and colleges, and other institutions, concerning the development of law enforcement officer training schools and programs. The board is also responsible for regulating and enforcing the certification requirements of law enforcement officers. The board has been tasked to finalize its standards and certification process by December 31, 2021.

To accomplish its mission and statutory requirements, the board needs funding to pay for an executive director and staff, and basic operational supplies and costs. The board has requested funding in its reports to the Legislature for both the 2020 and 2021 Sessions.

The Department appreciates this opportunity to provide comments.

**House Vacancy Reductions**

<u>Prog ID</u>	<u>Sub- Org</u>	<u>Date of Vacancy</u>	<u>Position Number</u>	<u>Position Title</u>	<u>SR Level</u>	<u>Perm Temp (P/T)</u>	<u>FTE</u>	<u>MOF</u>	<u>Budgeted Amount</u>	<u>Priority # to Retain</u>	<u>Impact Statement</u>	
ATG100	AA	4/1/2020	6249	LEGAL SECRETARY	18	P	1.00	A	64,176	6	<p>This is a supervisory position with a two-part responsibility. First, the incumbent of this position provides secretarial services and administrative support to the supervising attorney who serves as the chief of a litigation division. The work of the division is to ensure that lawsuits against the State are properly handled to protect State resources. The impact to the division without this position is that the supervising attorney would be left without administrative support which will directly interfere with the effective work of the division. For example, there would be a delay in processing State and departmental administrative forms required for the continued functioning of the division. In addition, if the supervising attorney is required to spend more time on such administrative work without support, it will usurp the supervising attorney's time needed for the litigation of the cases and impede the division's ability to successfully litigate and resolve its cases. Second, the incumbent of this position is the supervisor of the legal clerks who provide legal support and office services for the deputies in the division. The negative impact of this second prong is that the litigation division would suffer numerous setbacks, such as the improper and/or untimely filing of legal documents, the failure to maintain office files and records, the failure to properly initiate and process administrative forms (e.g., personnel, fiscal, etc.), and a failure to properly secure and maintain office equipment and supplies. Without this position, the overall impact to the division will be that we cannot properly and effectively defend the State against the lawsuits filed against it and result in larger and unnecessary payouts of taxpayer monies to resolve these cases. Coverage of this position currently by Temporary Assignment due to hiring freeze</p>	TLD
ATG100	AA	10/1/2020	29005	LEGAL CLERK	14	P	1.00	A	54,876	7	<p>Without a legal clerk to input and track assignments and provide support, the attorneys have to cover the clerical responsibilities and providing evaluation and testimony of legislative proposals and bills will be delayed, probably resulting in late testimony. When not in session, the legal clerk is needed to help finalize reports to the Legislature, administrative rules and track assignments. Coverage currently by Temporary Assignment</p>	LEG

ATG100	AA	6/16/2020	37479	LEGAL CLERK (HILO)	14	P	1.00	A	35,676		Providing clerical and litigation support for two deputy attorneys general, normally provided by two legal clerks, will be delayed, probably resulting in days with no support at all. Coverage currently handled by only one legal clerk.	FLD
ATG100	AA	12/1/2019	40721	LEGAL ASSISTANT III	20	P	1.00	A	69,540	16	Provides legal research and litigation support for Deputies advising and representing Department of Human Services, document review and management for contracts, and reviews and tracks requests for records our DHS clients receive; Without the support provided by this position, the review and production of documents is delayed, and general office efficiency is hampered, resulting in slower turnaround times for assignments back to the clients.	HHSD
ATG100	AA	11/19/2020	43884	LEGAL CLERK	14	P	1.00	A	54,876	8	<u>This is a special funded position, paid for with from tobacco settlement and cigarette tax moneys.</u> This is single legal clerk who provides support for the entire Tobacco Enforcement Unit (TEU) and its attorneys. TEU is tasked with diligently enforcing the Master Settlement Agreement and the Hawaii statutes related to it. Persistent, diligent enforcement of the MSA is essential to the State's continued receipt of MSA moneys. Failure to do so may result in Hawaii losing a significant portion of its annual MSA payments in the near future. The tobacco industry has rigorously challenged the states' diligent enforcement of the MSA. In 2013, Pennsylvania was one of six states found to be non-diligent in the most recent completed MSA arbitration and lost over \$116 million of its expected annual MSA payment. Hawaii's risk may conceivably also be in the tens of millions of dollars if found to be non-diligent – <u>for each year contested.</u> TEU handles criminal cases while regulating tobacco retailers across the state (over 1,000), and since 2018 registering and monitoring over 640 electronic smoking device retailers. A vacancy reduction of the sole legal clerk in the unit will negatively impact the unit's ability to diligently enforce tobacco laws, to prepare for arbitration, to handle any filed cases and to handle the filings and phone calls from the hundreds of retailers. <b>Already in active recruitment</b>	CJD
ATG100	AA	8/1/2019	49321	LEGAL CLERK	14	P	1.00	A	43,368	21	Provides clerical support and administrative case management for litigation and advice for Deputies representing the Department of Humans Services. Without the support provided by this position, the review and production of documents is delayed, and general office efficiency is hampered, resulting in slower turnaround times for assignments back to the clients.	HHSD



ATG100	AA	9/1/2019	49335	LEGAL ASSISTANT III	20	P	0.34	A	24,118	9	The legal assistant's role is critical in assisting the Office of Child Support Hearings (OCSH) unit with high volume discovery and the filing of legal documents in on-going child support cases. Without the support of a legal assistant, the Unit will be negatively impact OCSH's case load management and administrative support to the unit and to the general public	OCSH
ATG100	AA		49338	INVESTIGATOR V	24	P	1.00	A	61,938	2	Currently filled by an 89-day hire temporarily assigned and paid for with DOH Care Homes funds	INV
ATG100	AA	9/1/2020	101027	DEPUTY ATTORNEY GENERAL	NA	P	1.00	A	107,916	1	This Deputy position primarily represents the Department of Human Services Division of Vocational Rehabilitation, including the Blind Vendor Program (Ho'opono); additional areas of responsibility include the Financial Management Office, and the Investigations Office for DHS, as well as the General Assistance Program.	HHSD
ATG100	AA	8/28/2020	101171	DEPUTY ATTORNEY GENERAL	NA	P	0.50	A	46,512	1	This deputy provides legal advice and representation across multiple divisions within The Department of Human Services, Department of Health, Department of Education and Hawaii Health Systems Corporation. Not being able to fill this position will impact these departments in obtaining legal services as well as creating a heavier case load for other deputies in the Family Law Division. (DHS-CWS, DHS-APS, DHS-OYS, DOH-CAMHD, DOH-AMHD, DOH-HSH, DOH-DDD, DOE, OPG, HHSC)	FLD
ATG100	AA	6/1/2020	101270	DEPUTY ATTORNEY GENERAL	NA	P	1.00	A	110,604	1	This deputy position provides critica legal advice and representation defending various state agencies in court litigation and arbitration regarding employment discrimination. Not filling this position impact the various state agencies in receiving representation and proper defense in employment litigation	ELD

ATG100	AA	10/1/2020	102115	CHILD SUPPORT HEARINGS OFFICER	NA	P	0.34	A	31,568	1	Hearings Officers (HOs) conduct administrative child support hearings statewide, and have the same jurisdiction as Family Court Judges. HOs issue orders that establish and modify child support, which affects the welfare of thousands of children statewide. HO service the public in a direct and vital way, which is to ensure that the children of Hawaii receive the appropriate amount of child support. They also ensure that parents pay a fair amount of child support according to their income situation, which may have changed several times during the pandemic. HOs were able to conduct statewide child support hearings by telephone during the pandemic when the court system was not available, which meant that people did not have to wait to receive relief and services. Last year HOs conducted 1888 hearings, and consistently conduct the most hearings of any administrative office statewide annually. Not filling this position would negatively impact the public, and would create a case backlog within the Family Court system from handling these cases in a timely manner. This position need to be filled to continue uninterrupted service to the public and to provide continuous relief to minimize case congestion within the Family Courts.	OCSH
ATG100	AA	9/1/2020	102116	CHILD SUPPORT HEARINGS OFFICER	NA	P	0.34	A	32,290	1	See above Child Support Hearings Officer statement	OCSH
ATG100	AB	2/3/2020	29623	OFFICE ASSISTANT III	8	P	0.25	B	7,210	3	Currently there is only 1 support staff for the entire unit. Without an office assistant to assist with the work load, the productivity of the unit is restricted. The current support staff might be retiring at the end of the year. Therefore, in order to have a smooth transition of knowledge and information, the MFCU requires an office assistant to train and transition into the anticipated vacancy.	CJD- MFCU
ATG100	AB	1/29/2020	30098	LEGAL ASSISTANT III	20	P	0.25	B	13,436	3	The legal assistant's role is critical in assisting the prosecutors with high volume discovery and the filing of legal documents in on-going complex Fraud and Elder Abuse cases. The Legal Assistant also tracks and organizes complex civil litigation that generates revenue for the Unit. Without the support of a legal assistant, the Unit will be negatively impacted.	CJD- MFCU

ATG100	AB	10/31/2020	100411	DEPUTY ATTORNEY GENERAL	NA	P	0.25	B	26,778	1	Currently, the Medicaid Fraud Control Unit (MFCU) has only 1 full-time attorney dedicated to prosecuting its cases. Losing a Deputy Attorney General position will severely impact the Unit by creating an overload of cases which will compromise the protection of the Medicaid program and the safety of vulnerable elderly patients who reside in care facilities statewide. The unit will not be able to meet its performance standards as required by its federal oversight, Office of Inspector General (OIG). It is vital that this position be filled in order for the MFCU to comply with OIG's requirements to adequately staff the MFCU. If the Unit does not fulfill its staffing requirements, the Unit's 75% Federal Funding will be in jeopardy.	CJD- MFCU
ATG100	AE	3/16/2020	111856	INVESTIGATOR V	24	P	1.00	B	57,168	2	Assigned to Tobacco Enforcement Unit and paid with special funds	INV
ATG100	AI		122746	INVESTIGATOR V	24	P	1.00	A	63,168	2	The purpose of the Hawaii Department of the Attorney General, Hawaii Internet Crimes Against Children (HI ICAC) Unit to protect Hawaii's Keiki from the harm caused by adult sexual predators who use computers, cellular phones and Cyberspace to facilitate child sexual exploitation, child sexual enticement and child sex trafficking in the State of Hawaii. The Hawaii Department of the Attorney General is the lead agency running the ICAC Task Force and coordinates all ICAC investigations and operations with partner agencies in the state such as the Honolulu, Maui, Kauai and Big Island Police Departments. For example, on March 11th, 2021 the HI ICAC Unit in coordination with the Maui Police Department ran Operation Keiki Shield (OKS) where seven child predators were arrested attempting to have sex with children as young as 13 years old. A loss of even one of these special agents will severely hamper ability of the HI ICAC Unit to investigate and prosecute technology facilitated child sexual exploitation and internet crimes against children affecting the Keiki of Hawaii. The HI ICAC Unit has run OKS operations on every Island except the Big Island but plans to run an OKS on the Big Island in the future.	CJD- ICAC

ATG100	AC	10/1/2020	110144	CRIM JUS PLNG SPEC	NA	T	0.60	A	34,322	10	This position is responsible for the grant administration and management of the following federal grant programs: Byrne Justice Assistance Grant, Paul Coverdell Forensic Science Grant, and Project Safe Neighborhoods Grant. In addition, state-funded Grant-in-Aid projects are assigned to this position. This position is critical to ensuring that federal funding can be awarded in a timely manner and state and county agencies can implement their projects and impact the communities that they serve. Redistributing grant responsibilities within the Grants and Planning Branch is problematic as positions are funded by specific grant programs. Federal restrictions do not allow positions to conduct work that is outside the scope of the grant program.	CPJA
ATG231	BC	2/5/2020	47829	INFORMATION TECHNOLOGY BAND A	22	P	1.00	W	50,772	4	Position is assigned and responsible for HCJDC's application development and support for the systems that process criminal history information, disseminate CHRI to State and Federal law enforcement and conduct criminal back ground checks. Impact of not filling this position will be inability to maintain programming and development of new features /modifications for Criminal Justice Information System, Identification processing system aka LOTC, and State wide booking system. Not filling will result in projects having to be re-prioritized, which will result in delay/ completion of other projects such as CJIS Hawaii upgrades, AIX program, Standardized Rap sheets, and disaster recovery and data back up systems would be critically impacted if not routinely maintained <b>Already in active recruitment</b>	HCJDC
ATG231	BC	4/6/2020	52799	OFFICE ASSISTANT IV	10	P	1.00	W	38,592	5	Position is assigned to Sex Offender Unit. Individual assigned to position is responsible to ensure offenders are abiding by the 846E HRS. Impact; eliminating position will result in offenders information not being updated in a timely manner which will not allow criminal justice agencies and the public the most current information on offender. <b>Already in active recruitment</b>	HCJDC

ATG231	BC	1/16/2020	117159	INFORMATION TECHNOLOGY BAND B	24	P	1.00	W	72,324	4	Position is assigned and responsible for HCJDC's application development and support for the systems that process criminal history information, disseminate CHRI to State and Federal law enforcement and conduct criminal back ground checks. Also handles project management, business analysis, technical analysis and risk assessment. Impact of not filling this position will be inability to maintain Information System section responsible for business analysis of new processes/ modifications to Criminal Justice Information System, Identification processing system aka LOTC, and State wide booking system. Not filling will result in projects having to be re-prioritized, which will result in delay/ completion of other projects such as CJIS Hawaii upgrades, AIX program, Standardized Rap sheets, and disaster recovery and data back up systems would be critically impacted if not routinely maintained. <b>Already in active recruitment</b>	HCJDC
ATG231	BC	1/24/2020	117715	OFFICE ASSISTANT IV	10	P	1.00	W	29,988	4	Position is assigned to Data Integrity Unit. Individual assigned to position is responsible for ensuring the information in the Criminal Justice Information System is accurate and updated in a timely manner. Impact: there will be a delay in the most current information (arrest, conviction, parole status etc.) available to criminal justice agencies state and nationwide and to the public, which could determine if individual is granted or denied a firearm permit, qualifies or disqualifies a person for employment and or licensing i.e. nursing, foster care, child care, liquor etc. <b>Already in active recruitment</b>	HCJDC
ATG500	GA	4/1/2019	30110	ACCOUNT CLERK II	8	P	0.34	A	12,358		The Account Clerk II position is located in the statewide disbursement branch (SDB) of the CSEA. This office is responsible for maintaining and ensuring the accuracy of all financial records in the statewide computer system. Federal regulations require segregation of duties of this position from other positions within that office to ensure financial integrity. Therefore, coverage of this position's responsibilities is limited. This position is responsible for the daily verification of all checks issued with the audit control list which could be up to a 1,000 a day, the proper allocation and disbursement of payments entered into individual cases, and responding to parties requests for payments information for housing qualifications. Delays in the timely verification and processing of payments could put the CSEA in jeopardy of failing to meet its two-day federal disbursement requirement.	CSEA

ATG500	GA	10/1/2019	37335	SUPPORT PAYMENTS OFFICER	15	P	0.34	A	16,929	11	The SPO position is responsible for all enforcement actions including the timely processing of income withholding orders to employers, representing CSEA in enforcement hearings, and providing in-person customer service. There are currently 5 vacant SPO positions out of 16. Because of vacancies in the social service positions, the SPO's have had to cover other job duties like processing interstate actions and taking shifts in the call center in addition to their normal responsibilities. This position must be filled in order to ensure the continual and timely collection of child support payments for families in approximately 60,000 active cases.	CSEA
ATG500	GA	2/12/2020	37342	SUPPORT PAYMENTS OFFICER	15	P	0.34	A	16,266	12	See above Support Payments Officer statement	CSEA
ATG500	GA	2/12/2020	37350	SUPPORT PAYMENTS OFFICER	15	P	0.34	A	14,474		See above Support Payments Officer statement	CSEA
ATG500	GA	12/16/2019	37407	ACCOUNTANT III	20	P	0.34	A	18,314	13	The Accountant III position is located in the statewide disbursement branch (SDB) of the CSEA. This position is responsible for managing the branch responsible for the maintenance of all financial case records. Directs and supervises all financial adjustments. The agency must comply with strict federal requirements regarding allocation and distribution of child support and this position ensures the agency remains in compliance. Continued vacancy could impact the agency's performance in the annual data reliability audit and affect federal funding.	CSEA
ATG500	GA	4/1/2020	38061	OFFICE ASSISTANT III	8	P	0.34	A	13,920	14	This position is in the CSEA clerical operations support office. This office is critical to the efficient functioning of the entire agency as they receive all incoming mail and process all outgoing mail. On average staff process approximately 20,000 pieces of incoming correspondence and send out about 30,000 pieces of correspondence a month. Processing includes entering applications for services, opening cases in the agency's statewide computer system, processing income statements and entering requests for hearings for the administrative order process, entering new hire information and employment verification, updating address information, and performing courier service for CSEA, DLIR, ETS, and DHHL. Delays in the timely processing of requests could have negative financial implications on the parties that the agency serves.	CSEA
ATG500	GA	9/5/2020	38421	OFFICE ASSISTANT III	8	P	0.34	A	9,787		See above Office Assistant III statement	CSEA

ATG500	GA	8/31/2019	40701	LEGAL ASSISTANT III	20	P	0.34	A	16,602	9	There are currently 3 Legal Assistant vacancies. Filling at least 1 or 2 vacancies would allow the branch to maintain processing the significant workload, which includes approximately 150-200 default orders and representing CSEA at approximately 160-200 hearings per month to establish, modify, and terminate child support. The inability to fill at least 1 or 2 vacancies will negatively affect service to the public by limiting the agency's ability to issue timely administrative child support orders for families seeking to support their children and ensure they are financially self-sufficient.	CSEA
ATG500	GA	1/31/2020	41347	INVESTIGATOR III	20	P	0.34	A	20,621	18	This position has the critical responsibility of locating custodial and non-custodial parents, ensuring that the agency has updated contact information, and reviewing and preparing proposed administrative orders and income withholding orders for service on both parties, among other duties. The location of parents is an essential step in the agency's obligation to collect and disburse child support payments. If this position is not filled, it would limit the agency's ability to locate responsible parents, thereby reducing child support collections and payments to custodial parents.	CSEA
ATG500	GA	11/1/2019	42395	OFFICE ASSISTANT III	8	P	0.34	A	11,895	19	See above Office Assistant III statement	CSEA
ATG500	GA	10/31/2020	42606	LEGAL ASSISTANT III	20	P	0.34	A	22,300	7	See above Legal Assistant III statement	CSEA
ATG500	GA	7/4/2019	110169	SUPPORT PAYMENTS OFFICER	15	P	0.34	A	2,145	17	See above Support Payments Officer statement	CSEA
ATG500	GA	12/31/2019	117864	SOCIAL SERVICE ASSISTANT IV	11	P	0.34	A	13,366	15	The Social Service Assistant IV position assigned to the CSEA's Call Center has the responsibility of answering customer service calls during business hours. Inability to recruit and fill this position requires other staff to cover the responsibilities that take away from their own duties. The agency receives and responds to over 4,400 calls per month.	CSEA
ATG500	GA	6/20/2020	117866	SOCIAL SERVICE ASSISTANT IV	11	P	0.34	A	10,990		See above Social Service Assistant IV statement	CSEA
ATG500	GA	8/6/2020	118469	LEGAL ASSISTANT III	20	P	0.34	A	23,560	5	<b>Gov already approved- in active recruitment</b>	CSEA

ATG500	GA	8/1/2020	118475	LEGAL CLERK	14	P	0.34	A	16,266	5	Gov already approved- in active recruitment	CSEA
ATG500	GA	6/1/2019	118484	SUPERVISING LEGAL CLERK (HILO)	18	P	0.34	A	16,929	6	The Supervising Legal Clerk is a critical position in the Hawaii Family Support & Operations Branch. The Supervising Legal Clerk is responsible for supervising, training, and reviewing the work of 7 positions in the Hilo and Kona offices, and is also responsible for processing all intergovernmental mail. With the position being vacant, the work of the Supervising Legal Clerk has had to be assumed by the Branch manager/Deputy Attorney General, the legal assistants and legal clerks. This has caused a slowdown in the processing of cases, low office morale and a backlog of administrative work.	CSEA
ATG500	GA	2/12/2020	119094	PROFESSIONAL TRAINEE II	20	P	0.34	A	20,621	20	This position is personally assigned approximately 800 complex cases that require special attention. This position is responsible for managing cases from initiation until closure. This position also provides ongoing staff training and works on special projects and rush cases as assigned by management. The inability to fill this position would require the redistribution of these complex cases to other positions, adding to their already high caseloads.	CSEA
ATG500	GA	9/19/2020	119165	INVESTIGATOR IV	22	P	0.34	A	16,398	8	This position is primarily responsible for locating and contacting case participants to verify addresses. Verified current addresses of the case participants are essential for the timely disbursement of child support payments. Verified addresses also protect the due process rights of the parties by ensuring proper service of process for enforcement actions. When child support checks are returned as undeliverable, this position is also tasked with locating the party, verifying identification, and reissuing checks. The inability to fill this position would impair the agency's ability to disburse funds to the families who need the financial support.	CSEA



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 SENATE COMMITTEE ON WAYS AND MEANS  
HEARING ON MARCH 29, 2021 AT 9:00AM VIA VIDEOCONFERENCE**

**HB 200, HD1, RELATING TO THE STATE BUDGET**

March 29, 2021

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

Thank you for the opportunity to provide comments on House Bill 200, HD1, which appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2021-2022 and 2022-2023 including funds for our two (2) programs, HHL 602 – Planning and Development for Hawaiian Homesteads and HHL 625 – Administration and Operating Support. This measure proposes a reduction of \$1,385,520 in general fund support severely hampering DHHL’s ability to meet its mission by abolishing 19 positions and leaving an additional 28 positions unfunded, effectively eliminating the ability to fill 47 total positions. This represents a reduction of 23.5 percent of DHHL’s personnel resources since FY 2020 budget levels of 200 permanent positions. DHHL requests that general funding for the Personal Services category be restored as requested in the biennium budget request.

DHHL supports the budget proviso section 5 which provides a federal fund revolving fund appropriation under the Native American Housing Assistance and Self-Determination Act (NAHASDA) for direct loan financing. DHHL notes the correct reference to NAHASDA in this testimony. DHHL also supports the capital improvement program budget as it advances the Hawaiian home lands program for homesteading purposes and addresses safety and health concerns of its aging infrastructure.

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/session2021/testimony/Info\\_Testimony\\_WAM-HWN\\_01-05-21\\_HHL.pdf](https://www.capitol.hawaii.gov/session2021/testimony/Info_Testimony_WAM-HWN_01-05-21_HHL.pdf). While DHHL’s obligation to make this request is clear, the operating budget included in the Governor’s Biennium 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.

**HB-200-HD-1**

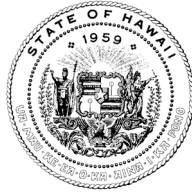
Submitted on: 3/28/2021 7:31:32 AM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Maureen Bates	Testifying for HMS DVR	Comments	No

Comments:

Will stand on Department of Human Services testimony and remain available for questions.



## OFFICE OF ENTERPRISE TECHNOLOGY SERVICES

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Testimony of  
DOUGLAS MURDOCK  
Chief Information Officer  
Enterprise Technology Services

Before the

SENATE COMMITTEE ON WAYS AND MEANS  
MARCH 29, 2021

HOUSE BILL No. 200 HD1  
RELATING TO THE STATE BUDGET

Dear Chair Dela Cruz, Vice Chair Keith-Agaran and members of the committee:

The Office of Enterprise Technology Services (ETS) provides the following **comments** on this measure which is intended to adjust and request appropriations for fiscal biennium 2021-2023 funding requirements for operations and capital improvement program (CIP) projects of executive branch agencies and programs.

### OPERATING

**SEQ# 21-002** – Trade-off funds from Enterprise Technology Services – Operations and Infrastructure Maintenance (AGS131EA) to Enterprise Technology Services – Governance and innovation (AGS131/EG) to fund (1) perm OIMT Services Officer (#121122).

**ETS opposes this adjustment** - Reduction of (1) permanent OIMT admin Services Officer (Pos. #121122) and requested funding (\$100,000).

This ETS Administrative Services Officer (ASO) position was vacated on February 29, 2020. ETS was in the process of recruiting to fill the positions. Unfortunately, recruitment was suspended due to the budget crisis and subsequent hiring freeze. Not having this position filled is severely impacting the State's ability to provide contract administration oversight and guidance for critical, enterprise IT system modernization projects managed by DAGS and ETS (e.g., HawaiiPay HR, payroll, time and leave; FAMIS Modernization, Mainframe as a Service, etc.), and by other Departments (DOE, DHS, DOH, DLIR, DOT, DOTAX, AG, DoD, etc). This ETS ASO position oversees 4 sections and 10 positions, is responsible for ETS accounting, budgeting, financial analysis, purchasing, and personnel actions. The ETS ASO supports the CIO and ETS branch managers in day to day operations and functions, as well as liaising with other Departments and organizations for establishing and maintaining inter-departmental

agreements and memoranda of understanding. This position needs to be restored to maintain the critical level of service needed by the State to successfully implement IT enterprise projects in support of the State of Hawaii IT Strategic Plan.

**SEQ# 1100-002** – Reduce (1) permanent position and funds for Enterprise Technology Services – Operations and Infrastructure Maintenance – Systems Services (AGS131/EB)

**ETS opposes this adjustment** - (1) perm IT Band B (#44235; \$88,248)

The recent retirement of a key experienced and skilled individual who held this position left the Mainframe computing environment without a full time Systems Software Branch (SSB) Systems Programmer responsible for Mainframe z/OS systems programming, online system administration, troubleshooting, and disaster recovery administration. Contractors are currently filling the skills gaps. However, the inherent institutional knowledge that this function contributes to the continued maintenance and operation of the Mainframe environment cannot be regained and sustained by contractors. The elimination of this position will result to multiple single points of failures and could slow down the process of keeping the mainframe systems up to date in compliance with Federal and Internal Audit requirements.

**SEQ# 1100-001** – Reduce (1) permanent position and funds for Enterprise Technology Services – Operations and Infrastructure Maintenance – Administration (AGS131/EA).

**ETS opposes this adjustment** – (1) perm Secretary II (#43025; \$50,304)

Due to the pandemic and budget restraints, three Secretary II positions were defunded and subsequently deleted. The incumbent in this position retired on Dec. 31, 2019. ETS was in the process of recruiting to fill the position. Unfortunately, recruitment was suspended due to the budget crisis and subsequent hiring freeze. Elimination of another Secretary II position will result in additional administrative support duties to be performed by an already limited admin support staff for ETS. There are multiple branches with no designated admin support, which causes a significant time burden on other operational and managerial staff; retention of this position is critical to ETS operations.

**SEQ# 1120-002** – Reduce funds from other personal services for Enterprise Technology Services for Enterprise Technology Services – Operations and Infrastructure Maintenance – Systems Services (AGS131/EB).

**ETS opposes this adjustment** – Reduce funds \$70,970 (Temp Asgmt \$750, Vacation \$70,220)

Further reducing the payroll budget will directly affect operations. These funds are needed to cover other necessary payroll costs mandated by collective bargaining agreements. Due to the current hiring freeze and elimination of positions staff have been temporarily assigned to other critical positions and often are working overtime to maintain the current level of services we provide to the Executive branch and the State of Hawaii. If these funds were eliminated the ability to cover payroll costs within the current budget may be jeopardized and could result in the elimination of services provided and possible delays in response time to network outages.

**SEQ# 1120-003** – Reduce funds from other personal services for Enterprise Technology Services – Operations and Infrastructure Maintenance – Production Services (AGS131/EC)

**ETS opposes this adjustment** – Reduce funds \$35,969 (Temp Asgnmt \$13,000, Adjustment \$22,969)

Further reducing the payroll budget will directly affect operations. These funds are needed to cover other necessary payroll costs mandated by collective bargaining agreements. Due to the current hiring freeze and elimination of positions staff have been temporarily assigned to other critical positions and often are working overtime to maintain the current level of services we provide to the Executive branch and the State of Hawaii. If these funds were eliminated the ability to cover payroll costs within the current budget may be jeopardized and could result in the elimination of services provided and possible delays in response time to network outages.

**SEQ# 1120-004** – Reduce funds from other personal services for Enterprise Technology Services – Operations and Infrastructure Maintenance – Technical Support Services (AGS131/ED)

**ETS opposes this adjustment** – Reduce funds \$62,285 (Temp Asgnmt \$810, Adjustment \$61,475)

Further reducing the salary budget will directly affect operations. These funds are needed to cover other necessary salary costs mandated by collective bargaining agreements. Due to the current hiring freeze and elimination of positions staff have been temporarily assigned to other critical positions and often are working overtime to maintain the current level of services we provide to the Executive branch and the State of Hawaii. If these funds were eliminated the ability to cover salary costs within the current budget may be jeopardized and could result in the elimination of services provided and possible delays in response time to network outages.

**SEQ# 1120-005** – Reduce funds from other personal services for Enterprise Technology Services – Operations and Infrastructure Maintenance – Client Services (AGS131/EE)

**ETS opposes this adjustment** – Reduce funds \$150,157 (Temp Asgnmt \$1,500, Adj. \$148,657)

Further reducing the salary budget will directly affect operations. These funds are needed to cover other necessary salary costs mandated by collective bargaining agreements. Due to the current hiring freeze and elimination of positions staff have been temporarily assigned to other critical positions and often are working overtime to maintain the current level of services we provide to the Executive branch and the State of Hawaii. If these funds were eliminated the ability to cover salary costs within the current budget may be jeopardized and could result in the elimination of services provided and possible delays in response time to network outages.

**SEQ# 1120-006** – Reduce funds from other personal services for Enterprise Technology Services – Operations and Infrastructure Maintenance – Telecommunication (AGS131/EF)

**ETS oppose this adjustment** – Reduce funds \$6,000 (Temp Asgmt \$6,000)

Further reducing the salary budget will directly affect operations. These funds are needed to cover other necessary salary costs mandated by collective bargaining agreements. Due to the current hiring freeze and elimination of positions staff have been temporarily assigned to other critical positions and often are working overtime to maintain the current level of services we provide to the Executive branch and the State of Hawaii. If these funds were eliminated the ability to cover salary costs within the current budget may be jeopardized and could result in the elimination of services provided and possible delays in response time to network outages.

**SEQ# 1120-001** – Reduce funds from other personal services for Enterprise Technology Services – Operations and Infrastructure Maintenance – Administration (AGS131/EA).

Adjustment – Reduce funds \$674

**ETS opposes** this adjustment but will work within proposed reduction.

**SEQ# 1000-001** – Transfer-in (137) permanent Positions, (1) temporary Position and funds from Information and Technology Services (EDN300/UA) to Enterprise Technology Services – Operations and Infrastructure Maintenance (AGS131).

**ETS opposes this adjustment.** This would be disruptive to both organizations with no immediate efficiencies and benefits to meet the needs of the constituents they serve and would need to be supported by some legislative changes to some DOE and ETS statutes.

**SEQ# 1000-002** – Transfer-in funds for other current expenses and equipment from information and technology services (EDN300/UA) to enterprise technology services – Operations and infrastructure Maintenance (AGS131).

**ETS opposes this adjustment.** This would be disruptive to both organizations with no immediate efficiencies and benefits to meet the needs of the constituents they serve and would need to be supported by some legislative changes to some DOE and ETS statutes.

**SEQ# 69-001** – Reduce (7) permanent position for Enterprise Technology Services – Operations and Infrastructure Maintenance – Production Services (AGS131/EC).

**ETS comments.** ETS appreciates the restoration of these positions. These positions play a critical role in the daily (seven days a week) processing of key services including Unemployment Insurance, Disability Compensation, Child Support Enforcement, the State financial system (FAMIS), DOE's financial management system, and the Welfare Information System. However, funding was not included in the House draft changes which will create challenges to restore funding for these positions.

**SEQ# 69-101** – Reduce (6) permanent position for Enterprise Technology Services – Operations and Infrastructure Maintenance – Client Services (AGS131/EE).

**ETS Comments:** ETS appreciates the restoration of these positions. Due to numerous retirements over the past 18 months (1 Branch Manager, 2 Section Managers and 4 Project Managers), a reduction in funding for Client Services would not allow hiring into vacant positions which lead and support multiple Information Technology (IT) systems for State Executive Branch departments. The reduction in funding and subsequent inability to fill these vacant positions would be detrimental for Client Services to effectively support these IT systems. The departments and IT systems include: The Department of Labor and Industrial Relation (DLIR) – numerous Unemployment Insurance Systems and Disability Compensation. The Department of Accounting and General Services (DAGS) – Central Warrant Writer and Warrant Reconciliation. The Department of Budget and Finance (DBF) – Budget Request, CIP Budget Summary, Interest Allocation and Bond Allocation and Tracking. The Department of Commerce and Consumer Affairs (DCCA) – Professional and Vocational Licensing. However, funding was not included in the House draft changes which will create challenges to restore funding for these positions.

**SEQ# 66-001** – Reduce (10) temporary positions and funds for enterprise technology services – Governance and innovation (AGS131/EG)

**ETS Comment:** ETS is agreeable to the HD1 proposal.

## **CAPITAL IMPROVEMENT PROJECTS**

**ETS opposes** HD1 proposal that did not include \$12M for Data Centers, Renovations, Replacements, and/or New, Statewide for costs related to full replacement of ETS Data Center in the Kalanimoku Building and other Data Center Needs.

The current Kalanimoku data center cannot be brought up to current acceptable standards for safe operation of critical state IT systems, more general funds will be needed to move equipment to commercial facilities. The data center is housed in the 50-year-old Kalanimoku building basement which requires a complete electrical, air handling, cable management, and physical security redesign and renovation work to bring it to current standards. It is important to stress that the data center is in the basement of a building at the edge of the extreme tsunami flood zone, Moreover, the basement area has had notable water leakage during heavy rains in the past year.

Continuing operations in the Kalanimoku data center puts the State information technology infrastructure in the data center at risk from rain, tsunami, building electrical issues, and physical breaches.

**ETS opposes** HD1 proposal that adds \$9,773M for broadband Infrastructure for Department of Education for infrastructure at Department of Education Schools.

ETS does not have sufficient staff to manage or oversee this project for DOE.

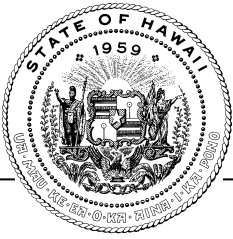
**ETS comments.** **ETS opposes** HD1 proposal that did not add \$1.443M for ERP Capital improvements Program Staff Costs for costs related to wages for permanent project-funded staff

HB200  
Testimony of DOUGLAS MURDOCK  
COMMITTEE ON WAM  
PAGE 6

positions for the implementation of Enterprise Resource Planning Projects. However, ETS is agreeable to the proposal.

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





# HAWAII STATE ENERGY OFFICE STATE OF HAWAII

DAVID Y. IGE  
GOVERNOR

SCOTT J. GLENN  
CHIEF ENERGY OFFICER

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Testimony of  
**SCOTT J. GLENN, Chief Energy Officer**

before the  
**SENATE COMMITTEE ON WAYS AND MEANS**

Monday, March 29, 2021  
9:00 AM  
State Capitol, Conference Room 211 and Videoconference

In consideration of  
**HB 200, HD1**  
**RELATING TO THE STATE BUDGET.**

Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee, the Hawaii State Energy Office (HSEO) **offers comments** on HB 200, HD1, which appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2021-2022 and 2022-2023.

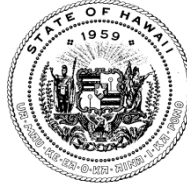
Act 122, Session Laws of Hawaii 2019, gave HSEO a new mandate “to promote energy efficiency, renewable energy and clean transportation to help achieve a resilient clean energy economy.” HSEO is focused on guiding Hawaii’s transition to a resilient, clean energy economy with the following priorities: energy assurance and resiliency; renewable energy deployment; energy efficiency; clean transportation; stakeholder and community education, outreach, and engagement; and data analytics. HB200, HD1 makes reductions to staffing and overlooks the need for working capital needed to turn these priorities into actions to help achieve Hawaii’s ambitious clean energy and climate goals.

HSEO respectfully requests the following amendments to HB200, HD1, as proposed in the Executive Biennium Budget:

- Trade-off funds (\$88,208/\$88,208 MOF A) to cover payroll shortage, otherwise HSEO's Other Current Expenses will be further strained to cover payroll obligations;
- Trade-off funds (\$108,000/\$108,000 MOF A) to 2 unfunded positions (#119367 and #119414). Without this funding, HSEO would be unable to fill positions to support two critical economic development and clean energy initiatives: the state's transition to clean transportation and supporting the use of renewable energy resources. A position is currently funded by the Volkswagen Environmental Mitigation Trust but is restricted by Trust terms to VW activities/initiatives focusing on diesel and a narrow range of clean transportation solutions. Funding the clean transportation position would facilitate various initiatives the Legislature is considering, including state fleet conversion, rental fleet conversion, any associated task forces, increasing public charging availability, and the general public zero emissions vehicle conversion. A second need is to fill a position to support renewable energy project development to support offshore wind, geothermal, biomass, hydrogen, innovative solutions such as waste or carbon dioxide to jet or other fuels, among other renewable energy resources and technologies.
- Convert permanent position #12697 to temporary along with funding (\$117,537/\$117,537 MOF A). Without the position and funding, HSEO will be unable to fill a key position to support and manage the state's lead by example program to coordinate and facilitate state agencies implementing cost-effective energy efficiency measures including energy performance contracting; state building code council operations and energy code reviews and updates; the solar water heater variance program; coordination of the private energy sector on energy efficiency to better assist homes/businesses to save money and reduce energy usage; support LMI families benefiting from the broadband initiative who will also see increases in electricity bills

- from increased electrical device usage; and the cross-sector energy savings opportunities through mode shift and complete streets to reduce energy usage and implement more energy efficient technologies.
- Retain Energy Analyst #100401 position and funding (\$83,064/\$83,064 MOF A). Without the position and funding, its duties and responsibilities would continue to be added to another position. The additional workload has resulted in disruption and delays in reviewing Solar Water Heater Variance applications and responding to questions and requests; diversion of effort from other high priority projects and in-house analyses; delays in process improvements and needed Administrative Rules updates.
  - Establish an expenditure ceiling for the Energy Security Special Fund (\$600,000/\$400,000 MOF B) to provide working capital and cost match for federal grants. Without ESSF working capital, HSEO could forfeit \$600,000 of federal funds from FEMA for the development of prioritized energy mitigation strategies for critical Oahu facilities to help Oahu communities become more energy resilient to hazards. Increased hazards from climate change such as rain bombs, coastal flooding, heat waves, as well more traditional hazards such as volcanoes and tsunami all pose risks to critical energy facilities that in turn allow hospitals, police stations, fire stations, schools, and other emergency response functions. This grant assists with identifying priority strategies ahead of hazards. \$600,000 would be reimbursable with federal funds.

Thank you for the opportunity to testify.



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

March 29, 2021

9:00 A.M.

State Capitol, CR211, Via Videoconference

**H.B. 200, H.D. 1**  
**RELATING TO THE STATE BUDGET**

Senate Committee on Ways and Means

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The Department of Transportation (DOT) offers **comments with strong concerns** regarding some aspects of this bill, which appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2021-2022 and 2022-2023.

In general, the DOT concurs with the bill, except for some adjustments listed below. The department requests for your favorable consideration of DOT's proposed alternatives.

**Airports:**

TRN102, Daniel K. Inouye International Airport

1. **Adjustment: Seq #103-001** Add funds for current lease payments (/ \$716,969B; / \$1,261,974B)

**Impact Statement:** The House FIN concurs with additional funds needed for current lease payments. However, the House states that funding for FY23 is non-recurring. The lease payment is an on-going expense. The second year (FY23) total becomes the base budget for the following biennium upon which any adjustments are requested.

**Alternative Reduction:** None. The Airports Division requests the funding identified as recurring.

TRN 104, General Aviation

2. **Adjustment: Seq #100-001** Add funds for security services (/ \$99,000B; / 99,000B)

**Impact Statement:** The House FIN concurs with additional funds needed for security services. However, the House states that funding would be from Passenger Facility Charge (PFC) special fund. PFC funds can only be used for generally AIP eligible projects which needs airline concurrence and FAA approval.

**Alternative Reduction:** None. The Airports Division requests the funding be from the Airport Revenue fund.

3. **Adjustment: Seq #101-001** Add funds for current lease payments (/\$11,781B;/\$20,736B)

**Impact Statement:** The House FIN does concur with additional funds needed for current lease payments. However, the House states that funding for FY23 is non-recurring. The lease payment is an on-going expense. The second year (FY23) total becomes the base budget for the following biennium upon which any adjustments are requested.

**Alternative Reduction: None.** The Airports Division requests the funding identified as recurring.

TRN111, Hilo International Airport

4. **Adjustment: Seq #101-001** Add funds for current lease payments (/\$35,932B;/\$63,247B)

**Impact Statement:** The House FIN does concur with additional funds needed for current lease payments. However, the House states that funding for FY23 is non-recurring. The lease payment is an on-going expense. The second year (FY23) total becomes the base budget for the following biennium upon which any adjustments are requested.

**Alternative Reduction: None.** The Airports Division requests the funding identified as recurring.

TRN114, Ellison Onizuka Kona International Airport at Keahole

5. **Adjustment: Seq #103-001** Add funds for current lease payments (/\$83,998B;/\$147,849B)

**Impact Statement:** The House FIN does concur with additional funds needed for current lease payments. However, the House states that funding for FY23 is non-recurring. The lease payment is an on-going expense. The second year (FY23) total becomes the base budget for the following biennium upon which any adjustments are requested.

**Alternative Reduction: None.** The Airports Division requests the funding identified as recurring.

TRN116, Waimea-Kohala Airport

6. **Adjustment: Seq #101-001** Add funds for current lease payments (/\$1,099B;/\$1,935B)

**Impact Statement:** The House FIN does concur with additional funds needed for current lease payments. However, the House states that funding for FY23 is non-recurring. The lease payment is an on-going expense. The second year (FY23) total becomes the base budget for the following biennium upon which any adjustments are requested.

**Alternative Reduction: None.** The Airports Division requests the funding identified as recurring.

TRN131, Kahului Airport

7. **Adjustment: Seq #102-001** Add funds for current lease payments (/\$141,375B;/\$248,841B)

**Impact Statement:** The House FIN does concur with additional funds needed for current lease payments. However, the House states that funding for FY23 is non-recurring. The lease payment is an on-going expense. The second year (FY23) total becomes the base budget for the following biennium upon which any adjustments are requested.

**Alternative Reduction: None.** The Airports Division requests the funding identified as recurring.

TRN133, Hana Airport

8. **Adjustment: Seq #100-001** Add funds for current lease payments (/ \$431B; / \$760B)

**Impact Statement:** The House FIN does concur with additional funds needed for current lease payments. However, the House states that funding for FY23 is non-recurring. The lease payment is an on-going expense. The second year (FY23) total becomes the base budget for the following biennium upon which any adjustments are requested.

**Alternative Reduction:** None. The Airports Division requests the funding identified as recurring.

TRN135, Kapalua Airport

9. **Adjustment: Seq #101-001** Add funds for current lease payments (/ \$2,670B; / \$4,700B)

**Impact Statement:** The House FIN does concur with additional funds needed for current lease payments. However, the House states that funding for FY23 is non-recurring. The lease payment is an on-going expense. The second year (FY23) total becomes the base budget for the following biennium upon which any adjustments are requested.

**Alternative Reduction:** None. The Airports Division requests the funding identified as recurring.

TRN141, Molokai Airport

10. **Adjustment: Seq #101-001** Add funds for current lease payments (/ \$5,498B; / \$9,677B)

**Impact Statement:** The House FIN does concur with additional funds needed for current lease payments. However, the House states that funding for FY23 is non-recurring. The lease payment is an on-going expense. The second year (FY23) total becomes the base budget for the following biennium upon which any adjustments are requested.

**Alternative Reduction:** None. The Airports Division requests the funding identified as recurring.

TRN151, Lanai Airport

11. **Adjustment: Seq #101-001** Add funds for current lease payments (/ \$9,425B; / \$16,589B)

**Impact Statement:** The House FIN does concur with additional funds needed for current lease payments. However, the House states that funding for FY23 is non-recurring. The lease payment is an on-going expense. The second year (FY23) total becomes the base budget for the following biennium upon which any adjustments are requested.

**Alternative Reduction:** None. The Airports Division requests the funding identified as recurring.

TRN161, Lihue Airport

12. **Adjustment: Seq #102-001** Add funds for current lease payments (/ \$59,163B; \$104,136B)

**Impact Statement:** The House FIN does concur with additional funds needed for current lease payments. However, the House states that funding for FY23 is non-recurring. The lease payment is an on-going expense. The second year (FY23) total becomes the base budget for the following biennium upon which any adjustments are requested.

**Alternative Reduction:** None. The Airports Division requests the funding identified as recurring.

**HARBORS:**

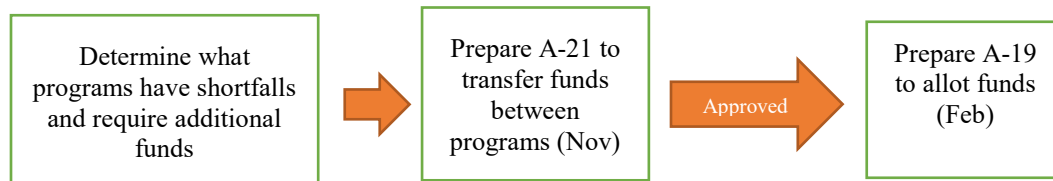
**OPERATING AND MAINTENANCE (O&M) ADJUSTMENTS**

TRN301, 303, 311, 313, 331, 333, 341, 351, 361, 363, and 395

1. **Adjustment: TRN301 Seq #30-001, 31-001, 32-001, 33-001, 34-001; TRN303 Seq #30-001; TRN311 Seq # 30-001; TRN313 Seq #30-001; TRN331 Seq #30-001; TRN333 Seq #30-001; TRN341 Seq #30-001; TRN351 Seq #30-001; TRN361 Seq #30-001; TRN363 Seq #30-001; TRN395 Seq #30-001 - NOT CONSOLIDATING HARBORS TRN PROGRAMS**

**Impact Statement:** The impact of not consolidating the Harbors TRN programs is the continuation of inefficient work processes that affect the harbors from funding various harbor efforts to modernize its work processes and changing operational needs and program shortfalls that arise from increases in contract security, utilities, repairs, and maintenance costs. As noted in Civil Beat Article of 3-25-21, the PUC Chair stated that Oahu utilities costs may triple during 2022 with HECO replacing coal (AES contract expiring) with oil. Should utility costs increase by 3 times current costs, the Harbors needs an efficient process to transfer funds by program (e.g. TRN 301 - Honolulu Harbor transferred \$177,000 to TRN 303 - Kalaeloa Barbers Point Harbor which would have been short in funding for FY 21). Also, TRN 395 – Harbors Administration will transfer funds to TRN 351 - Kaunalapau Harbor, which will be short in personal services funding since no additional budget was provided for collective bargaining adjustments (salary raises) nor the increase in fringe benefits resulting from the salary raises.

**Alternative Reduction:** The only alternative to deferring electrical bills or other needs not contemplated (e.g. PUC’s claim of triple the utilities costs) is to transfer funds and positions between programs via A-21 and A-19s as a stop gap annual measure. Because annual transfer of funds is subject to B&F and Gov approvals, these processes does not support effective planning in the continuation of operations where 80% of the goods are imported and 98% flow through the harbor system. Below is the typical flow of processing A-21 and A-19s when addressing shortfalls. This current solution is not effective and not sustainable. It is time consuming for all parties involved in preparing, processing, and implementing transfers (Harbors, DOT, B&F, DAGS). The process creates uncertainty until approval is received and takes time to prepare and process while program needs “sit” and wait for funds to be transferred. Payments for security services are sometimes pushed back until funding is available to cover costs.



Examples of program transfers:

Year	Amount Transferred
2017	\$450,000
2019	\$759,931
2020	\$391,000
2021	\$459,855

**TRN 301, Honolulu Harbor**

TRN 301 REDUCTION OF \$5,856,364 - General Comments: The DOTH believes that when de-consolidating the 1 program into 10 budget programs, the reduction to TRN 301 may have been an error. The reductions may have been intended for TRN 395 - Harbors Administration, where most of the vacancies are located in the program and not TRN 301 – Honolulu Harbor which cannot sustain the reductions without significant impact to operations. And, where 80% of the goods are imported and 98% flow through Honolulu Harbor and transshipped to the neighbor islands, \$5.856 million is a 28.1% reduction.

TRN 301	FY2021 Budget	FB2019-2023 Base Budget (Includes CB Adjustment)
Personal Services	\$11,031,747	\$11,451,581
O&M (Other Current Expenses)	\$9,425,314	\$9,425,314
TOTAL	\$20,457,061	\$20,876,895
Reduction	(\$5,856,364)	(\$5,856,364)
	-28.6%	-28.1%

**2. Adjustment: Seq #1120-001 - PAYROLL ADJUSTMENT (\$856,364B; \$856,364B)**

**Impact Statement:** It is possible that the HB 200, HD1 adjustment was made when reverting back to 10 programs from one program and intended to reduce TRN 395 which has the most vacancies. The current fringe benefit budget of \$3,095,480 was based on the 50.75% rate. Zeroing out TRN 301’s Payroll Adjustment budget of \$856,364 would result in a shortage of \$126,869 for TRN 301’s fringe benefits at a rate of 52.83%. This amount does not include the pay raises that have become effective in FY21 nor those in outyears, which would result in a larger shortfall. Note that FM 20-14 reduced the Fringe Benefit Rate from 59.08% to 50.75% due to COVID-19 (suspending the prefunding of Other Post-Employment Benefits [OPEB]). The department was advised to use the new rates for budgeting purposes; thus, the new Fringe Benefit rate was reflected in the BJ1A table and the excess budget placed into a new line, “Payroll Adjustments”. Subsequent FMs continue to adjust the interim FY21 fringe benefit rate. FM 20-20 adjusted the 50.75% rate, increasing it to 50.98%; FM 21-03 adjusted the 50.98% rate, increasing it to 52.83%.

**Alternative Reduction:** If a reduction of our fringe benefits budget is required, an alternative would be to freeze the vacant engineering positions to reduce that corresponding amount from TRN 395’s Personal Services budget, relating to fringe and position salary budgets. TRN 395 currently has



vacancies and therefore, there will be a positive balance in the allotted fringe benefit budget amount. However, once these positions are filled, TRN 395 may face a shortfall in fringe benefits as well.

**3. Adjustment: Seq #60-001 - REDUCTION OTHER CURRENT EXPENSES (\$5,000,000B; \$5,000,000B)**

**Impact Statement:** The budget worksheets do not list a specific item/purpose for the \$5,000,000 reduction, other than it is from Other Current Expenses (OCE). TRN 301's current OCE budget of \$9,425,895 would be reduced by more than half and would struggle, if not cease, to operate. It would be extremely difficult to maintain services and operations on less than half the current budget. As a result, all other harbors would be negatively impacted. Note: 80% of goods are imported into the State, of which 98% of imported goods flow through the Honolulu Harbor. A reduction of the OCE budget would reduce the budgets of security services required by the U.S. Coast Guard/Homeland security. These services include security services estimated at \$1,460,000; disposal of derelict boats at \$850,000; utilities at \$1,700,000; and hazardous and used oil disposal at \$320,000.

**Alternative Reduction:** Though we are not sure what the purpose of the \$5,000,000 reduction is, an alternative would be to reduce TRN 395's debt service budget by \$5,000,000.

## **CAPITAL IMPROVEMENT PROJECTS (CIP) ADJUSTMENTS**

### **4. CIP Staff Costs and Administrative Initiatives**

**Impact Statement:** Though there are no reductions to the CIP budget, without the consolidation, CIP engineering and staff support costs and administrative initiatives budget should be appropriated to TRN 395. Staff support costs support costs for developing KCT Phase II and other statewide support to projects listed under Act 200. If the budget is not placed under TRN 395, DOT Harbors will need to reorganize and place the CIP engineering and staff support under TRN 301.

**Alternative:** For CIP, a critical issue is staff costs and the administrative initiatives budget being placed under TRN 301 (without the consolidation it should be under TRN 395 where the CIP staff is located).

## **HIGHWAYS:**

### **TRN 501, Oahu Highways**

**1. Adjustment: Seq. #: 1100-001 REDUCE (5) PERMANENT POSITIONS AND FUNDS FOR DANIEL K. INOUE INTERNATIONAL AIRPORT (TRN501/DC).**

- (1) PERM EQUIPMENT OPERATOR III (#6812; -1.00B)
- (1) PERM HIGHWAY CONST INSPECTOR IV (#8657; -1.00B)
- (1) PERM GENERAL LABORER I (#10752; -1.00B)
- (1) PERM GENERAL LABORER I (#15693; -1.00B)
- (1) PERM BRIDGE MAINTENANCE WORKER I (#37762; -1.00B)

**Impact Statement:** Please note description correction: TRN 501/DC is Oahu Highways, not Daniel K. Inouye International Airport.

The Highways Division opposes the proposed reduction of a total 50.00 FTE permanent unfunded position counts (including that in TRN 501) and one (1) temp funded software developer position (for TRN595) in HB200 HD1. The 2019 Legislature (Act 5/SLH 2019) had initially unfunded the 50 positions and consequently the Governor and the 2020 Legislature concurred via Act

9/SLH 2020. The 2019 Legislature had converted the division's project funded positions to operating and maintenance positions. Upon converting the positions, the division acted in a fiscally responsible manner by agreeing as a compromise with the legislature and the unions to un-fund the positions with the intent of utilizing these positions in the future. The conversion allowed the division to utilize its positions more efficiently while concurrently initiate to fix the broken recruitment system.

The unfunded positions allow the Highways Division to live within its means currently. The division can utilize the position savings to supplement much needed maintenance and CIP projects that improve the quality of life for our residents and visitors, float the economy during this challenging time, and match additional federal funding.

These positions are necessary in the future for the sustainability of the division and its ability to deliver on its mission. If the position counts are reduced, re-establishing them would be very difficult on the back end. Other than reducing the full time equivalent (FTE) count, eliminating the positions has no fiscal impact on the proposed FB 21-23 budget. Un-funding the positions then eliminates the monetary consideration while they are vacant, and since the positions are already established it gives the division an opportunity to quickly fill in the future provided additional budgetary authority is approved.

Overall, elimination of these positions would do nothing to address the general fund budget shortfall impacting the state, as all Highways Division positions are special and/or federal funded.

**Alternative:** The proposed position count reductions has no financial impact to the state highway fund or general fund. Therefore, the Highways Division respectfully requests the positions not be reduced.

#### TRN 511, Hawaii Highways

### **2. Adjustment: Seq. #: 1100-001 REDUCE (12) PERMANENT POSITIONS FOR HAWAII HIGHWAYS (TRN511/DD).**

- (1) PERM TRUCK DRIVER LABORER (#1330; -1.00B)
- (1) PERM TRUCK DRIVER LABORER (#7029; -1.00B)
- (1) PERM TRUCK DRIVER-LABORER (#122439; -1.00B)
- (1) PERM GENERAL LABORER I (#44266; -1.00B)
- (1) PERM EQUIPMENT OPERATOR I (#1292; -1.00B)
- (1) PERM TRUCK DRIVER LABORER (#44269; -1.00B)
- (1) PERM EQUIPMENT OPERATOR I (#1278; -1.00B)
- (1) PERM EQUIPMENT OPERATOR I (#1338; -1.00B)
- (1) PERM EQUIPMENT OPERATOR I (#1286; -1.00B)
- (1) PERM GENERAL LABORER I (#47363; -1.00B)
- (1) PERM GENERAL LABORER I (#1283; -1.00B)
- (1) PERM EQUIPMENT OPERATOR I (#47370; -1.00B)

**Impact Statement:** Please see above impacts on the total 50 FTE permanent unfunded vacant positions reduced in HB200 HD1.

**Alternative Reduction:** The proposed position count reductions has no financial impact to the state highway fund or general fund. Therefore, the Highways Division respectfully requests the positions not be reduced.

TRN 531, Maui Highways

**3. Adjustment: Seq. #: 1100-001 REDUCE (1) PERMANENT POSITION FOR MAUI HIGHWAYS (TRN531/DA).**

(1) PERM OFFICE ASSISTANT III (#7921; -0.50B)

**Impact Statement:** Please note description correction: Maui Highways is TRN 531/DF not TRN531/DA. Please see above impacts referring to HB 200 HD1 unfunded vacant positions reduction.

The permanent FTE reduction in HB 200 HD1 is as follows:

	HB 200		HB 200 HD1		Variance	
	<u>FY 22</u>	<u>FY 23</u>	<u>FY 22</u>	<u>FY23</u>	<u>FY 22</u>	<u>FY 23</u>
FTE	89.00	89.00	83.00	83.00	(6.00)	(6.00)

TRN 531 Maui Highways permanent unfunded vacant positions:

<u>Position #</u>	<u>Position Title</u>	<u>FTE</u>
7921	Office Assistant III	0.50
49702	Engineer IV	1.00
122409	Highway Const Inspector IV	1.00
1168	General Laborer II	1.00
47367	General Laborer II	1.00
<u>1146</u>	<u>Automotive Mechanic Helper</u>	<u>1.00</u>
	Total FTE	5.50

If TRN 531 unfunded vacant position reductions were to be implemented, the FTE position reduction will cause impairment to the program. HB 200 HD1 6.00 FTE reduction in each fiscal year does not coincide with the TRN 531 permanent unfunded position count of 5.50 FTE. **The budget worksheet adjustments had reduced position #7921 Office Assistant III twice in TRN 531 (seq# 1100-001 and seq# 1100-002).** If HB 200 HD1 is not amended to correct the reduction from 6.00 to 5.50 permanent FTE, the program will be forced to reduce an additional 0.50 FTE to an existing permanent fully funded position in TRN 531.

**Alternative Reduction:** The proposed position count reduction has no financial impact to the state highway fund or general fund. Therefore, the Highways Division respectfully requests the positions not be reduced.

**4. Adjustment: Seq. #: 1100-002 REDUCE (5) PERMANENT POSITIONS FOR MAUI HIGHWAYS (TRN531/DF).**

- (1) PERM ENGINEER IV (#49702; -1.00B)
- (1) PERM HIGHWAY CONST INSPECTOR IV (#122409; -1.00B)
- (1) PERM GENERAL LABORER II (#1168; -1.00B)
- (1) PERM GENERAL LABORER II (#47367; -1.00B)
- (1) PERM OFFICE ASSISTANT III (#7921; -0.50B)

**Impact Statement:** Please see above impact on the total 50 FTE permanent unfunded vacant positions reduced in HB200 HD1.

The permanent FTE reduction in HB 200 HD1 is as follows:

	HB 200		HB 200 HD1		Variance	
	<u>FY 22</u>	<u>FY 23</u>	<u>FY 22</u>	<u>FY23</u>	<u>FY 22</u>	<u>FY 23</u>
FTE	89.00	89.00	83.00	83.00	(6.00)	(6.00)

TRN 531 Maui Highways permanent unfunded vacant positions:

<u>Position #</u>	<u>Position Title</u>	<u>FTE</u>
7921	Office Assistant III	0.50
49702	Engineer IV	1.00
122409	Highway Const Inspector IV	1.00
1168	General Laborer II	1.00
47367	General Laborer II	1.00
1146	Automotive Mechanic Helper	1.00
	Total FTE	5.50

If TRN 531 unfunded vacant position reductions were to be implemented, the FTE position reduction will cause impairment to the program. HB 200 HD1 6.00 FTE reduction in each fiscal year does not coincide with the TRN 531 permanent unfunded position count of 5.50 FTE. **The budget worksheet adjustments had reduced position #7921 Office Assistant III twice in TRN 531 (seq# 1100-001 and seq# 1100-002).** If HB 200 HD1 is not amended to correct the reduction from 6.00 to 5.50 permanent FTE, the program will be forced to reduce an additional 0.50 FTE to an existing permanent fully funded position in TRN 531.

**Alternative Reduction:** The proposed position count reduction has no financial impact to the state highway fund or general fund. Therefore, the Highways Division respectfully requests the positions not be reduced.

**5. Adjustment: Seq. #: 1100-003 REDUCE (1) PERMANENT POSITION FOR MAUI HIGHWAYS (TRN531/DM).**

(1) PERM AUTOMOTIVE MECHANIC HELPER (#1146; -1.00B)

**Impact Statement:** Please see above impact on the total 50 FTE permanent unfunded vacant positions reduced in HB200 HD1.

**Alternative Reduction:** The proposed position count reduction has no financial impact to the state highway fund or general fund. Therefore, the Highways Division respectfully requests the position not be reduced.

**6. Adjustment: Seq. #: 21-002 TRADE-OFF FUNDS FROM MAUI HIGHWAYS MOLOKAI OFFICE (TRN531/DF) TO MAUI HIGHWAYS (TRN531/DM)**

REPLACEMENT OF EQUIPMENT (FY22: 59,217B; FY23: 41,150B)

**Impact Statement:** Please note description correction: TRN 531/DF is Maui Highways (Maui Office) and TRN 531/DM is Maui Highways (Molokai Office).

**Alternative Reduction:** n/a.

TRN 561, Kauai Highways

**Adjustment: Seq. #:** none

**Impact Statement:**

**Alternative Reduction:**

TRN 595, Highways Administration

7. **Adjustment: Seq. #:** 1100-001 REDUCE (22) PERMANENT POSITIONS FOR HIGHWAYS ADMINISTRATION (TRN595/DA).

- (1) PERM HIGHWAY CONST INSPECTOR IV (#11433; -1.00B)
- (1) PERM ENGINEERING TECHNICIAN VI (#1386; -1.00B)
- (1) PERM LAND SURVEYOR I (#11437; -1.00B)
- (1) PERM RESEARCH STATISTICIAN IV (#10707; -1.00B)
- (1) PERM PLANNER V (#11847; -1.00B)
- (1) PERM RIGHT OF WAY AGENT IV (#6766; -1.00B)
- (1) PERM ABTRACTOR VI (#2508; -1.00B)
- (1) PERM ABTRACTOR VII (#9602; -1.00B)
- (1) PERM ABTRACTOR VI (#10827; -1.00B)
- (1) PERM ENGINEERING TECHNICIAN VI (#10093; -1.00B)
- (1) PERM HIGHWAY CONST INSPECTOR IV (#1144; -1.00B)
- (1) PERM DRAFTING TECHNICIAN VII (#10194; -1.00B)
- (1) PERM DRAFTING TECHNICIAN VI (#10188; -1.00B)
- (1) PERM DRAFTING TECHNICIAN III (#6428; -1.00B)
- (1) PERM LAND BOUNDARY SURVEYOR III (#6585; -1.00B)
- (1) PERM LAND BOUNDARY SURVEYOR I (#10574; -1.00B)
- (1) PERM HIST RESOURCE SPEC (ARCH) (#7489; -1.00B)
- (1) PERM OFFICE ASSISTANT IV (#10155; -1.00B)
- (1) PERM LAND SURVEYOR I (#6461; -1.00B)
- (1) PERM ENGINEER IV (#11788; -1.00B)
- (1) PERM OFFICE ASSISTANT IV (#16841; -1.00B)
- (1) PERM HIGHWAY CONST INSPECTOR IV (#2503; -1.00B)

**Impact Statement:** Please see above impact on the total 50 FTE permanent unfunded vacant positions reduced in HB200 HD1.

Please note: If the intent of HB 200 HD1 is to eliminate all permanent FTE unfunded positions, the following position was excluded:

<u>Position #</u>	<u>Position Title</u>	<u>FTE</u>
7921	Office Assistant III	0.50

**Alternative Reduction:** The proposed position count reduction has no financial impact to the state highway fund or general fund. Therefore, the Highways Division respectfully requests the positions not be reduced.

**8. Adjustment: Seq. #: 1100-002 REDUCE (5) PERMANENT POSITIONS AND (1) TEMPORARY POSITION AND FUNDS FOR HIGHWAYS ADMINISTRATION (TRN595/DB).**

- (1) PERM RESEARCH STATISTICIAN III (#12386; -1.00B)
- (1) PERM ENGINEERING PROGRAM MGR (#122645; -1.00B)
- (1) PERM AUDITOR IV (#6749; -1.00B)
- (1) PERM TRANSPORTATION SYSTEMS OPTR II (#48884; -1.00B)
- (1) PERM OFFICE ASSISTANT IV (#122647; -1.00B)
- (1) TEMP SOFTWARE DEVELOPER (#123272; -1.00B; -100,000)

**Impact Statement:** Please see above impact on the total 50 FTE permanent unfunded vacant positions reduced in HB200 HD1.

The one (1) temp software developer (#123272) funded position that was reduced in HB200 HD1 is a HRS 76-11.6 Special Project Position in support of HWY's \$11 million implementation contract to replace its financial management system. This contract has been executed and the Notice to Proceed was given on 3/10/2021. This Software Developer position is currently being recruited. HWY has a contractual obligation to provide the software developer in support of this project. Should this position be reduced, HWY would be in default of its contractual obligation and likely would require a change order to the contract at approximately \$300,000/year for the implementation consultant to provide its own software developer. HWY would also be putting this project at risk by not meeting its technical obligation for this system. The level of service would be reduced 100% without this position. Further, HWY would be required to add this position to the implementation contract scope and would pay 3x more to satisfy its contractual obligation.

**Alternative Reduction:** The proposed permanent FTE position count reduction for unfunded positions has no financial impact to the state highway fund or general fund. Therefore, the Highways Division respectfully requests the unfunded positions not be reduced. In addition, the one (1) software developer position count and funding is requested to be restored.

The temporary software developer position and other accounting project temporary positions are necessary for the implementation of the new highways accounting system. Any proposed reduction of these temporary positions can be detrimental to the success of replacing the Highways Division's aging accounting system. Also, the Highways Division's FB 21-23 operating budget submittal has already taken into consideration projected revenue constraints. Further reductions are unnecessary and will not provide any foreseeable benefit to the division.

**9. Adjustment: Seq. #: 38-001 TRANSFER-OUT FUNDS FROM HIGHWAYS ADMINISTRATION (TRN/DA) TO HAWAII HIGHWAYS (TRN 511/DD) FOR TRAFFIC SIGNAL MAINTENANCE.**

PERSONAL SERVICES (1,207,100B)

**Impact Statement:** Please note description correction: Amount should be (-1,207,000B).

**Alternative Reduction:** n/a

TRN 597, Highways Safety

**Adjustment: Seq. #:** none

**Impact Statement:**

**Alternative Reduction:**

**CAPITAL IMPROVEMENT PROJECTS (CIP) ADJUSTMENTS**

The Division appreciates the legislature's continued support on providing full funding levels to the Capital Improvement Programs. The department respectfully requests for your consideration the inclusion of amendment provided in Governor's Message No. 5, specifically the addition to CIP section for \$25,000,000 Revenue Bonds in FY22 for the construction of Farrington Highway Widening, Kapolei Golf Course to Fort Weaver Road, Oahu, under program ID TRN501 Oahu Highways.

Thank you for the opportunity to provide testimony.

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

TO THE  
SENATE COMMITTEE ON  
WAYS & MEANS

March 29, 2021  
9:00 a.m.

Chair Dela Cruz and Members of the Committee:

**MEASURE:** H.B. No. 200 HD1

**TITLE:** RELATING TO THE STATE BUDGET.

**DESCRIPTION:** Appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2021 2022 and 2022 2023. (HD1)

**POSITION:**

The Public Utilities Commission (“Commission”) offers the following comments for consideration.

**COMMENTS:**

The Commission supports and appreciates the appropriations for fiscal biennium 2021-2023 to fund the operations of executive branch agencies and programs. However, the Commission respectfully requests that funding and positions be restored as this measure moves forward. The Commission has been fortunate that, as a special-funded agency, it has received authorization to continue to recruit for and fill positions, and as reflected in this testimony, it has successfully worked toward filling as many vacant positions as possible.

The Commission notes the following impacts, based on adjustments made in this measure to the Department of Commerce and Consumer Affairs’ requested budget.

CCA 901: House adjustment – Removes \$426,252 funding and positions for the following:

CCA901	34164	ENGINEER V (PU)
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CCA901	42690	INVESTIGATOR IV
CCA901	117629	PUC ECONOMIST I
CCA901	102680	PUC UTILITY ANALYST I
CCA901	117632	SECRETARY I
CCA901	102100	PUC UTILITY ANALYST I
CCA901	121748	PUC RESEARCH ASSISTANT I

Impact: The Commission requested to redescribe positions 34164 (Engineer V (PUC)), 42690 (Investigator IV), and 117632 (Secretary I), which were forwarded to the Department of Budget and Finance for approval in August 2020 and are pending their review. Positions 117629 (PUC Economist I), 102680 (PUC Utility Analyst I), and 121748 (PUC Research Assistant I) have been filled. Recruitment action has been initiated for position 102100 (PUC Utility Analyst I). These positions are required to support public utility cases and dockets before the Commission.

Thank you for the opportunity to testify on this measure.

**HB-200-HD-1**

Submitted on: 3/28/2021 8:33:52 AM

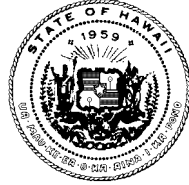
Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Cynthia Gomez	Testifying for DLNR	Comments	No

Comments:

I am available for questions. Please allow me Zoom access. Thank you.

DAVID Y. IGE  
GOVERNOR



CATHY BETTS  
DIRECTOR

JOSEPH CAMPOS II  
DEPUTY DIRECTOR

STATE OF HAWAII  
**DEPARTMENT OF HUMAN SERVICES**

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

March 28, 2021

TO: The Honorable Senator Donovan M. Dela Cruz, Chair  
Senate Ways and Means Committee

FROM: Cathy Betts, Director

SUBJECT: **HB 200 HD1 - RELATING TO THE STATE BUDGET**

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) provides this impact statement in response to HB200 HD1. DHS agrees with HD1 decisions consistent with HB200, agrees and appreciates HD1 amendments, and opposes certain HD1 decisions.

We appreciate the continued effort to address the State's revenue shortfall and we will continue to work with the Legislature to maximize our resources. However, the benefits and services DHS provides are essential to nearly one-third of Hawaii's residents. Further reducing the department's ability to deliver benefits and provide services increases wait times and inefficiencies, puts additional burden on the workforce, reduces confidence in State government, and will likely prolong the State's economic recovery. DHS requests the continued support of the Legislature in our opposition to certain HD1 decisions.

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

**PURPOSE:** This bill appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2021-2022 and 2022-2023. (HD1)

1. **DHS agrees with the budget decisions in HB200 HD1 that are consistent with the Governor's requests in HB200.**

The HD1 includes base adjustments for collective bargaining costs and non-recurring items for Modifications to HANA System, Rent Supplement Program, and Property Storage and Debris Removal. DHS agrees with additional funding including the restoration of Med-QUEST Division (MQD) contract costs, as it maintains the current level of funding for the many contract costs to support the Medicaid program (Seq #62-001), and the restoration of funding for MQD Eligibility system (KOLEA) maintenance and operations that ensures the timely and efficient processing of the

25 percent increase in applications for Medicaid health coverage (Seq #64-001) during the pandemic and economic downturn. The restoration of A funds for some positions that had been de-funded last legislative session is greatly appreciated.

2. **DHS disagrees with a number of provisions of HB200 HD1 and requests adjustments. However, we note that there are many HD1 changes that are in part consistent with HB200. In these situations, we agree in part and request restoration of the original request.**

DHS opposes further reductions of positions. While we appreciate the restoration of funding for some key positions, especially for Med-QUEST Division (MQD) and DHS Administration, further reductions of positions threaten our ability to serve Hawaii's residents with timely benefits and services that help lessen the negative impacts of the pandemic on Hawaii's residents. Further reductions will strain our existing workforce who are already working under expanded caseloads.

The HD1 impacts 51 federally funded positions with the Hawaii Public Housing Authority (HPHA); a reduction of these positions would not result in any general fund savings. HPHA will provide their own narrative on the impact to its operations.

The HD1 impacts 94 positions in DHS and the Office of Youth Services (OYS)/Hawaii Youth Correctional Facility (HYCF). DHS needs to retain these positions to meet the needs of Hawaii's residents, maintain program continuity, and to provide appropriate oversight over public funds. Please see the attached spreadsheet with detailed position status and descriptions.

Reductions will further impact our dedicated workforce and restrict our ability to attend to existing priorities and new initiatives. While we appreciate the funding of some MQD positions and operations that will help enable MQD to serve the more than **409,000** residents, 25% more enrollees than we served in March 2020; SNAP, financial, and child care programs have also experienced significant caseload increases over 2019. An example is SNAP, which now serves **197,958** representing a 30% increase from March 2020.

We **oppose** the proposed reductions of these positions for the following reasons:

- 25 positions are filled;
- 3 positions are committed;
- 2 positions have offers extended;
- 2 positions have recommendations for hire;
- 1 position is pending a selection and the position is frozen per Department of Health (DOH) – Reduction In Force (RIF);
- 3 positions have candidate interviews scheduled or are on-going;
- 24 B-2s are approved to fill and in the process of recruitment;
  - 1 position is frozen per DOH RIF;
- 11 B-2s are submitted and pending approval to fill;

- The \$2.8M in potential general fund reduction, will not necessarily result in long term savings; a portion of these general funds are part of the State's Maintenance of Effort (MOE) – and failure to maintain the State's MOE will result in general fund increases to pay fiscal penalties and an increased MOE obligation in coming years. Our programs' inability to fulfill mandated requirements may result in litigation; resulting civil liabilities may only be settled with general funds. Without the A fund portion of the salary, we will be unable to fill those positions;
- Eliminating filled positions will likely trigger a Reduction in Force (RIF). DHS positions are highly trained subject matter experts that understand the complexities of Federal and State laws and regulations. Losing these highly trained individuals will result in a negative impact on DHS' ability to serve the residents of Hawaii. Due to the pending reductions in the Department of Health, two positions approved to fill are frozen due to the DOH RIF. These frozen positions are for child care licensing workers who are needed to address and prevent safety and health issues in licensed and child care facilities. Child care is an essential function and as the State oversight agency, we need to provide the infrastructure to open and maintain regulated child care so parents can return to work. We anticipate if additional reductions occur in other agencies with similar positions, we will likewise have additional positions frozen due to additional RIFs that may be triggered with reductions to the State workforce;
- Most of the filled positions are within the Social Services Division (SSD), Child Welfare Services Branch (CWSB) that were not subject to the executive hiring freeze because the services provided are essential in identifying child safety issues and providing child protection services. CWSB has been historically understaffed, and through the pandemic CWSB actively recruited and hired despite the continuing challenges of child welfare work as well as the added layers of COVID-19 related mitigation efforts. As the pandemic continues and as normal levels of community interaction begin, we anticipate an increase in reports of child abuse and neglect. We need to continue to recruit and fill positions, and support experienced staff; we need capacity to sustain adequate services and cannot afford to lose additional positions or funds needed to respond, investigate, and case manage reports and cases of child abuse and neglect;
- Eighty-one (81) positions are split funded positions, in that they are funded by both general and federal funds. For CWSB positions that are partially federally funded based on a "penetration" rate, that rate is determined by a formula, which relies on the accuracy of the Branch record keeping. The record keeping issues are due in part to a very cumbersome reporting system that is the third phase of DHS IT modernization efforts. However, if continuously understaffed, CWSB will continue to have a low penetration rate, resulting in a low federal reimbursement rate, requiring more general funds. Stabilizing staff will improve their record keeping and increase the penetration rate, thereby increasing the federal reimbursement rate.

- Forty-Seven (47) position reductions to the Benefits, Employment & Support Services Division (BESSD) include eligibility workers, support staff, child care licensing workers, and staff that oversee homeless programs and homeless contracts. For many of these positions, the general fund portion of the match is part of the State's Maintenance of Effort (MOE) that the State is obligated to pay for the State to receive federal program funds. Failure to maintain the State's MOE will result in penalties to the State and will increase the State's MOE obligation in coming years. Additional reduction of general funds in these positions will likely not result in general fund savings; instead further general funds reduction now will increase the need for general funds in the future – to pay potential penalties and pay for the increased MOE. Also, without the state fund portion, we will be unable to fill those positions and will not be able to draw available federal funds to the State.
- Eligibility staff and the staff that support eligibility determinations are needed to address the tremendous increase in applications and the maintenance of cases for financial benefits and Supplemental Nutrition Assistance Programs (SNAP). Federal funds are not available to pay for work done for state funded programs such as homeless services and general funds are needed. Reducing the numbers of staff in these areas will have direct impact on how quickly an applicant or recipient receives needed financial and SNAP benefits. Reduced staff will result in longer wait times, and increased errors that will either result in denials of needed benefits, or incorrect calculations. Even if the agency errs in calculating benefits, federal law requires the agency to recoup those funds improperly issued, and the recipient is required to pay the benefits back. In either scenario, residents will suffer if eligibility and support staff are reduced, and additional strain will be put on to the current workforce;
- Other reductions include those staff who are engaged in the areas of compliance and investigation; without these roles, cases subject to investigation and or correction will grow, increase the amount owed to the State, and prolong a practice that may be leading to the errors or fraud. With the amount of reported COVID-19 related fraud, we anticipate as we return to regular programming, that we will see additional cases of fraud;
- Proposals to cut Division of Vocational Rehabilitation (DVR) staff include a position pending an April 1, 2021 start date that will manage DVRs \$13.9M in federal funds. This position must be filled and retained for DVR operations and continuity. The other two DVR staff provide direct services to individuals with physical or cognitive disabilities and are necessary to serve Hawaii's residents with disabilities to gain skills to find employment. During the pandemic, DVR has continued to place DVR clients into good paying jobs. DVR positions also have federal match funds attached.
- Proposals to cut administrative positions such as Accountant IV, or other social services assistants, or Secretaries will delay the necessary administrative work required in hiring and recruitment, to process invoices, to makes purchases, - important work that supports

staff and are necessary for programs to function. Delay in payments of contracts wreaks havoc on payment systems and on community providers who are struggling to make ends meet and provide needed community based human services;

- DHS is in the middle of its multi-phase IT modernization and needs to fill positions to move forward the time sensitive IT projects that leverage critical federal funding. Replacement due to recent retirements of knowledgeable and experienced staff – were stalled by the hiring freeze. Positions are only now being approved to fill, and we need to recruit, fill, and move IT projects forward. Failure to fill needed positions in our IT workforce, may result in reduction of federal funds and may result in other program penalties. As more requests and mandates are being made to share data cross-sector and longitudinally, we need an IT workforce capable to implement a DHS Enterprise structure that will support our workforce's ability to do their jobs accurately, as well as enable internal and cross sector data analytics. Importantly, modernization of the Comprehensive Child Welfare information system (CCWIS) is pending the filling of positions and is crucial for the CWSB to improve its case reporting capabilities. This is related to the discussion above related to CWSB "penetration rate" and their reporting capabilities.
- The Special Assistant to the Director is a crucial position in the Office of the Director. The Special Assistant is necessary to assist with major procurements, protests, and works closely with the Department of the Attorney General on complex litigation. Funding for the Special Assistant to the Director is budgeted under Act 9, SLH 2020, personal services cost. This position was recently approved to fill by the Governor and is in process of recruitment. The recruitment closed on Tuesday, March 23, 2021, and interviews are currently being scheduled. Elimination of the Special Assistant to the Director would negatively impact the DHS operation and hinder the effectiveness and responsiveness of DHS administration. This position requires extensive procurement expertise and is necessary to address ongoing departmental priorities and new COVID-19 programming. DHS has one of the largest budgets, primarily comprised of highly regulated federal funds. However, DHS only has one deputy, and the Special Assistant is needed to assist the Director and Deputy Director to manage programs, policy, budget, operations, human resources, and align state operations with federal laws and regulations. Additionally, the Special Assistant monitors litigation coordination, provides additional legal analysis to the Directors, works with staff to streamline workflows for administrative rule making and procurement oversight, and assists with high level meetings and constituent response. With the relentless pace and volume of work the DHS administration (HMS 904) attends to, this position will be responsible for assisting with the added federal requirements for federal COVID-19 programming and funds;
- Secretarial support for the Budget Planning & Management Office (BPMO) is necessary to assist the high volume office that provides budget and planning for the entire department, and prepares and compiles numerous reports for the Legislature, the Department of Budget & Finance, the Directors, and program administrators. BPMO is key to DHS strategic planning, goal setting, and meeting performance measures and goals; and

- DHS is awaiting federal guidance to distribute funds from the Consolidated Appropriations Act 2021 (HR 133) and the American Rescue Plan Act of 2021. To distribute these new funds and put up new programs in the most effective way, we need to support our program administrators by ensuring there are staff available to do the existing, necessary programmatic and administrative work. The less line and support staff we have, the more delays and errors impact applicants, residents, and providers; these delays and errors generate more complaints and impact staff morale, these complaints and strains on staff require administrators to attend to and resolve. With these new federal stimulus funds, there are added layers of federal regulatory mandates. If we are to take full advantage of the federal funds, and boost Hawaii's economy, we need to have positions funded and filled.

**DHS opposes these reductions; items will be discussed by program ID.**

Prog ID	Dept Pri	HOUSE ADJUSTMENT Description	MOF	FY 22			FY23		
				FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
HMS236	NA	House Adjustment (PS J1A)	A			(603,332)			(603,332)
HMS236	NA	House Adjustment (PS J1A)	N			(2,553,556)			(2,553,556)
HMS238	NA	House Adjustment (PS J1A, exc. FB)	N			(8,674)			(8,674)
HMS301	NA	Motor Vehicle	N			(100,000)			(100,000)
HMS301	NA	House Adjustment (PS J1A)	A			(983,563)			(983,563)
HMS301	NA	House Adjustment (PS J1A)	N			(2,072,816)			(2,072,816)
HMS301	NA	House Adjustment (PS J1A)	B			(7,587)			(7,587)
HMS302	NA	House Adjustment (PS J1A)	A			(20,180)			(20,180)
HMS302	NA	House Adjustment (PS J1A)	N			(47,460)			(47,460)
HMS501	NA	(JV -10% restriction for FY20)	A			(425,702)			(425,702)
HMS501	NA	House Adjustment (PS J1A)	A			(561)			(561)
HMS503	NA	HYCF OCE (JV -10% restriction for FY20)	A			(450,000)			(450,000)
HMS503	NA	House Adjustment (PS J1A)	A			(467,952)			(467,952)
HMS601	NA	House Adjustment (PS J1A)	N			(593,092)			(593,092)
HMS601	NA	House Adjustment (PS J1A)	U			(21,035)			(21,035)
HMS802	NA	House Adjustment (PS J1A, exc. FB)	N			(1,282,323)			(1,282,323)



Prog ID	Dept Pri	HOUSE ADJUSTMENT Description	MOF	FY 22			FY23		
				FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
HMS903	NA	House Adjustment (PS J1A)	A			(102,884)			(102,884)
HMS903	NA	House Adjustment (PS J1A)	N			(465,373)			(465,373)
HMS904	NA	House Adjustment (PS J1A)	A			(1,077,425)			(1,077,425)
HMS904	NA	House Adjustment (PS J1A)	N			(371,807)			(371,807)
		<b>TOTAL BY MOF</b>	<b>A</b>			<b>(4,367,726)</b>			<b>(4,367,726)</b>
		<b>TOTAL BY MOF</b>	<b>B</b>			<b>(7,587)</b>			<b>(7,587)</b>
		<b>TOTAL BY MOF</b>	<b>N</b>			<b>(7,766,918)</b>			<b>(7,766,918)</b>
		<b>TOTAL BY MOF</b>	<b>U</b>			<b>(21,735)</b>			<b>(21,735)</b>
		<b>TOTAL ALL MOF</b>				<b>(12,163,266)</b>			<b>(12,163,266)</b>

Office of Youth Services (OYS)

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

Prog ID	Dept Pri	Description	MOF	FY 22			FY23		
				FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
501YA-01	2	Trade-off Funding for Two (2) Defunded OYS Admin Positions (To Personal Services)	A			34,020			34,020
503YB-01	7	Trade-off Funding for Seven (7) Defunded HYCF Positions (From Personal Services and OCE)	A	-		326,474	-		326,474

Budget Request 501YA-01 was for a reduction of \$122,268; only \$88,248 in salaries were restored in sequence number 10-002. We **request** the balance of \$34,020 in salaries for position no. 47413 be restored.

Budget Request 503YB-01 was for a reduction of \$331,764; only \$52,980 in salaries were restored in sequence number 10-002. We **request** the balance of \$326,474 in salaries for position nos. 2318, 34317, 123115, 123116, 6005, and 118511 to be restored.

HMS501	NA	(JV -10% restriction for FY20)	A			(425,702)			(425,702)
HMS501	NA	House Adjustment (PS J1A)	A			(561)			(561)

**HMS501**

OYS **requests** restoration of these funds. With previous budget restrictions and reductions in HB200, OYS was already projecting a 20% reduction across the board for purchase of services contracts. Further reductions in HD1 will impact our diversion programs statewide. Our diversion programs re-direct youth into community programs such as life skills, cultural, and mentoring programs. These deep reductions will reduce needed services for at risk youth and will likely cost the State more money in future years. Reduction of purchase of services reduces the community's ability and capacity to serve youth. The planned reductions may contribute to drive up youth detention rates and associated costs to the State. Keeping youth out of the juvenile justice system avoids long lasting damage, higher adult incarceration, and the snowball effect of life derailing consequences.

HMS503	NA	HYCF OCE (JV -10% restriction for FY20)	A			(450,000)			(450,000)
HMS503	NA	House Adjustment (PS J1A)	A			(467,952)			(467,952)

**HMS 503**

OYS/HYCF **requests** restoration of these funds. The HD1 adjustments will have a negative impact on HYCF operations. The additional \$957,952 reduction will require us to significantly cut staffing levels since overtime will have to be reduced. To cover utility costs, which are fixed, we will have to defer all repair and maintenance projects on the campus. All non-essential purchase of services contracts will have to be ended.

Elimination of the mental health fund will end HYCF’s ability to provide mental health treatment and services for at risk youth diagnosed with mental health concerns within the juvenile justice system. Media reports discuss the pending mental health crisis due to COVID-19 conditions, as experts weigh the impacts on adolescent development as more youth live in a virtual world – lacking social interaction and opportunities to engage with peers and mentors.<sup>[1]</sup> Anxiety and depression have increased amongst youth and we should invest funds to improve access to mental health services for youth in general, and especially for those youth and their families when identified with a mental health concern and in the juvenile justice system.

HYCF operational reductions limit OYS’ abilities to address the needs of youth at HYCF, manage the maintenance of the campus and its structures, the needs of the farm and its animals, and the meals of the incarcerated population. These additional cuts are not sustainable for HYCF to operate effectively.

**Benefits, Employment & Support Services Division (BESSD)**

**BESSD Trade-off**

Prog ID	Dept Pri	Description	MOF	FY 22			FY23		
				FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
302DA-02		Funding for Three (3) Defunded Child Care Programs Office Positions (From HMS 302 Personal Services)	A			17,010			17,010

Budget request 903FA-08 was for a reduction of \$59,652; we appreciate that \$42,642 in salaries were restored in budget request 302DA-02 sequence number 30-001. We **request** the balance of \$17,010 in salaries for position no. 36853 to be restored.

We need to fully fund child care positions as the infrastructure that supports the State's regulated child care needs to have capacity to provide proper health and safety oversight required by federal and state law. The pandemic has magnified the importance of regulated child care for parents to return to work. We are awaiting federal guidance on the appropriate uses of a significant amount of federal funds to stabilize the child care system. To meet these demands, we must have sufficient staffing to deal with the increase in applications, caseload, overall management for services and oversight.

Prog ID	Dept Pri	HOUSE ADJUSTMENT Description	MOF	FY 22			FY23		
				FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
HMS236	NA	House Adjustment (PS J1A)	A			(603,332)			(603,332)
HMS236	NA	House Adjustment (PS J1A)	N			(2,553,556)			(2,553,556)
HMS302	NA	House Adjustment (PS J1A)	A			(20,180)			(20,180)
HMS302	NA	House Adjustment (PS J1A)	N			(47,460)			(47,460)
HMS903	NA	House Adjustment (PS J1A)	A			(102,884)			(102,884)
HMS903	NA	House Adjustment (PS J1A)	N			(465,373)			(465,373)

Regarding House reductions PS-J1A for HMS 236, 302, and 903, we **request** these funds and related positions be restored. We reiterate the following points made above:

- Forty-Seven (47) position reductions to the BEESD include eligibility workers, support staff, child care licensing workers, and staff that oversee homeless programs and homeless contracts. For many of these positions, the general fund portion of the match is part of the State's Maintenance of Effort (MOE) that the State is obligated to pay for the State to receive federal program funds. Failure to maintain the State's MOE will result in penalties to the State and will increase the State's MOE obligation in coming years. Additional reduction of general funds in these positions will likely not result in general fund savings; instead a general fund reduction will increase the need for general funds in the future – to

pay potential penalties and pay for the increased MOE. Also, without the state fund portion, we will be unable to fill those positions and will not be able to draw available federal funds to the State.

- Eligibility staff and the staff that support eligibility determinations are needed to address the tremendous increase in applications for financial benefits and Supplemental Nutrition Assistance Programs (SNAP). Federal funds are not available to pay for work done for state funded programs such as homeless services and general funds are needed. Reducing the numbers of staff in these areas will have direct impact on how quickly an applicant or recipient receives needed financial and SNAP benefits. Reduced staff will result in longer wait times, and increased errors that will either result in denials of needed benefits, or incorrect calculations. Even if the agency errs in calculating benefits, federal law requires the agency to recoup those funds improperly issued, and the recipient is required to pay the benefits back. In either scenario, residents and existing staff will suffer if eligibility and support staff are reduced;
- Other reductions include those staff who are engaged in the areas of compliance and investigation; without these roles, cases subject to investigation and or correction will grow, increase the amount owed to the State, and prolong a practice that may be leading to the errors or fraud. With the amount of reported COVID-19 related fraud, we anticipate as we return to regular programming, that we will see additional cases of fraud.

BESSD continues to deliver benefits and services to individuals and families in most need now and during the height of the pandemic. The division is preparing for the transition to recovery and the return of regular program rules with currently available resources. Our dedicated staff continue to do what needs to be done despite the disruptions in their own personal lives, and the across the board increases in caseloads as we were not allowed to fill vacancies. The ability to manage the increased workload and provide timely services has been appreciated by the public and Legislators. As our staff continue to do what needs to be done with reduced staffing, we request there be reconsideration of the proposed PS-J1A to support the work that has been done, and recognition that more work is forthcoming as the State works towards economic recovery from the COVID-19 pandemic.

Division of Vocational Rehabilitation (DVR)

Prog ID	Dept Pri	TRADE-OFF Description	MOF	FY 22			FY23		
				FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
802GA-02	9	Funding for Twelve (12) Defunded Positions (To Personal Services)	A			45,856			45,856
802GA-03	25	Transfer in 1.00 (P) Office Assistant III (23609) position to HMS802 from HMS238 (Companion 238GB-02)	N	1.00		45,662			45,662

Budget request 802GA-02 was for a reduction of \$184,324; we appreciate \$138,468 in salaries were restored in budget request 802GA-02 sequence number 11-002. We **request** the balance of \$45,856 in salaries for position nos. 17679, 12697, 120738, and 120754 to be restored.

Budget request 238GB-02 was included in HB200 HD1 to transfer-out position number 23609, however, the transfer-in of this position to HMS802, request no. 802GA-03, was not made. We **request** the transfer-in of this position to HMS802.

#### 802GA-02 – Funding for Twelve (12) Defunded Positions (To Personal Services)

This request proposed a general fund (A) trade-off from category 20 – Other Current Expenses to Category 10 – Personal Services in the amount of \$184,324 to fund 12 defunded positions. DVR agrees with the partial approval of \$138,468 and **requests** the balance of \$45,856 to fund the state portion of the salaries for position numbers: 17679, 120697, 120738, and 120754. Without the state funded portion, we will not be able to access available federal match funds.

These positions are critical to maximize overall efficiency of operations and service delivery to Hawaii's disabled community.

Position 17679 is the Secretary for DVR's Ho'oponono New Visions Program. This position supports a nationally licensed mobility and independent living residential training program for blind, visually impaired, and deaf-blind adults statewide, as well the Northern Mariana Islands, including Saipan. Consumers referred from these federally funded territories represent over \$50,000 per annum in additional federal program income to DVR. The administrative functions of this program and payments for program services are in compliance with national licensing standards and federal performance accountability measures. There are no other administrative positions within this program to support these extensive administrative duties that ensure compliance with state and federal regulations and timely payments to locally contracted providers.

Position 120697 is a temporary Office Assistant for DVR's Kauai Branch and is a critical position that administratively supports the Branch's ability to obtain timely documentation from participants for recording DVR performance measures associated with federal negotiated rates under the federal Workforce Innovation Opportunity Act (WIOA). DVR's Kauai Branch has contract providers without staffing in place, resulting in DVR staff providing needed services. This creates more need for administrative DVR staff to obtain and record progress toward Individualized Plan for Employment (IPE) goals as counseling staff are focused on direct services.

Additionally, there are currently three counseling vacancies. Due to the hiring freeze, these vacancies negatively impact monthly and quarterly reporting requirements. The current counseling staff relies on the administrative staff to support compliance with documentation from participants uploaded into case service records for federal and state monitoring, along with fulfilling corrective action plans. This vacant Office Assistant position is needed to support workforce parity for individuals on Kauai with disabilities to be engaged in Hawaii's workforce. Kauai's economy has been especially hard hit during the pandemic, and DVR's capacity to assist Kauai's residents receive vocational rehabilitation services and join or return to the post-pandemic workforce.

Position 120738 is critically necessary to manage more than 35 statewide contracts with over 100 private employees working to support DVR’s service delivery for more than 4,000 eligible adults and students with disabilities to be successfully engaged in Hawaii’s workforce. The Office Assistant supports timely contract payments, compliance with state procurement regulations, and tracking of expenditures for referrals to providers for service delivery. Without approval of this position, DVR will lose the critical support needed statewide for overall program functioning and efficiencies.

DVR’s temporary position 120754, Vending Specialist, has been vacant for two years. Temporary positions are the hardest to fill because of the position's temporary nature. However, the position remains critical to the required expansion of vending facilities planned statewide for blind vendors. Blind vendors’ vending facilities were significantly impacted by the pandemic and there is even more need for this position to support re-opening plans to support vendor safety, and develop new business models for the hybrid telework-on office workforce that has reducing foot-traffic in many existing and planned blind vendor locations on State and federal properties. This position supports 41 blind vendors, and their 198 employee - 23% of whom are individuals with disabilities- statewide, for expansion and re-opening initiatives in FY22 and FY23.

802GA-03 – Transfer in 1.00 (P) Office Assistant III (23609) position to HMS802 from HMS238 (Companion 238GB-02

Budget request 238GB-02 was to transfer-out position number 23609; HD1 did not transfer-in this position to HMS802, request no. 802GA-03. DHS **requests** the position be transferred into HMS802.

This position is 100% federally funded and the transfer of this position to HMS 802 will not result in an increase of overall division costs nor impact general funds. DVR will be able to maintain its current objectives of the Workforce Innovation and Opportunity Act (WIOA) Unified State Plan for Program Years 2020-2023. This position will provide support to DVR by working in the Administration Office with the Division Administrator, Assistant Division Administrator, and six (6) Program Specialists and help to maintain our working relationship with our core partners under WIOA, business and community partnerships, and potential employers. These stakeholders work together to provide timely and quality services to assist participants to obtain and maintain competitive integrated employment. DVR needs the transfer-in of position no. 23609 provide necessary program support.

HMS802	NA	House Adjustment (PS J1A, exc. FB)	N			(1,282,323)			(1,282,323)
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HMS 802 - Regarding House Adjustment (PS J1A, Exc. FB) (1,282,323)

DVR **requests** restoration of these funds. DVR **opposes** the proposed reduction of \$1,282,323 N funds from Table BJ1A, line items 901 and 917. These items are budgeted for re-allocation of positions as counseling staff complete federally funded educational standards for Certified

Rehabilitation Counseling Certification. When a Vocational Rehabilitation Specialist (VRS) is hired, they must agree to comply with the Personnel Standards and Personnel Development Requirements. Each newly hired VRS begins at a level I position and must fulfill a number of requirements in order to be re-allocated to level II and then on to level III. These requirements include taking and passing a Graduate Records Examination (GRE) to apply and be accepted for a master’s degree in rehabilitation counseling program after completing a 6-month probationary period of employment. Once a VRS I completes an advanced degree recognized by the Commission of Rehabilitation Counselor Certification (CRCC) for certification as a Certified Rehabilitation Counselor (CRC), he/she must sit for the CRC exam within 18 months of certification. Re-allocation to a VRS II level may commence only after completing the first half of the required coursework and meeting the performance expectations for the VRS II level.

As the counselors' educational requirements are 100% federally funded, this reduction will negatively impact the agency's ability to leverage available federal funds to employ and advance qualified counseling staff as a workforce development pathway. These counselors support workforce parity for Hawaii’s residents with disabilities who are seeking to obtain, retain, and/or advance in careers of their choice. Without these qualified counselors having the opportunity to complete advanced training, Hawaii’s residents will not be able to take advantage of federal funds which support these communities.

Med-QUEST Division (MQD)

**Federal Fund Adjustment Requests**

MQD **requests** restoration of the federal ceiling increases requested in HB 200. Sequence number 101-001 includes \$1.00 for the HMS401, MOF P, \$1.00 for the HMS902, MOF N and \$1.00 for the HMS902, MOF P federal ceiling increase requests.

This table reflects the amount of our original budget request for federal ceiling increases. Without this increase in the budget ceilings, MQD will have to request a temporary increase in the budget ceilings for FY 2022.

Prog ID/Org	Dept Pri	OTHER REQUESTS Description	MOF	FY 22			FY23		
				FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
401PE-FF	1	Increase in Federal Fund Ceiling	P			258,761			258,761
902IA-FF	1	Increase in Federal Fund Ceiling	N			26,295,869			26,295,869
902IA-FF	1	Increase in Federal Fund Ceiling	P			56,013			56,013

Form FF Reconciliation

MQD **requests** additional federal fund ceiling based on a comparison of federal fund appropriations under Act 9, SLH 2020, and anticipated federal fund requirements for FY22 and FY23.

**HMS 401 – Health Care Payments**

MQD **requests** the Medicaid capitation adjustment per HB 200. Sequence number 100-001 includes \$1.00 for the HMS401, MOF A, Medicaid capitation requests. This table reflects our original budget request.

Prog ID	Dept Priority	NON-DISCRETIONARY FUND REQUESTS Description	MOF	FY 22			FY23		
				FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
401PE-01	1	Medicaid Capitation Adjustment	A			34,685,255			54,964,524
401PE-01	1	Medicaid Capitation Adjustment	N			216,337,913			148,460,463

**Explanation of Request**

MQD acknowledges the uncertainty around projecting the MQD budget needs for the next two fiscal years. Due to the COVID-19 pandemic, there has been a 30% increase in applications from March 2020 through December 26, 2020 compared to 2019, and a 25% increase in enrollment from March 2020 to March 2021.

The increasing enrollment, coupled with the likelihood for the enhanced FMAP to expire at the end of the calendar year 2021, may lead to shortfalls in SFY 2022. Recent budget projections have lowered the original projected budget need for SFY 2022 from approximately \$35 million to between \$12 to \$17 million. MQD continues to update the estimates with the most recent available data and will continue to update the Legislature with any new estimates.

**Social Services Division (SSD)**

HMS301	NA	Motor Vehicle	N			(100,000)			(100,000)
HMS301	NA	House Adjustment (PS J1A)	A			(983,563)			(983,563)
HMS301	NA	House Adjustment (PS J1A)	N			(2,072,816)			(2,072,816)
HMS301	NA	House Adjustment (PS J1A)	B			(7,587)			(7,587)

DHS **agrees** with the reduction of \$100,000, MOF N, for motor vehicle expenses; that budget item was to address potential transportation issues following the volcanic activity in 2018.

DHS **opposes** the other reductions to funds available for to the Child Welfare Services Branch. The branch needs the general funds and federal fund ceiling to continue to operate and cannot withstand



these proposed cuts. With these reductions, the program will not have funds for overtime and other personal costs such as Temporary Assignments, standby pay, as well as, workers compensation. The program will likely require an emergency appropriation should these reductions take place.

Prog ID	Dept Pri	TRADE-OFF Description	MOF	FY 22			FY23		
				FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
301SA-05		Transfer Purchase of Service Specialist #118589 in from HMS 901	N	1.00		49,978	1.00		49,978
901MA-04		Transfer Purchase of Service Specialist #118589 to HMS 301	N	(1.00)		(49,978)	(1.00)		(49,978)
601TA-02	14	Trade off Funding for One (1) Defunded APCS Position (From OCE)	A			34,020			34,020
901MA-02	3	Trade off general funds for 8 permanent General Support for Social Services positions (OCE Trade-offs) (To Personal Services)	A			18,742			18,742
301SA-02	12	Trade off general fund salaries for 57 permanent Child Protective Services positions (OCE Trade-offs) (To Personal Services)	A			\$93,586			\$93,586
301SA-04	15	Trade off Funding for Four (4) Defunded CWS Positions (To Personal Services)	A			26,924			26,924

Budget Request 601TA-02 was for the trade-off of 34,020 in OCE funds to restore the defunded salary for position no. 100506; the salary was not restored in sequence number 11-002. We **request** the \$34,020 be restored.

Budget request 901MA-02 was for a reduction of \$278,580; and we appreciate that \$259,838 in salaries were restored in sequence number 10-002. We **request** the balance of \$18,742 for the salary of position no. 34076 be restored.

Position No. 34076 - Planner V position is currently vacant, and the Division is struggling with maintaining the job duties of this position by having at least three staff cover the duties of this one important position. This position compiles data to support the development of policies and programs of the Division. Without this position, the Division will struggle with developing new programs that may be more effective and efficient than the programs currently being offered.

Budget request 301SA-02 was for a reduction of \$1,739,179; and we appreciate that \$1,645,593 in salaries were restored in sequence number 10-002. We **request** the balance of \$93,586 for the salaries of position nos. 42338, 45055, 46377, and 118564 be restored.

Budget request 301SA-04 was for a reduction of \$45,788; only \$18,864 in salaries were restored in sequence number 11-002. We **request** the balance of \$26,924 for the salaries of position nos. 36504 and 40520 to be restored.

### HMS 301 – Child Welfare Services Branch

These requests relate to funding of Social Services Division (SSD) Permanent Positions that were defunded during the 2020 Legislative session. Act 9, SLH 2020, decreased Child Welfare Services Branch (CWS) budget by \$1.8M and defunded 64 staff positions, that included filled positions. CWS has a high turnover rate and is historically understaffed. The loss of additional funds and positions increases the pressure on existing staff and compounds the ability to attract and retain qualified child welfare workers and support staff. CWS positions were not subject to the hiring freeze and CWS is currently able to recruit to fill some vacant positions as CWS positions are deemed essential. At the end of September 2020, CWS trained 41 new hires and continues to move to fill other vacancies.

We anticipate as pandemic restrictions ease, coupled with and given stressors and duration of the pandemic, there will be an increase in reports of child abuse and neglect as children reengage with community providers. Insufficient staffing will cause delays in meeting statutory requirements and submission of court reports. Staff spend ample time attending court proceedings and preparing lengthy Safe Family Home Reports (SFHR), Petitions for Temporary Foster Custody (TFC), Motions for Permanent Custody (MPC), as well as preparing for contested trials. Family Courts may order monetary sanctions when required reports are not timely filed. Any lack of capacity to provide appropriate and timely services may result in lengthening the time a child spends in foster care and often leads to more adversarial cases and increased litigation.

CWS receives an average of 2,000 monthly calls to the intake hotline and averages over 300 new reports a month. The law requires that CWS responds to new reports within 2-5 working days depending on risk and safety concerns. If the investigation confirms abuse or threat of abuse, and a child welfare case is opened, the assigned CWS worker, at minimum, is required to conduct monthly visits with the parents, the child, and resource caregivers for safety and well-being assessments.

CWS continues to struggle to meet Program Improvement Plan (PIP) goals required by the federal Child and Family Services Review (CFSR). Due to staff shortages, CWS staff have difficulty meeting monthly visits. Although a recent review noted some improvement, however, further cuts to staffing and services that impact PIP improvements could lead to future financial sanctions by Administration for Children and Families (ACF).

During the pandemic, staff continued to respond to an increase in medical, financial, and educational needs of families, while also responding to families in need. During the pandemic, workers statewide were exposed to the COVID-19 virus while on the job. Some tested positive, which resulted in office closure for disinfection and sanitation. Workers were often quarantined or placed on self-quarantine due to possible exposure, and staff have had to cover each other's cases, take on additional responsibilities, and work longer hours.

Workers are finding that families have more needs, are having more difficulty meeting their basic needs, and workers are scrambling to find placements for children. Workers are also conducting mainland and interisland travel during the pandemic as children are still being placed with families or

require medical attention that require travel. This is in addition to practicing all of the safety precautions and sanitization required by Covid-19.

Without capacity to sustain current operations, CWS will be under increased strain to meet its mandates. Increased burden on staff may likely lead to negative case outcomes for families due to poor decision making by stressed and overworked staff. Lack of capacity will lead to staff burnout, lower morale, and increase worker turnover due to stress and poor working conditions. The demands and expectations of working with vulnerable and at risk families are high and need to be appropriately resourced. There will also be an increase of monetary sanctions and more litigation resulting from the inability for operations to function in a timely manner.

#### HMS 601 – Adult Protective and Community Services

The Adult Protective and Community Services Branch (APCS) provides emergency, crises-related protective services to vulnerable adults across the State of Hawai'i. APCS involves intake, investigation, placement, guardianships, and case planning. APCS is a vital part of the community's safety net and the only protective services resource for Hawai'i's most vulnerable adults, most of whom are elderly. APCS must be fully staffed in order to ensure optimal functioning and a timely response to those in need.

As we know with COVID-19, the elderly population is among the most susceptible to severe negative consequences including hospitalization and death. It is imperative for those elderly who are being abused and neglected, where that risk is even higher, that APCS staff make contact and proactively provide protective services to ensure their safety. APCS has a historically low vacancy rate but because of the hiring freeze, we have been unable to recruit for several key positions. We need to fill these positions immediately to meet our mandate to protect our most vulnerable adults, but also to help buffer staffing with the expectation that some of our staff will fall ill to the virus. Particularly as these first responders are continuing to make close client contact on the most serious cases involving imminent safety, their personal risk of illness is high.

Currently, we have supervisors who cannot dedicate their time to supervision because they are having to perform casework services to help fill the void. This is not sustainable, not best practice, and unsafe.

As our State population ages and the population has maintained social isolation for the last year without adequate checks and balances for abuse and neglect, it is imperative that APCS be fully staffed to continue to serve the growing numbers of vulnerable adults in our community.

#### HMS 901 – General Support for Social Services

The Social Services Division (SSD) is responsible for providing services to ensure the safety and well-being of all children and vulnerable adults in the State of Hawai'i. The Administrative Program of SSD, HMS 901, is comprised of the Public Welfare Administrator, Public Welfare Assistant Administrator, and the staff in the following sections:

1. Planning Office

- 2. Staff Development Office
- 3. Support Services Office
  - a. Management Information and Compliance Staff (MISC)
  - b. Purchase of Service Grants Management Staff (POS)
- 4. Systems Operations Office

All sections are not fully staffed. The lack of fully staffed sections limits what can be accomplished due to staff having to perform additional tasks. A fully staffed divisional program would result in better development, monitoring, and implementation of branch policies and practices, personnel issues, procurement, and fiscal matters.

DHS **requests** these HB200 items be added to HMS 301. CWSB needs the position – which is filled, and the ceiling increase to implement the Family First Prevention Services Act plan that we are currently revising per the request of the federal Administration for Children and Families.

Prog ID	Dept Pri	OTHER REQUESTS Description	MOF	FY 22			FY23		
				FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
301SA-01	3	Add 1.00 Permanent Position for Family First Prevention Services Act (FFPSA) Pseudo #92225K.	B	0.50		25,368	0.50		50,736
301SA-01	3	Add 1.00 Permanent Position for Family First Prevention Services Act (FFPSA) Pseudo #92225K.	N	0.50		25,368	0.50		50,736
301SA-03	2	Increase Special Fund Ceiling for the Spouse and Child Abuse Special Fund.	B			5,000,000			5,000,000

Explanation of Request

**301SA-01 - Add 1.00 Permanent Position for Family First Prevention Services Act**

The Family First Prevention Services Act (FFPSA) was signed into law as part of the Bipartisan Budget Act on February 9, 2018. This act adds to the array of federal child welfare law, Title IV-E and Title IV-B of the Social Security Act, to provide services to families and children who are at risk of entering the child welfare system. FFPSA aims to prevent children from entering foster care by allowing federal reimbursement for mental health services, substance use treatment, and in-home parenting skills training. It also seeks to improve the well-being of children already in foster custody by incentivizing states to reduce placement of children in congregate care.

This FFPSA Program Manager position is **filled** and will manage, organize, and oversee all aspects of the final planning, development, and implementation, and evaluation of Hawai'i's FFPSA Services. This position is crucial as it will set priorities, implement a program management plan, conduct other critical operational functions, and establish an approved Title IV-E Prevention Plan. This position will also manage compliance with eligibility criteria, evaluation and training plans, and timely procurement of evidence-based trauma-informed services. In order to leverage Title-IVE prevention

federal funding to prevent children from entering foster care, there is a serious need for this dedicated position to ensure Hawai'i's families do not miss this opportunity.

CWS projections regarding the number of families serviced from year 1 to year 5 are: 2032 (year 1); 2123 (year 2); 2164 (year 3); 2207 (year 4); 2252 (year 5). CWS will be able to start claiming Administrative support costs after submission of its plan and will be entitled to 50% reimbursement from the federal government. After CWS implements FFPSA, CWS can claim all eligible reimbursement at the 50% rate since all models of interventions have been cleared by the Prevention Clearing house and rated as Well-supported. This position is necessary to assure that CWS remains on track with execution of the Family First services. Without this position, it will delay the implementation of FFPSA Plan, children will continue to enter foster care when in some instances, it could have been prevented. This will impact the re-entry rate, increase the foster care caseload for CWS workers, severely limit the ability to draw down federal funds to support its prevention efforts, and ultimately, will be a disservice to protecting the children and families of Hawai'i.

#### 301SA-03 - Increase Special Fund Ceiling for the Spouse and Child Abuse Special Fund.

DHS **requests** an increase in the special fund ceiling for the Spouse and Child Special Fund (SCASF) for FY21 up to \$5,000,000.00 based on a current administration measure SB 1137 and Act 84, SLH 2019. Act 84, SLH 2019, allows for the retention of 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. Act 84, SLH 2019, established the \$3 million ceiling in section 346-7.5(e), Hawaii Revised Statutes. In 2020, we requested a budget adjustment, however, the adjustment was not made during the COVID-19 impacted session.

Increased special fund ceiling for FY21 up to \$5,000,000.00 is being requested based on Act 84, SLH 2019. Act 84, SLH 2019, allows for the retention of 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. In 2019, the administration submitted Senate Bill 1231 which passed and became Act 84, SLH 2019, on June 7, 2019. This law amends section 346-7.5, HRS, to allow the Spouse and Child Abuse Special Fund to receive Title IV-E federal reimbursements received in the fiscal year following the year in which the Title IV-E funds were expended, up to \$3,000,000. The requested ceiling increase will assist in creating a revenue stream of non-federal funds to fund FFPSA services as well as spouse and child abuse prevention and intervention efforts. The \$5,000,000 ceiling amount is based on federal reimbursement received in the 4<sup>th</sup> quarter of the fiscal year of approximately \$5,000,000.00. The administration has submitted a bill to also increase the ceiling in statute.

This SCASF funding stream will be critical to Hawaii's implementation of prevention services under the Family First Prevention Services Act, which will maximize available federal funding to support families in the community and decrease the number of children coming into foster care and families entering the Child Welfare System.

DHS needs a sustainable source of non-federal funds to properly resource the FFPSA plan and maximize federal reimbursements. Successful implementation of Hawaii's FFPSA plan will decrease the number of children entering foster care and families entering the Child Welfare System.

DHS Administration

Prog ID	Dept Pri	OTHER REQUESTS Description	MOF	FY 22			FY23		
				FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
904AA-01	11	Convert four unbudgeted positions and adjust other budgeted salaries for IT Modernization Project positions. Request to restore salaries for pos 122782 (\$50,700), pos 121315 (\$83,515), pos 121414 (\$59,639), and pos 122450 (\$79,755)	A			273,609			273,609
904AA-04	16	Restore general funds for one permanent Research Statistician IV. Request to restore salary for this position.	A			63,652			63,652
904AA-05	12	Restore general funds for two permanent HRA V Positions Pos 31863 restored. Request salary for pos 22877 (\$54,432) to be restored.	A			54,432			54,432
904AA-08	17	Restore general funds for three permanent FMO positions. Pos 26895 restored. Request pos 36257 (\$51,632) and pos 29900 (\$30,340) to be restored.	A			81,872			81,872
904AA-09	10	Restore general funds for nine permanent positions for DHS/OIT and correct FTE-MOF split. Request to restore salaries for nine positions.	A			322,253			322,253

DHS appreciates the HD1 restoration of 16 positions in HMS 904 with general funds and V funds.

DHS **requests** to restore the salaries for 17 positions with A funds instead of B funds requested in HB200.

Description of request for restoration of defunded or unbudgeted General Administrative positions  
**904AA-01 - Convert four unbudgeted positions and adjust other budgeted salaries for IT Modernization Project positions**

The purpose of the IT Modernization Project is to replace the department’s old mainframe systems with modern technology to serve the beneficiaries of the programs administered by MQD; BESSD; and SSD, in a more comprehensive and efficient manner. MQD was the first division to transition from the department’s nearly 30-year-old mainframe system, HAWI, to the new Kauhale On-Line Eligibility Assistance (KOLEA) application and underlying platform. DHS intends to transition BESSD and SSD off the old mainframe systems by leveraging the system infrastructure and capabilities established by MQD. The next phases of the project include BESSD’s Benefits Eligibility Solution and SSD’s Comprehensive Child Welfare Information System.

An integrated eligibility solution will allow applicants to apply for multiple programs and benefits at the same time, validate and verify information electronically, and determine eligibility efficiently in order to assist families in accessing services as soon as possible.

Position Justification:

Pos No. 121315 - Info Tech Implementation Manager is essential to develop overall project plans including project governance and decision making structure, identify and validate functional performance requirements including workflows, tracing matrix detailing technology support needs, develop procurement strategies, assess the impact on and implement changes to existing policies, procedures, business processes and organization structure, and implement communications, change management and training initiatives.

Pos No. 121414 - Asst Info Tech Implementation Manager is essential to assist the Info Tech Implementation Manager in the development and managing of the overall project and all of its components.

Pos No. 122450 - Resource Manager is essential to work with project managers to ensure adequate resources are available and directed at the various projects for a smooth integration and to identify risks associated with the interdependencies between the projects.

Pos No. 122782 - Information Security and Privacy Compliance Analyst is an essential member of the DHS security and privacy compliance team that provides expertise, coordination, and support to establish and maintain the DHS privacy and security compliance program and policies and procedures to be compliant with federal and state requirements.

904AA-04 - Restore general funds for one permanent Research Statistician IV

Position No. 5864 provides the trends and timely analyses to the Department's BESSD financial programs to make data-driven decisions in response to changes in federal and state laws and policies, changes in the economic and social environment, for decisions relating to compliance to governmental regulations and policies, efficient use of federal and state funding, and efficient use of staff and other resources. This position assists program administrators to plan for future needs and to respond timely to legislative data requests.

Requests for data and analysis due to the COVID-19 pandemic has increased. There is increased interest regarding the pandemic impact on specific subgroups of the community. OHA requested data for financial aid, childcare and child welfare on-going monthly data regarding Hawaiians. PUSO also requested similar data for the Filipino community. Requests have been made for on-going monthly reports of child abuse and neglect by report source due to children not receiving in-person class attendance. There is also an increased demand for weekly management reports for financial assistance and SNAP programs.

The incumbent of this position will possess expertise on research and statistical methods that do not exist anywhere else in the department. This position would also be available to assist all staff offices, divisions and attached agencies of the Department of Human Services.

#### **904AA-05 - Restore general funds for two permanent HRA V Positions**

Position nos. 22877 and 31863 process the full range of human resources transactions, benefits, and pay-related documents for nearly 2,000 Department of Human Services (DHS) employees and assist assigned programs in the interpretation of rules, regulations, and collective bargaining contract provisions as they relate to a wide range of transactions activities.

These two (of the four) HRA positions have been vacant since December 31, 2019 and February 3, 2020 and effective August 1, 2020, a third HRA position became vacant, leaving only two filled positions in the unit of five. At this point, the situation has become critical as the volume of work has remained heavy. It is simply not possible to service 2,000 employees with only two staff. Employees are also retiring, resigning, or transferring to other departments frequently, so the workload in the unit has remained heavy and constant.

Due to steady turnover and chronic vacancies within RSS over the past several years, the unit has a significant backlog of work that needs immediate attention including processing leave without pay actions in the Human Resources Management System (HRMS) and auditing unused vacation and sick leave hours of separated employees.

Finally, with the additional workload associated with the impending furloughs and possible reductions-in-force (RIF), as well as the transition to the new HIP Time & Leave system - to which RSS is the lead departmental contact - the sheer time needed to train new staff requires that these positions be filled as soon as possible. If left unfilled, the Human Resources Office will not be able to meet many of the deadlines critical to onboarding, properly compensating, and offboarding our employees.

#### **904AA-08 - Restore general funds for three permanent FMO positions**

The Accountant V position no. 26895 is a working supervisor and provides direction and oversight to one of the two accounting sections within the Fiscal Management Office (FMO). Currently with only one supervising accountant, the remaining supervising accountant position must cover two sections.

The Account Clerk IV position no. 36257 is in the same accounting section as the Accountant V position noted above. The absence of both these positions has resulted in difficulty in managing daily tasks on a timely basis. This has resulted in late submissions of items related to our annual single audit and CAFR review. We have also experienced higher than normal overtime as a result.

The Office Assistant III position no. 29900 is in the Collections Recover section and assists in the collection and processing of overpayments made to DHS clients. We would like to use this position in



a reorganization proposal to establish a procurement audit function within DHS. Having a procurement audit function in DHS would greatly increase accountability and transparency on procurement matters throughout DHS. This position would be reclassified to a General Professional V position.

**904AA-09 - Restore general funds for nine permanent positions for DHS/OIT and correct FTE-MOF split**

DHS strategically placed the Information Security, Privacy and Compliance (ISPC) unit; Enterprise Architecture, Program and Project Portfolio Management (PMO) unit, and the Office of Information Technology (OIT) under the leadership of the Enterprise Officer (EO). DHS intends to re-describe and re-task these vacant positions to work collaboratively with the ISPC and OIT focusing on the delivery of innovative shared IT platform services and solutions for the department. This combined EO office is responsible for the overall administration, planning, direction, management, development, implementation and maintenance of all information technology and information systems processing for the department. Additionally, this unit directs and coordinates all IT matters within and between DHS and the other state and county agencies, federal agencies and commercial hardware and software vendors including private consultants.

DHS must re-task these vacant positions and various OIT resources in order to support the DHS transformation and the IT Modernization projects. These positions are critical as the EO office is ultimately responsible for the internal IT organization (including IT procurements, information security, and project portfolio management) that supports the application and technology portfolio of a \$3.7B organization that serves over 25% of the state's population, with 4 major lines of businesses and over 30 sub-business units and 6 staff offices, multiple attached agencies (2) and commissions (2), over 2000 employees, hundreds of partners in the community, and accounts for 25% of the state's budget.

If these positions are not funded, the State stands to lose \$37M in federal matching funds, and puts at risk millions more, if DHS fails to complete the IT Modernization projects on time, and within budget. In addition, these positions are needed to support the new systems and enterprise solutions developed in response to COVID-19.

Positions included in this request are listed below.

- Pos No. 17861 - Information Technology Band B, Programmer
- Pos No. 26957 - Information Technology Band B, System Analyst
- Pos No. 37432 - Information Technology Band B, System Analyst
- Pos No. 51806 - Information Technology Band B, System Analyst
- Pos No. 51809 - Information Technology Band A, Programmer
- Pos No. 23672 - Administrative Officer V
- Pos No. 28783 - Secretary I
- Pos No. 42191 - Office Assistant III
- Pos No. 25461 - Office Assistant IV

3. **DHS generally agrees with the following HD1 provisions, and requests additional adjustments where relevant. For complete description of HMS HB 200 budget requests, please see testimony submitted in support of HB 200.**

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

Prog ID	Dept Pri	Description	MOF	FY 22			FY23		
				FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
501YA-01*	2	Trade-off Funding for Two (2) Defunded OYS Admin Positions (From OCE)	A			(88,248)			(88,248)
501YA-01*	2	Trade-off Funding for Two (2) Defunded OYS Admin Positions (To Personal Services)	A			88,248			88,248
501YA-PRA1	NA	10% Program Reduction with a concentration in reduction in contractual expenses.	A			(832,500)			(832,500)
501YA-PRA2	NA	Reduce Youth Commission Support	A	-		(2,683)	-		(2,683)
503YB-01	7	Trade-off Funding for Seven (7) Defunded HYCF Positions (From Personal Services and OCE)	A	-		(52,980)	-		(52,980)
503YB-01*	7	Trade-off Funding for Seven (7) Defunded HYCF Positions (To Personal Services)	A			52,980			52,980
503YB-PRA1	NA	Continued depletion of the mental health fund and additional operational deductions.	A			(520,000)			(520,000)
503YB-PRA2	NA	Abolish twelve (12) unfunded positions for the Hawai'i Youth Correctional Facility	A	(12.00)			(12.00)		

Budget Request 501YA-01 was for a reduction of \$122,268; only \$88,248 in salaries were restored in sequence number 10-002. We **request** the balance of \$34,020 in salaries for position no. 47413 to be restored.

Budget Request 503YB-01 was for a reduction of \$331,764; only \$52,980 in salaries were restored in sequence number 10-002. We **request** the balance of our budget request of \$326,474 in salaries for position nos. 2318, 34317, 123115, 123116, 6005, and 118511 to be restored.

Without restoration of these funds, additional positions will not be funded. Though the census is down at the Hawaii Youth Correctional Facilities (HYCF), the facility must continue to operate as a youth correctional facility and needs to be appropriately staffed and resourced. HYCF has also expanded the population it serves to include at youth and young adults who need support services and who are at risk of becoming homeless, or being victimized by traffickers, and or becoming involved in the adult criminal justice system.

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

Prog ID	Dept Pri	PROGRAM REDUCTION Description	MOF	FY 22			FY23		
				FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
888CW-PRA1	NA	Reduce Commission on The Status of Women Support	A	-	-	(11,164)	-	-	(11,164)

**Benefits, Employment & Support Services Division (BESSD)**

**Homeless Services**

Reduced MOF A and added MOF V

Prog ID	Dept Pri	Description	MOF	FY 22			FY23		
				FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
HMS 224	NA	Family Assessment Centers	V			1,550,000			1,500,000
HMS 224	NA	Housing First Program	V			3,750,000			3,750,000
HMS 224	NA	Rapid Rehousing Program	V			3,750,000			3,750,000
HMS 224	NA	Homeless Outreach and Civil Legal Service	V			1,750,000			1,750,000
HMS 224	NA	Stored Property & Debris Removal Services	V						3,500,000

**BESSD - Other Budget Requests**

Prog ID	Dept Pri	Description	MOF	FY 22			FY23		
				FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
224HS-01	5	Trade-off Funding for Three (3) Defunded Homeless Programs Office Positions (From OCE)	A			(157,476)			(157,476)
224HS-01	5	Trade-off Funding for Three (3) Defunded Homeless Programs Office Positions (To Personal Services)	N			157,476			157,476
224HS-01	5	Trade-off Funding for Three (3) Defunded Homeless Programs Office Positions (From OCE)	A			157,476			157,476
236LC-01	9	Funding for Twenty-four (24) Defunded Case Management for Self-Sufficiency Positions (To HMS 236 Personal Services)	A			698,086			698,086

Prog ID	Dept Pri	Description	MOF	FY 22			FY23		
				FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
903FA-06	NA	Funding for Twenty-four (24) Defunded Case Management for Self-Sufficiency Positions (To HMS 236 Personal Services)	A			(698,086)			(698,086)
903FA-06	NA	Funding for Twenty-four (24) Defunded Case Management for Self-Sufficiency Positions (From HMS 903 OCE)	N			698,086			698,086
236LC-PRA1		Abolish forty-eight (48) unfunded positions for Case Management for Self-Sufficiency	A	(27.00)			(27.00)		
236LC-PRA1		Abolish forty-eight (48) unfunded positions for Case Management for Self-Sufficiency	N	(21.00)		(1,509,554)	(21.00)		(1,509,554)
302DA-01		Funding for Four (4) Defunded Child Care Programs Office Positions (From HMS 903 OCE)	A			125,929			125,929
204PD-01	1	Additional Appropriation for General Assistance Payments	A			5,400,000			
903FA-07		Funding for Four (4) Defunded Child Care Programs Office Positions (From HMS 903 OCE)	A			(125,929)			(125,929)
903FA-07		Funding for Four (4) Defunded Child Care Programs Office Positions (From HMS 903 OCE)	N			125,929			125,929
302DA-02		Funding for Three (3) Defunded Child Care Programs Office Positions (From HMS 302 Personal Services)	A			42,642			42,642
903FA-08*		Funding for Three (3) Defunded Child Care Programs Office Positions (From HMS 302 Personal Services)	A			(42,642)			(42,642)
903FA-08		Funding for Three (3) Defunded Child Care Programs Office Positions (From HMS 302 Personal Services)	N			59,652			59,652
305PK-PRA1		Reduce general funds for Preschool Open Doors by \$6,960,000.	A			(6,960,000)			(6,960,000)
305PK-PRA1		Reduce general funds for Preschool Open Doors by \$6,960,000.	N			6,960,000			6,960,000
903FA-01	1	Trade-off Funding for Three (3) Defunded BESSD Administrator Positions (From OCE)	A			(126,322)			(126,322)
903FA-01	1	Trade-off Funding for Three (3) Defunded BESSD Administrator Positions (From OCE)	N			126,322			126,322
903FA-01	1	Trade-off Funding for Three (3) Defunded BESSD Administrator Positions (From OCE)	A			126,322			126,322

Prog ID	Dept Pri	Description	MOF	FY 22			FY23		
				FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
903FA-02		Funding for Two (2) Defunded EPS IV Positions in Financial Assistance Programs (From OCE)				(65,251)			(65,251)
903FA-02		Funding for Two (2) Defunded EPS IV Positions in Financial Assistance Programs (To Personal Services)	N			65,251			65,251
903FA-02		Funding for Two (2) Defunded EPS IV Positions in Financial Assistance Programs (To Personal Services)	A			65,251			65,251
903FA-03		Funding for Eight (8) Defunded Investigations Office Positions (From OCE)	A			(266,184)			(266,184)
903FA-03		Funding for Eight (8) Defunded Investigations Office Positions (To Personal Services)	N			266,184			266,184
903FA-03		Funding for Eight (8) Defunded Investigations Office Positions (To Personal Services)	A			266,184			266,184
903FA-05		Funding for One (1) Defunded BESSD Administration Support Position (To Personal Services)	A			(23,704)			(23,704)
903FA-05		Funding for One (1) Defunded BESSD Administration Support Position (From OCE)	N			23,704			23,704
903FA-05		Funding for One (1) Defunded BESSD Administration Support Position (From OCE)	A			23,704			23,704
903FA-PRA1		General fund reduction of the Temporary Assistance for Needy Families (TANF) Maintenance of Effort (MOE) by \$6,333,798.	A			(6,333,798)			(6,333,798)
903FA-PRA1		General fund reduction of the Temporary Assistance for Needy Families (TANF) Maintenance of Effort (MOE) by \$6,333,798.	N			6,333,798			6,333,798
903FA-PRA2		Abolish three (3) unfunded positions for General Support for Self-Sufficiency Services	A	(1.67)			(1.67)		
903FA-PRA2		Abolish three (3) unfunded positions for General Support for Self-Sufficiency Services	N	(1.33)		(81,021)	(1.33)		(81,021)

Budget request 903FA-08 was for a reduction of \$59,652; only \$42,642 in salaries were restored in budget request 302DA-02 sequence number 30-001. We **request** the balance of \$17,010 in salaries for position no. 36853 to be restored. Without the funds, this child care position will not be properly funded, and we will not be able to access available federal funds.

Division of Vocational Rehabilitation (DVR)

Prog ID	Dept Pri	Description	MOF	FY 22			FY23		
				FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
238GB-02	23	Transfer Out 1.00 Permanent Office Assistant III (23609) Position from HMS 238 to HMS 802 (companion 802GA-03)	N	(1.00)		(45,662)	(1.00)		(45,662)
238GB-01	19	Requesting Two (2) Permanent Disability Claims Specialists for DDB (DCS V - 92223K, DCS IV - 92224K)	N	2.00		138,298	2.00		196,966
802GA-01	8	Funding for Eighteen (18) Critical Defunded Positions (From OCE)	A			(275,314)			(275,314)
802GA-01	8	Funding for Eighteen (18) Critical Defunded Positions (To Personal Services)	N			275,314			275,314
802GA-01	8	Funding for Eighteen (18) Critical Defunded Positions (To Personal Services)	A			275,314			275,314
802GA-04	10	Conversion of Office Assistant III (120668) Position from Temporary to Permanent and Trade-Off of General Funding (Convert Temp to Perm)	A	0.33	(0.33)		0.33	(0.33)	
802GA-04	10	Conversion of Office Assistant III (120668) Position from Temporary to Permanent and Trade-Off of General Funding (Convert Temp to Perm)	N	0.67	(0.67)		0.67	(0.67)	
802GA-04	10	Conversion of Office Assistant III (120668) Position from Temporary to Permanent and Trade-Off of General Funding (Trade-off from OCE)	A			(9,979)			(9,979)
802GA-04	10	Conversion of Office Assistant III (120668) Position from Temporary to Permanent and Trade-Off of General Funding (Trade-off to Personal Services)	A			9,979			9,979
802GA-05	26	Correction for Position Number 15811 and Pseudo Number 92049K	A	(0.33)	0.33		(0.33)	0.33	
802GA-05	26	Correction for Position Number 15811 and Pseudo Number 92049K	N	(0.67)	0.67		(0.67)	0.67	
802GA-PRA1	NA	Reduction will be taken from public assistance payments to vendors/providers.	A			(258,105)			(258,105)
802GA-PRA1	NA	Reduction will be taken from public assistance payments to vendors/providers.	N			258,105			258,105

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Budget request 238GB-02 was included in HB200 HD1 to transfer out position number 23609, however, the transfer in of this position to HMS802, request no. 802GA-03, was not included. The impact of this is included in DVR’s impact statement above.

Impact of Reduction

802GA-PRA1

DVR currently receives the Federal Vocational Rehabilitation Grant to States in the amount of \$12,773,162 annually. The amount of general fund dollars needed by DVR is dependent on the following factors: 1) state match obligation in the amount of **\$3,457,031** which is 21.3% of the total grant award, 2) Maintenance of Effort (MOE) requirement associated with **\$3,621,206** in 2018 state fund expenditures and thus obligates the State to spend this amount in state funds for FFY 2020 and beyond to avoid any MOE penalties, 3) \$465,000 in the DVR base budget that is legislated and cannot be used toward the state match requirements for federal award, and 4) other DVR state match obligations in the amount of \$62,365 for Federal HHHS ACL awards that cannot be counted toward the VR state match for the \$12,773,162 annual federal award

The amount of state general funds needed to account for all factors is **\$4,148,571** which reflects a general fund reduction of the base appropriation in the amount of \$258,105 from prior fiscal years. If allowed to keep the fund reduction at this level or less, DVR would have sufficient funding available to maintain current caseloads, absorb an increased caseload as a result of COVID pandemic impacts on Hawaii’s economy which disproportionately affects residents with disabilities who are most vulnerable to health risks of COVID19 and risks of further compounding their opportunities for independent living and competitive integrated employment. The state general funding of \$4,148,571 would also cover contract costs to aid in the delivery of services. Equally important will be DVR’s continued ability to meet state match and MOE requirement to avoid penalties and sustain maximum federal dollars to the State of Hawai’i.

Med-QUEST Division (MQD)

Funding and FTEs retained

Prog ID	Dept Pri	PROGRAM REDUCTION Description	MOF	FY 22			FY23		
				FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
902IA-PRA1		Reduce funds for other current expenses to meet reduction targets.	A						

		PROGRAM REDUCTION		FY 22			FY23		
902IA-PRA1		Reduce funds for other current expenses to meet reduction targets.	N						
902IA-PRA2		Abolish nine (9) unfunded positions for General Support for Health Care Payments	A	(2.50)	(0.40)		(2.50)	(0.40)	
902IA-PRA2		Abolish nine (9) unfunded positions for General Support for Health Care Payments	N	(2.50)	(3.60)	(450,275)	(2.50)	(3.60)	(450,275)
902IA-03	28	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		(0.10)	-		(0.10)	-
902IA-03	28	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.	N		(0.90)	(101,925)		(0.90)	(101,925)
902IA-04	29	Delete unestablished temporary Project Manager 94563K from HMS 902	A		(0.10)	(7,000)		(0.10)	(7,000)
902IA-04	29	Delete unestablished temporary Project Manager 94563K from HMS 902	N		(0.90)	(95,130)		(0.90)	(95,130)
HMS902	NA	HOUSE ADJUSTMENT Add funds for personal services for 16 unfunded positions out of 48 defunded positions	A			388,869			388,869
902IA-01	6	Funding for Forty-Eight (48) Defunded Positions (From OCE)	A						
902IA-01	6	Funding for Forty-Eight (48) Defunded Positions (To Personal Services)	A						

Sequence no. 1000-001 restored funding for 16 positions. DHS-MQD is very appreciative of the additional funding for 16 critical FTEs, of which 6 are already filled. These FTEs will allow MQD to fulfill its mission of providing critical access to healthcare. The salaries for 16 positions were part of budget request 902IA-01 to restore the salaries for 48 positions.

Sequence nos. 10-001/10-002 (trade-off funds for 48 FTEs): MQD is appreciative and **agrees** with the restoration of the non-salary budget trade-off, and for maintaining the FTE counts in the budget. While MQD would appreciate the budget restoration of the remaining 32 positions of the 48 that had the general fund portion reduced during the 2020 legislative session as these positions are important to the overall operations of MQD, we appreciate maintaining the FTE counts. We have had large increases in Medicaid enrollment during the COVID-19 pandemic. Besides meeting the increased work related to the increased numbers of people seeking health coverage, these positions are important to meeting the critical



operational needs of the Division for responding to the pandemic for teleworking/working safely in the office; continued program and fiscal integrity to ensure Medicaid funds are spent appropriately; and the implementation and oversight of various contracts for health care services. The positions also would support business process improvement and investment optimization that allow the Division to operate more efficiently with fewer resources in the medium to long term. Finally, MQD needs sufficient staff resources to meet our reporting requirements to the Centers for Medicare and Medicaid Services (CMS), as MQD faces financial penalties of \$5,000,000 for not submitting our reports on time.

Sequence no. 62-001 (902IA-PRA1) restored funding for MQD’s contract costs, and MQD is appreciative and **agrees** with maintaining the current level of funding.

Social Services Division (SSD)

Prog ID	Dept Pri	Description	MOF	FY 22			FY23		
				FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
601TA-01	4	Trade off general fund salaries for 9 permanent Adult Protective Services positions (OCE Trade-offs) (From OCE)	A			(539,197)			(539,197)
601TA-01	4	Trade off general fund salaries for 9 permanent Adult Protective Services positions (OCE Trade-offs) (To Personal Services)	A			539,197			539,197
601TA-PRA1		Abolish one (1) unfunded positions for Adult Protective and Community Care Services	A	(0.50)			(0.50)		
601TA-PRA1		Abolish one (1) unfunded positions for Adult Protective and Community Care Services	N	(0.50)		(45,859)	(0.50)		(45,859)
901MA-PRA1		Abolish two (2) unfunded positions for General Support for Social Services	A	(1.20)			(1.20)		
901MA-PRA1		Abolish two (2) unfunded positions for General Support for Social Services	N	(0.80)		(69,347)	(0.80)		(69,347)
901MA-02	3	Trade off general funds for 8 permanent General Support for Social Services positions (OCE Trade-offs) (From OCE)	A			(259,838)			(259,838)
901MA-02	3	Trade off general funds for 8 permanent General Support for Social Services positions (OCE Trade-offs) (To Personal Services)	A			259,838			259,838
301SA-02	12	Trade off general fund salaries for 57 permanent Child Protective Services positions (OCE Trade-offs) (From OCE)	A			(1,645,593)			(1,645,593)
301SA-02	12	Trade off general fund salaries for 57 permanent Child Protective Services positions (OCE Trade-offs) (To Personal Services)	A			1,645,593			1,645,593

				FY 22			FY23		
301SA-04	15	Trade off Funding for Four (4) Defunded CWS Positions (From OCE)	A			(18,864)			(18,864)
301SA-04	15	Trade off Funding for Four (4) Defunded CWS Positions (To Personal Services)	A			18,864			18,864
601TA-02	14	Trade off Funding for One (1) Defunded APCS Position (From OCE)-	A			(34,020)			(34,020)
301SA-PRA1		Abolish three (3) unfunded positions for Case Protective Services	A	(1.80)			(1.80)		
301SA-PRA1		Abolish three (3) unfunded positions for Case Protective Services	N	(1.20)		(70,563)	(1.20)		(70,563)

DHS Administration

		OTHER REQUESTS		FY 22			FY23		
Prog ID	Dept Pri	Description	MOF	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
904AA-01	11	Convert four unbudgeted positions and adjust other budgeted salaries for IT Modernization Project positions. Restored salaries for pos 122713 (\$100,750), pos 122451 (\$58,080), and pos 122783 (\$50,000).	A	0.65		208,830	0.65		208,830
904AA-01	11	Convert four unbudgeted positions and adjust other budgeted salaries for IT Modernization Project positions	N	0.35		81,918	0.35		81,918
904AA-02	8	Add 1.00 Temp Exempt Limited English Proficiency Project Manager Coordinator #120833	A		1.00	66,468		1.00	66,468
904AA-03	18	Restore general funds for five permanent Quality Control Staff positions	A			160,719			160,719
904AA-05	12	Restore general funds for two permanent HRA V Positions. Restored salary for pos 31863 (\$39,720).	A			39,720			39,720
904AA-06	20	Restore general funds for one permanent Program Budget Analyst IV 42084	A			64,476			64,476
904AA-07	21	Restore general funds for one temporary Admin. Assist. on Homelessness #121540	A		(1.00)			(1.00)	-
904AA-07	21	Restore general funds for one temporary Admin. Assist. on Homelessness #121540	V		1.00	77,064		1.00	77,064
904AA-08	17	Restore general funds for three permanent FMO positions. Restored salaries for pos 26805 (\$88,248).	A			88,248			88,248

DHS appreciates the restoration of general funds for five permanent Quality Control Staff positions.  
 904AA-03 – Restore general funds for five permanent Quality Control Staff positions

The Eligibility Worker V (position no. 27912), the Eligibility Worker IVs (position nos. 26377, 26380, and 27321), and the Secretary I (position no. 5712) support the work required for the administration of the SNAP and Medicaid Programs to carry out audits and reviews per federal regulations. The USDA Food & Nutrition Service and the Centers of Medicare & Medicaid Services may withhold 50% of their grants to Hawaii if we are not compliant with federal regulations. Program administration includes the determinations of applicants’ eligibility for SNAP and Medicaid benefits. Any cuts to Quality Control staff will result in reductions in funding and potential sanctions which will need to be funded with general funds.

The Quality Control Staff are required to review eligibility determinations for SNAP and Medicaid benefits made by the BESSD and MQD eligibility workers, including application and recertification approvals, denials, termination of benefits, and voluntary withdrawals. The QC Staff annually reviews approximately 1,800 SNAP cases, 420 Medicaid, and 420 Children's Health Insurance Program (CHIP) cases.

The following federal regulations inform the Quality Control Staff levels:

- 7 CFR §275.2(b) requires State agencies employ sufficient State level staff to perform Quality Control (QC) case reviews.
- 7 CFR §275.10 requires all State agencies conduct SNAP QC case reviews.
- 7 CFR §276.4 If FNS determines that a State agency’s administration of the Program is inefficient or ineffective, FNS may either suspend or disallow administrative funds.
- 42 CFR §431.12 requires each State agency conduct Medicaid Eligibility QC reviews independent of the State agencies and personnel responsible for Medicaid and CHIP policy and operations.
- 42 CFR §430.35 CMS may withhold payments to the State for failure to comply with Federal requirements.

**Hawaii State Commission on Fatherhood**

		PROGRAM REDUCTION		FY 22			FY23		
Prog ID	Dept Priority	Description	MOF	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
904AA-PRA1		Reduce Support for Commission on Fatherhood	A			(4,000)			(4,000)

The Fatherhood Commission is established in Chapter 577E, HRS. The commission serves in an advisory capacity to state agencies to promote healthy family relationships between parents and

children. In addition, the commission may make recommendations on programs, services, and contracts relating to children and families.

It has been several years since the Commission has had the requisite majority to conduct business. The 2020 Legislature confirmed enough Commissioners to make the statutory quorum, and Commissioners have all been confirmed and sworn into office.

The Legislature intended that the Commission have funds to ensure representation from each island. The funds have been used to facilitate travel by the Commissioners to conduct meetings on the different islands, reduction in funds will reduce interisland travel as well as travel to annual fatherhood commission conferences. During the pandemic, Commission meetings were conducted virtually. However, because it is a volunteer body, in person participation by the public is limited as Commissioners are not necessarily meeting in publicly accessible buildings. Like other commissions and boards, the Commission would benefit from assistance to improve participation by community members while maintaining health and safety measures required by the pandemic.

In the past, funds have also been used to sponsor community events and workshops that support fatherhood and events that strengthen the family. Significantly, the Commission sponsored two significant and informative studies by the University of Hawaii, Center on the Family, the State of Fatherhood in the State of Hawaii (2015), and the State of Fatherhood Programs in the State of Hawaii (2019). These reductions will limit the Commission's activities and impact.

DHS Overall

**Federal Fund Adjustment Requests**

HD1 includes these federal fund adjustment requests.

Prog ID/Org	Dept Pri	OTHER REQUESTS Description	MOF	FY 22			FY23		
				FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
222RA-FF	1	Increase in Federal Fund Ceiling	N			16,433,850			16,429,850
224HS-FF	1	Increase in Federal Fund Ceiling	N			70,552			70,552
236LC-FF	1	Increase in Federal Fund Ceiling	N			43,818			43,818
237NA-FF	1	Increase in Federal Fund Ceiling	N			224,267			224,267
802GA-FF	1	Increase in Federal Fund Ceiling	N			54,599			54,599

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

House Vacancy Reductions													
Prog ID	Sub-Org	Date of Vacancy	Position Number	Position Title	SR Level	Perm Temp (P/T)	FTE	MOF	Budgeted Amount	B-2 STATUS	Filled / Committed	Priority # to Retain	Impact Statement
HMS224	HS	10/01/20	121279	PROGRAM SPECIALIST IV	SR22L	P	1.00	A	75,432	Approved to fill by Gov; in process of recruitment		1	This position is responsible for administering federal Emergency Solutions Grants (ESG) Program administered through HUD and Housing for Persons with Aids (HOPWA) homeless programs. Besides administering the regularly occurring annual federal funding, this position is required to administer the additional CARES Act funding to address the current needs of the community due to the COVID pandemic.
HMS224	HS	11/07/20	121802	PROGRAM SPECIALIST III	SR22J	P	1.00	A	52,956			2	This position is responsible for the contract administration of State funded homeless shelters. Without this position contract monitoring will be intermittent, not regular. Regular monitoring ensures that contractors are paid, contractual obligations are fulfilled, and services are meeting service specifications.
HMS236	LC	07/01/20	1757	ELIGIBILITY WKR III	SR16G	P	0.56	A	28,170	Approved to fill by Gov; in process of recruitment		1 - MOE	The impact to the State will be that without this position there will be delays in issuing SNAP and Financial Assistance Program benefits. We rely on the Eligibility Worker position to issue correct and timely benefits to those who qualify for the program.
HMS236	LC	06/16/20	3781	OFFICE ASSISTANT III	SR08D	P	0.57	A	18,618			2 - MOE	This position provides support to the processing office and prepares documents for Eligibility Workers to be able to complete their eligibility determinations. The impact of losing this position will be delays in issuing SNAP and Financial Assistance Program benefits as Eligibility Workers would be required to complete the supportive tasks that this position provides.
HMS236	LC	04/25/20	5583	OFFICE ASSISTANT III	SR08B	P	0.57	A	17,237			2 - MOE	This position provides support to the processing office and prepares documents for Eligibility Workers to be able to complete their eligibility determinations. The impact of losing this position will be delays in issuing SNAP and Financial Assistance Program benefits as Eligibility Workers would be required to complete the supportive tasks that this position provides.
HMS236	LC	09/05/20	14127	ELIGIBILITY WKR III	SR16K	P	0.57	A	23,577	Approved to fill by Gov; in process of recruitment		1 - MOE	The impact to the State will be that without this position there will be delays in issuing SNAP and Financial Assistance Program benefits. We rely on the Eligibility Worker position to issue correct and timely benefits to those who qualify for the program.
HMS236	LC	09/03/20	14135	ELIGIBILITY WKR I	SR12A	P	0.57	A	23,577	Approved to fill by Gov; in process of recruitment		1 - MOE	The impact to the State will be that without this position there will be delays in issuing SNAP and Financial Assistance Program benefits. We rely on the Eligibility Worker position to issue correct and timely benefits to those who qualify for the program.
HMS236	LC	07/01/20	14142	ELIGIBILITY WKR I	SR12M	P	0.57	A	31,026	Approved to fill by Gov; in process of recruitment		1 - MOE	The impact to the State will be that without this position there will be delays in issuing SNAP and Financial Assistance Program benefits. We rely on the Eligibility Worker position to issue correct and timely benefits to those who qualify for the program.
HMS236	LC	08/27/20	17685	ELIGIBILITY WKR I	SR16E	P	0.57	A	23,577	Approved to fill by Gov; in process of recruitment		1 - MOE	The impact to the State will be that without this position there will be delays in issuing SNAP and Financial Assistance Program benefits. We rely on the Eligibility Worker position to issue correct and timely benefits to those who qualify for the program.
HMS236	LC	06/01/20	17688	ELIGIBILITY WKR I	SR12L	P	0.57	A	29,809	Approved to fill by Gov; in process of recruitment		1 - MOE	The impact to the State will be that without this position there will be delays in issuing SNAP and Financial Assistance Program benefits. We rely on the Eligibility Worker position to issue correct and timely benefits to those who qualify for the program.
HMS236	LC	06/01/20	22141	ELIGIBILITY WKR III	SR16K	P	0.57	A	33,530			2 - MOE	The impact to the State will be that without this position there will be delays in issuing SNAP and Financial Assistance Program benefits. We rely on the Eligibility Worker position to issue correct and timely benefits to those who qualify for the program.
HMS236	LC	09/01/20	22163	ELIGIBILITY WKR III	SR16K	P	0.57	A	33,530	Approved to fill by Gov; in process of recruitment		1 - MOE	The impact to the State will be that without this position there will be delays in issuing SNAP and Financial Assistance Program benefits. We rely on the Eligibility Worker position to issue correct and timely benefits to those who qualify for the program.
HMS236	LC	06/16/20	22286	OFFICE ASSISTANT III	SR08B	P	0.57	A	17,237	Approved to fill by Gov; in process of recruitment		1 - MOE	This position provides support to the processing office and prepares documents for Eligibility Workers to be able to complete their eligibility determinations. The impact of losing this position will be delays in issuing SNAP and Financial Assistance Program benefits as Eligibility Workers would be required to complete the supportive tasks that this position provides.

HMS236	LC	08/01/20	22362	ELIGIBILITY WKR II	SR14B	P	0.57	A	21,785	Submitted; pending approval to fill		1 - MOE	The impact to the State will be that without this position there will be delays in issuing SNAP and Financial Assistance Program benefits. We rely on the Eligibility Worker position to issue correct and timely benefits to those who qualify for the program.
HMS236	LC	11/28/20	22383	OFFICE ASSISTANT III	SR08B	P	0.57	A	17,237	B-2 submitted for GOV approval		1 - MOE	This position provides support to the processing office and prepares documents for Eligibility Workers to be able to complete their eligibility determinations. The impact of losing this position will be delays in issuing SNAP and Financial Assistance Program benefits as Eligibility Workers would be required to complete the supportive tasks that this position provides.
HMS236	LC	11/01/20	22846	ELIGIBILITY WKR III	SR16L	P	0.57	A	34,870	B-2 submitted for GOV approval		1 - MOE	The impact to the State will be that without this position there will be delays in issuing SNAP and Financial Assistance Program benefits. We rely on the Eligibility Worker position to issue correct and timely benefits to those who qualify for the program.
HMS236	LC	10/01/20	24180	ELIGIBILITY WKR III	SR16M	P	0.57	A	36,259	B-2 submitted for GOV approval		1 - MOE	The impact to the State will be that without this position there will be delays in issuing SNAP and Financial Assistance Program benefits. We rely on the Eligibility Worker position to issue correct and timely benefits to those who qualify for the program.
HMS236	LC	09/01/20	24186	ELIGIBILITY WKR III	SR16L	P	0.57	A	34,870	Approved to fill by Gov; in process of recruitment		1 - MOE	The impact to the State will be that without this position there will be delays in issuing SNAP and Financial Assistance Program benefits. We rely on the Eligibility Worker position to issue correct and timely benefits to those who qualify for the program.
HMS236	LC	09/11/20	24188	OFFICE ASSISTANT IV	SR10A	P	0.57	A	18,618	B-2 submitted for GOV approval		1 - MOE	This position provides support to the processing office and prepares documents for Eligibility Workers to be able to complete their eligibility determinations. The impact of losing this position will be delays in issuing SNAP and Financial Assistance Program benefits as Eligibility Workers would be required to complete the supportive tasks that this position provides.
HMS236	LC	03/16/20	24967	ELIGIBILITY WKR III	SR16I	P	0.57	A	31,026	B-2 just approved, recruitment paperwork being submitted		1 - MOE	The impact to the State will be that without this position there will be delays in issuing SNAP and Financial Assistance Program benefits. We rely on the Eligibility Worker position to issue correct and timely benefits to those who qualify for the program.
HMS236	LC	08/01/20	25017	OFFICE ASSISTANT III	SR08B	P	0.57	A	17,237			3 - MOE	This position provides support to the processing office and prepares documents for Eligibility Workers to be able to complete their eligibility determinations. The impact of losing this position will be delays in issuing SNAP and Financial Assistance Program benefits as Eligibility Workers would be required to complete the supportive tasks that this position provides.
HMS236	LC	05/01/20	25293	OFFICE ASSISTANT III	SR08K	P	0.57	A	24,515			2 - MOE	This position provides support to the processing office and prepares documents for Eligibility Workers to be able to complete their eligibility determinations. The impact of losing this position will be delays in issuing SNAP and Financial Assistance Program benefits as Eligibility Workers would be required to complete the supportive tasks that this position provides.
HMS236	LC	09/01/20	26282	ELIGIBILITY WKR V	SR20J	P	0.57	A	37,264	Selection made - start date April 1, 2021	Committed	1 - MOE	A selection was made and the applicant's start date is April 1, 2021. This position provides personnel management, provides direction and clarification to their staff, and monitors timely and accurate issuance of SNAP and Financial Assistance Program benefits. Losing this position will impact the processing center by creating a burden on the remaining permanent Supervisor who will have to oversee all personnel at that processing center. Also, this processing center was selected as the Pilot site for the new eligibility system and will need the leadership that this position provides during that time period.
HMS236	LC	04/16/20	26802	OFFICE ASSISTANT III	SR08A	P	0.57	A	17,237	B-2 being drafted		3 - MOE	This position provides support to the processing office and prepares documents for Eligibility Workers to be able to complete their eligibility determinations. The impact of losing this position will be delays in issuing SNAP and Financial Assistance Program benefits as Eligibility Workers would be required to complete the supportive tasks that this position provides.
HMS236	LC	06/01/20	28063	ELIGIBILITY WKR III	SR16J	P	0.57	A	32,223	Approved to fill by Gov; in process of recruitment		1 - MOE	The impact to the State will be that without this position there will be delays in issuing SNAP and Financial Assistance Program benefits. We rely on the Eligibility Worker position to issue correct and timely benefits to those who qualify for the program.
HMS236	LC	06/18/20	28089	ELIGIBILITY WKR III	SR16J	P	0.57	A	32,223	Approved to fill by Gov; in process of recruitment		1 - MOE	The impact to the State will be that without this position there will be delays in issuing SNAP and Financial Assistance Program benefits. We rely on the Eligibility Worker position to issue correct and timely benefits to those who qualify for the program.

HMS236	LC	07/16/20	28208	OFFICE ASSISTANT III	SR08B	P	0.57	A	17,237	B-2 submitted for GOV approval		1 - MOE	This position provides support to the processing office and prepares documents for Eligibility Workers to be able to complete their eligibility determinations. The impact of losing this position will be delays in issuing SNAP and Financial Assistance Program benefits as Eligibility Workers would be required to complete the supportive tasks that this position provides.
HMS236	LC	09/01/20	29616	ELIGIBILITY WKR V	SR20K	P	0.57	A	38,728	Approved to fill by Gov; in process of recruitment		1 - MOE	This position provides personnel management, provides direction and clarification to their staff, and monitors timely and accurate issuance of SNAP and Financial Assistance Program benefits. Losing this position will impact the processing center by creating a burden on the remaining permanent Supervisors who will have to oversee all personnel at that site which is one of our larger processing centers.
HMS236	LC	09/01/20	31097	ELIGIBILITY WKR III	SR16D	P	0.57	A	25,493	Approved to fill by Gov; in process of recruitment		1 - MOE	The impact to the State will be that without this position there will be delays in issuing SNAP and Financial Assistance Program benefits. We rely on the Eligibility Worker position to issue correct and timely benefits to those who qualify for the program.
HMS236	LC	03/14/20	32387	ELIGIBILITY WKR III	SR16C	P	0.57	A	24,515	B-2 still being drafted		3 - MOE	The impact to the State will be that without this position there will be delays in issuing SNAP and Financial Assistance Program benefits. We rely on the Eligibility Worker position to issue correct and timely benefits to those who qualify for the program.
HMS236	LC	11/14/20	34332	OFFICE ASSISTANT III	SR08B	P	0.57	A	17,237	B-2 submitted for GOV approval		1 - MOE	This position provides support to the processing office and prepares documents for Eligibility Workers to be able to complete their eligibility determinations. The impact of losing this position will be delays in issuing SNAP and Financial Assistance Program benefits as Eligibility Workers would be required to complete the supportive tasks that this position provides.
HMS236	LC	04/01/20	34726	OFFICE ASSISTANT III	SR08A	P	0.57	A	17,237	B-2 submitted for GOV approval		1 - MOE	This position provides support to the processing office and prepares documents for Eligibility Workers to be able to complete their eligibility determinations. The impact of losing this position will be delays in issuing SNAP and Financial Assistance Program benefits as Eligibility Workers would be required to complete the supportive tasks that this position provides.
HMS236	LC	04/16/20	44186	OFFICE ASSISTANT IV	SR10G	P	0.57	A	22,640	B-2 submitted for GOV approval		1 - MOE	This position provides support to the processing office and prepares documents for Eligibility Workers to be able to complete their eligibility determinations. The impact of losing this position will be delays in issuing SNAP and Financial Assistance Program benefits as Eligibility Workers would be required to complete the supportive tasks that this position provides.
HMS236	LC	08/14/20	45441	OFFICE ASSISTANT III	SR08F	P	0.50	A	17,670	Approved to fill by Gov; in process of recruitment		1 - MOE	This position provides support to the processing office and prepares documents for Eligibility Workers to be able to complete their eligibility determinations. The impact of losing this position will be delays in issuing SNAP and Financial Assistance Program benefits as Eligibility Workers would be required to complete the supportive tasks that this position provides.
HMS301	SA	10/06/20	1744	SECRETARY I	SR12G	P	0.60	A	25,805		Filled	1 - PEN	This position is needed to support the Administrative duties within the Unit and the Section. Functions include the timely processing of recruitment, travel requests and reimbursements, managing leave records, formatting correspondence, and the management of timelines and suspenses.
HMS301	SA	04/01/20	5613	HUMAN SVCS PROF III		P	0.60	A	33,055		Committed	1 - PEN	This position has been identified to temporarily assist with the CCWIS Project, which is the modernization of the Child Welfare data system through the leveraging of federal funds. This position will manage contracts, oversee cost and resource management, submit FFP claims, and complete federal reporting. The position will also help with the efficiency and accuracy of data gathering to meet federal and state requirements. This position is also 50% reimburseable.
HMS301	SA	05/01/20	17390	SOCIAL WORKER III	SR20D	P	0.60	A	30,550		Filled	1 - PEN	This position is already filled. Due to the economic climate, families are struggling with unemployment and growing poverty, resulting in an increase in child abuse and domestic violence cases. We anticipate an increase in child abuse reports as stay-at-home orders are lifted and children are more visible to mandated reporters. As the state agency responsible for addressing child maltreatment, we are mandated to ensure that children are safe. Without adequate staffing, funding, and resources, there will be fewer workers to investigate these cases. The outcome is that children will remain in unsafe homes, vulnerable to continued abuse and neglect.

HMS301	SA	10/16/20	22281	SOCIAL SERVICE AID III	SR09F	P	0.60	A	13,205		Filled	1 - PEN	This position is already filled. Primary function of this position is to provide support to children taken into foster care by assisting with medical, dental, and educational appointments. In addition, this position is to assist with contact between biological parents, children in foster care, and their siblings. Providing timely visitation is required by federal law and is critical to potential reunification of families.
HMS301	SA	10/16/20	26694	CHILD/ADULT PROTETV SVCS SPCLT	SR23H	P	0.60	A	33,055		Filled	1 - PEN	This position is already filled. Due to the economic climate, families are struggling with unemployment and growing poverty, resulting in an increase in child abuse and domestic violence cases. We anticipate an increase in child abuse reports as stay-at-home orders are lifted and children are more visible to mandated reporters. As the state agency responsible for addressing child maltreatment, we are mandated to ensure that children are safe. Without adequate staffing, funding, and resources, there will be fewer workers to investigate these cases. The outcome is that children will remain in unsafe homes, vulnerable to continued abuse and neglect.
HMS301	SA	09/16/20	28420	SOCIAL WORKER III	SR18D	P	0.60	A	33,055			1 - PEN	Due to the economic climate, families are struggling with unemployment and growing poverty, resulting in an increase in child abuse and domestic violence cases. We anticipate an increase in child abuse reports as stay-at-home orders are lifted and children are more visible to mandated reporters. As the state agency responsible for addressing child maltreatment, we are mandated to ensure that children are safe. Without adequate staffing, funding, and resources, there will be fewer workers to investigate these cases. The outcome is that children will remain in unsafe homes, vulnerable to continued abuse and neglect.
HMS301	SA	04/01/20	30829	CHILD/ADULT PROTETV SVCS SPCLT	SR23J	P	0.60	A	43,097		Filled	1 - PEN	This position is already filled. Due to the economic climate, families are struggling with unemployment and growing poverty, resulting in an increase in child abuse and domestic violence cases. We anticipate an increase in child abuse reports as stay-at-home orders are lifted and children are more visible to mandated reporters. As the state agency responsible for addressing child maltreatment, we are mandated to ensure that children are safe. Without adequate staffing, funding, and resources, there will be fewer workers to investigate these cases. The outcome is that children will remain in unsafe homes, vulnerable to continued abuse and neglect.
HMS301	SA	09/01/20	32311	SOCIAL SERVICE ASSISTANT IV	SR11H	P	0.60	A	18,063		Filled	1 - PEN	This position is already filled. Primary function of this position is to provide support to children taken into foster care by assisting with medical, dental, and educational appointments. In addition, this position is to assist with contact between biological parents, children in foster care, and their siblings. Providing timely and regular visitation is required by federal law and critical to the safe reunification of families. This position is also responsible for completing all payment transactions, including foster board payments, clothing allowance, assuring IV-E claims are completed, and leveraging Social Security benefits.
HMS301	SA	10/01/20	32763	CHILD/ADULT PROTETV SVCS SPCLT	SR23J	P	0.60	A	43,517		Filled	1 - PEN	This position is already filled. Due to the economic climate, families are struggling with unemployment and growing poverty, resulting in an increase in child abuse and domestic violence cases. We anticipate an increase in child abuse reports as stay-at-home orders are lifted and children are more visible to mandated reporters. As the state agency responsible for addressing child maltreatment, we are mandated to ensure that children are safe. Without adequate staffing, funding, and resources, there will be fewer workers to investigate these cases. The outcome is that children will remain in unsafe homes, vulnerable to continued abuse and neglect.
HMS301	SA	04/16/20	34342	SOCIAL SERVICE AID III	SR09J	P	0.60	A	13,205		Filled	1 - PEN	This position is already filled. Primary function of this position is to provide support to children taken into foster care by assisting with medical, dental, and educational appointments. In addition, this position is to assist with contact between biological parents, children in foster care, and their siblings. Providing timely and regular visitation is required by federal law and critical to the safe reunification of families. This position is also responsible for completing all payment transactions, including foster board payments, clothing allowance, assuring IV-E claims are completed, and leveraging Social Security benefits.



HMS301	SA	10/21/20	35442	CHILD/ADULT PROTETV SVCS SPCLT	SR23E	P	0.60	A	35,770	Filled	1 - PEN	This position is already filled. Due to the economic climate, families are struggling with unemployment and growing poverty, resulting in an increase in child abuse and domestic violence cases. We anticipate an increase in child abuse reports as stay-at-home orders are lifted and children are more visible to mandated reporters. As the state agency responsible for addressing child maltreatment, we are mandated to ensure that children are safe. Without adequate staffing, funding, and resources, there will be fewer workers to investigate these cases. The outcome is that children will remain in unsafe homes, vulnerable to continued abuse and neglect.
HMS301	SA	10/31/20	36288	HUMAN SVCS PROF IV	SR22G	P	0.60	A	37,202	Filled	1 - PEN	This position is already filled. Due to the economic climate, families are struggling with unemployment and growing poverty, resulting in an increase in child abuse and domestic violence cases. We anticipate an increase in child abuse reports as stay-at-home orders are lifted and children are more visible to mandated reporters. As the state agency responsible for addressing child maltreatment, we are mandated to ensure that children are safe. Without adequate staffing, funding, and resources, there will be fewer workers to investigate these cases. The outcome is that children will remain in unsafe homes, vulnerable to continued abuse and neglect.
HMS301	SA	09/01/20	36518	SECRETARY I	SR12M	P	0.60	A	32,659	Filled	1 - PEN	This position is already filled. This position is needed to support the Administrative duties within the Unit and the Section. Functions include the timely processing of recruitment, travel requests and reimbursements, managing leave records, formatting correspondence, and the management of timelines and suspenses.
HMS301	SA	11/06/20	37877	SOCIAL SERVICE ASSISTANT IV	SR11E	P	0.60	A	22,932	Filled	1 - PEN	This position is already filled. Primary function of this position is to provide support to children taken into foster care by assisting with medical, dental, and educational appointments. In addition, this position is to assist with contact between biological parents, children in foster care, and their siblings. This position is also responsible for completing all payment transactions, including foster board payments, clothing allowance, assuring IV-E claims are completed, and leveraging Social Security benefits.
HMS301	SA	12/14/19	38100	CHILD/ADULT PROTETV SVCS SPCLT	SR23K	P	0.60	A	31,681	Filled	1 - PEN	This position is already filled. Due to the economic climate, families are struggling with unemployment and growing poverty, resulting in an increase in child abuse and domestic violence cases. We anticipate an increase in child abuse reports as stay-at-home orders are lifted and children are more visible to mandated reporters. As the state agency responsible for addressing child maltreatment, we are mandated to ensure that children are safe. Without adequate staffing, funding, and resources, there will be fewer workers to investigate these cases. The outcome is that children will remain in unsafe homes, vulnerable to continued abuse and neglect.
HMS301	SA	11/03/20	39415	CHILD/ADULT PROTETV SVCS SPCLT	SR23J	P	0.60	A	42,792	Filled	1 - PEN	This position is already filled. Due to the economic climate, families are struggling with unemployment and growing poverty, resulting in an increase in child abuse and domestic violence cases. We anticipate an increase in child abuse reports as stay-at-home orders are lifted and children are more visible to mandated reporters. As the state agency responsible for addressing child maltreatment, we are mandated to ensure that children are safe. Without adequate staffing, funding, and resources, there will be fewer workers to investigate these cases. The outcome is that children will remain in unsafe homes, vulnerable to continued abuse and neglect.
HMS301	SA	10/16/20	39767	SOCIAL SERVICE ASSISTANT IV	SR11B	P	0.60	A	20,072	Filled	1 - PEN	This position is already filled. Primary function of this position is to provide support to children taken into foster care by assisting with medical, dental, and educational appointments. In addition, this position is to assist with contact between biological parents, children in foster care, and their siblings. This position is also responsible for completing all payment transactions, including foster board payments, clothing allowance, assuring IV-E claims are completed, and leveraging Social Security benefits.

HMS301	SA	10/01/20	42298	SOCIAL SERVICE ASSISTANT IV	SR11E	P	0.60	A	22,932		Filled	1 - PEN	This position is already filled. Primary function of this position is to provide support to children taken into foster care by assisting with medical, dental, and educational appointments. In addition, this position is to assist with contact between biological parents, children in foster care, and their siblings. This position is also responsible for completing all payment transactions, including foster board payments, clothing allowance, assuring IV-E claims are completed, and leveraging Social Security benefits.
HMS301	SA	07/25/20	42366	CHILD/ADULT PROTETV SVCS SPCLT		P	0.60	A	33,055		Recommendation for hire pending	1 - PEN	Due to the economic climate, families are struggling with unemployment and growing poverty, resulting in an increase in child abuse and domestic violence cases. We anticipate an increase in child abuse reports as stay-at-home orders are lifted and children are more visible to mandated reporters. As the state agency responsible for addressing child maltreatment, we are mandated to ensure that children are safe. Without adequate staffing, funding, and resources, there will be fewer workers to investigate these cases. The outcome is that children will remain in unsafe homes, vulnerable to continued abuse and neglect.
HMS301	SA	11/02/20	42369	CHILD/ADULT PROTETV SVCS SPCLT	SR23J	P	0.60	A	47,576			1 - PEN	Due to the economic climate, families are struggling with unemployment and growing poverty, resulting in an increase in child abuse and domestic violence cases. We anticipate an increase in child abuse reports as stay-at-home orders are lifted and children are more visible to mandated reporters. As the state agency responsible for addressing child maltreatment, we are mandated to ensure that children are safe. Without adequate staffing, funding, and resources, there will be fewer workers to investigate these cases. The outcome is that children will remain in unsafe homes, vulnerable to continued abuse and neglect.
HMS301	SA	08/15/20	42524	SOCIAL SERVICE ASSISTANT IV	SR11A	P	0.60	A	14,288		Filled	1 - PEN	This position is already filled. Primary function of this position is to provide support to children taken into foster care by assisting with medical, dental, and educational appointments. In addition, this position is to assist with contact between biological parents, children in foster care, and their siblings. This position is also responsible for completing all payment transactions, including foster board payments, clothing allowance, assuring IV-E claims are completed, and leveraging Social Security benefits.
HMS301	SA	10/03/20	43243	CHILD/ADLT PROTV SVCS SUPV I	SR25E	P	0.60	A	37,202		Filled	1 - PEN	This position is already filled. Due to the economic climate, we have seen an increase in child abuse and neglect, and domestic violence. We are the only mandated agency to respond to child safety, as a result of child abuse and neglect. Without adequate staffing, funding and resources, possible outcome is that children will remain in unsafe homes, and will continue to be exposed to unsafe conditions, subject to continued harm which could result in death. This position is pivotal in ensuring compliance, casework practice, aligned with state and federal guidelines.
HMS301	SA	10/01/20	44016	SOCIAL WORKER IV	SR22M	P	0.60	A	32,936		Filled	1 - PEN	This position is already filled. Due to the economic climate, families are struggling with unemployment and growing poverty, resulting in an increase in child abuse and domestic violence cases. We anticipate an increase in child abuse reports as stay-at-home orders are lifted and children are more visible to mandated reporters. As the state agency responsible for addressing child maltreatment, we are mandated to ensure that children are safe. Without adequate staffing, funding, and resources, there will be fewer workers to investigate these cases. The outcome is that children will remain in unsafe homes, vulnerable to continued abuse and neglect.
HMS301	SA	09/01/20	44240	CHILD/ADULT PROTETV SVCS SPCLT	SR23E	P	0.60	A	35,770		Filled	1 - PEN	This position is already filled. Due to the economic climate, families are struggling with unemployment and growing poverty, resulting in an increase in child abuse and domestic violence cases. We anticipate an increase in child abuse reports as stay-at-home orders are lifted and children are more visible to mandated reporters. As the state agency responsible for addressing child maltreatment, we are mandated to ensure that children are safe. Without adequate staffing, funding, and resources, there will be fewer workers to investigate these cases. The outcome is that children will remain in unsafe homes, vulnerable to continued abuse and neglect.

HMS301	SA	10/24/20	44705	CHILD/ADULT PROTETV SVCS SPCLT	SR23F	P	0.60	A	37,083		Filled	1 - PEN	This position is already filled. Due to the economic climate, families are struggling with unemployment and growing poverty, resulting in an increase in child abuse and domestic violence cases. We anticipate an increase in child abuse reports as stay-at-home orders are lifted and children are more visible to mandated reporters. As the state agency responsible for addressing child maltreatment, we are mandated to ensure that children are safe. Without adequate staffing, funding, and resources, there will be fewer workers to investigate these cases. The outcome is that children will remain in unsafe homes, vulnerable to continued abuse and neglect.
HMS301	SA	05/01/20	46294	SOCIAL SERVICE ASSISTANT IV	SR11H	P	0.60	A	25,805			1 - PEN	Primary function of this position is to provide support to children taken into foster care by assisting with medical, dental, and educational appointments. In addition, this position is to assist with contact between biological parents, children in foster care, and their siblings. This position is also responsible for completing all payment transactions, including foster board payments, clothing allowance, assuring IV-E claims are completed, and leveraging Social Security benefits.
HMS301	SA	05/01/20	46328	OFFICE ASSISTANT III	SR08A	P	0.60	A	18,144		Filled	1 - PEN	Administrative duties within the Unit. Functions includes processing of documents, copying, filing, faxing, meet and greet clients, front office coverage, process court office documents, and request clients vital documents.
HMS301	SA	05/18/20	46385	SOCIAL SERVICE ASSISTANT IV		P	0.60	A	20,412		Committed	1 - PEN	Primary function of this position is to provide support to children taken into foster care by assisting with medical, dental, and educational appointments. In addition, this position is to assist with contact between biological parents, children in foster care, and their siblings. This position is also responsible for completing all payment transactions, including foster board payments, clothing allowance, assuring IV-E claims are completed, and leveraging Social Security benefits.
HMS301	SA	07/30/20	47414	HUMAN SVCS PROF III	SR20F	P	0.60	A	32,628		Filled	1 - PEN	This position is already filled. Due to the economic climate, families are struggling with unemployment and growing poverty, resulting in an increase in child abuse and domestic violence cases. We anticipate an increase in child abuse reports as stay-at-home orders are lifted and children are more visible to mandated reporters. As the state agency responsible for addressing child maltreatment, we are mandated to ensure that children are safe. Without adequate staffing, funding, and resources, there will be fewer workers to investigate these cases. The outcome is that children will remain in unsafe homes, vulnerable to continued abuse and neglect.
HMS301	SA	04/20/19	110569	SOCIAL SERVICE AID III	SR09A	P	0.60	A	23,580			3 - PEN	Primary function of this position is to provide support to children taken into foster care by assisting with medical, dental, and educational appointments. In addition, this position is to assist with contact between biological parents, children in foster care, and their siblings.
HMS301	SA	07/01/20	118531	SOCIAL SERVICE AID III		P	0.60	A	18,864			3 - PEN	Primary function of this position is to provide support to children taken into foster care by assisting with medical, dental, and educational appointments. In addition, this position is to assist with contact between biological parents, children in foster care, and their siblings.
HMS301	SA	10/20/20	122789	CHILD/ADULT PROTETV SVCS SPCLT	SR23	P	1.00	A	55,092			1	Due to the economic climate, families are struggling with unemployment and growing poverty, resulting in an increase in child abuse and domestic violence cases. We anticipate an increase in child abuse reports as stay-at-home orders are lifted and children are more visible to mandated reporters. As the state agency responsible for addressing child maltreatment, we are mandated to ensure that children are safe. Without adequate staffing, funding, and resources, there will be fewer workers to investigate these cases. The outcome is that children will remain in unsafe homes, vulnerable to continued abuse and neglect.
HMS302	DA	09/01/20	7711	HUMAN SVCS PROF III	SR20M	P	0.50	A	36,264	In recruitment - selection made, position frozen due to DOH RIF	Offer pending	1	This is a Child Care Licensing Worker position. The position plays a crucial role in preventing safety and health issues in licensed and registered child care facilities. The position will also begin conducting health and safety checks at homes and facilities of license-exempt child care providers who care for children receiving child care subsidies.

HMS302	DA	06/27/20	47448	SOCIAL WORKER III	SR20L	P	0.50	A	34,866	B-2 just approved, recruitment paperwork being prepared; position frozen due to DOH RIF		1	This is a Child Care Licensing Worker position. The position plays a crucial role in preventing safety and health issues in licensed and registered child care facilities. The position will also begin conducting health and safety checks at homes and facilities of license-exempt child care providers who care for children receiving child care subsidies.
HMS501	YA	04/01/20	121186	ACCOUNTANT IV	SR22I	P	1.00	A	64,904			1	The loss of the Accountant IV position means that the duties of this position will have to be assumed by the General Professional V. In addition the Accountant serves as the backup point of contact for OYS and HYCF on fiscal and budget matters. In the absence of the General Professional V there would be no staff qualified to perform accounting duties for OYS and HYCF. It would not be practical to train the Personnel Management Specialist as a backup as this employee does not have any prior training or experience in accounting and budget matters.
HMS503	YB	07/01/20	29055	OFFICE ASSISTANT III	SR08D	P	1.00	A	32,664	In recruitment - interviews are on-going		3	A list of applicants was received from RES and interviews are ongoing. This position is important in the management and maintenance of the records and files of the institutional wards. The position also is responsible for data collection of program operations and medical statistics for budgetary purposes. The duties of this position are currently being done by the Business Services Supervisor.
HMS503	YB	06/03/20	31615	INSTITUTION FARM ACTIV LEADER		P	1.00	A	47,592		Filled	1	This position was filled as of 1/19/21 and is critical to the maintenance and management of the HYCF ranching operations. This includes a herd of 76 cattle and 500 acres of pasture land in Kailua and Waiawa. In addition this position manages the HYCF hydroponics systems and are needed for farming expansions. The ranching operations at HYCF are one of the oldest on the island of Oahu and have been in existence for over 90 years. With this position vacant the duties are performed by the HYCF operations manager resulting in increased overtime costs.
HMS503	YB	04/01/20	35851	INSTITUTION FARM ACTIV LEADER	WS03A	P	1.00	A	47,508	In recruitment - interviews are scheduled		2	A list of applicants was received from RES and interviews are scheduled for the first half of April. The impact statement is the same as position 31615
HMS601	TA	05/01/20	26588	SOCIAL SERVICE ASSISTANT IV	SR11B	P	1.00	A	34,020	B-2 in draft		1	This is the only Social Service Assistant position in the unit, and provides critical support to the professional social work and nursing staff to protect vulnerable adults. The position was vacated due to a promotion within the unit and we were unable to fill it due to the hiring freeze. We are currently working on the B2 request to fill for this position. This position, the only SSA IV for APCS in East Hawaii, is essential in processing medical applications, making payments for services, transporting clients and general support services. Without this position there would be no assistance to the professional staff and we would see a drastic backlog of payments, and time-sensitive appointments, transportation services and referrals for services for our vulnerable adult clients. In addition, with not only the number of elders in the state and nation rising as people live longer, we expect to see a rise in cases following the pandemic, when things re-open and we are able to see what has been unseen due to closed facilities and people not being able to meet with their elder relatives. There is no other position in the East Hawaii section to perform this work, and it is essential to our operations.

HMS802	GA	04/16/20	15822	VOCATIONAL REHAB SPCLT III	SR20K	P	0.33	A	21,842	B-2 pending	2 - Match	Positions 15822 and 16921 were vacated due to internal promotional opportunities and were not impacted by SB 126, reduction in funding. However, the recruitment of these positions were affected by the hiring freeze imposed by EM 20-01, issued on April 3, 2020 and were subject to the B-2 process requiring Governor's approval to recruit and hire. The B-2 process was initiated by DVR and is pending Governor's approval to hire. These positions are crucial in providing vocational rehabilitation services to individuals with physical or mental disabilities to help them prepare for, secure, retain and/or maintain competitive integrated employment. In addition to serving persons with disabilities from the general community population, these positions also serve public, private, homeschooled, and charter school students with disabilities statewide, as they begin exploring careers and opportunities to acquire necessary skills vital to successful preparation for competitive integrated employment. DVR's services provide the direct link to meet the needs of all eligible Hawaii residents and students. DVR anticipates the potential for 1,500 new DVR applicants statewide and an increased number of students with disabilities seeking DVR support from about 800 to 1,200 once the COVID-19 crisis settles. It is crucial to have VRS staff to provide services for this group of Hawaii's disabled population. As the caseloads increase, it is important to have these positions filled to maintain effective and necessary engagement with VR participants that result in job placements to support our community's needs. An increased caseload with no support/reinforcements in sight could adversely affect the retention of existing staff, and buildup of a waitlist for these needed services.
HMS802	GA	10/01/19	16921	VOCATIONAL REHAB SPCLT III	SR20F	P	0.33	A	18,180	B-2 pending	2 - Match	Positions 15822 and 16921 were vacated due to internal promotional opportunities and were not impacted by SB 126, reduction in funding. However, the recruitment of these positions were affected by the hiring freeze imposed by EM 20-01, issued on April 3, 2020 and were subject to the B-2 process requiring Governor's approval to recruit and hire. The B-2 process was initiated by DVR and is pending Governor's approval to hire. These positions are crucial in providing vocational rehabilitation services to individuals with physical or mental disabilities to help them prepare for, secure, retain and/or maintain competitive integrated employment. In addition to serving persons with disabilities from the general community population, these positions also serve public, private, homeschooled, and charter school students with disabilities statewide, as they begin exploring careers and opportunities to acquire necessary skills vital to successful preparation for competitive integrated employment. DVR's services provide the direct link to meet the needs of all eligible Hawaii residents and students. DVR anticipates the potential for 1,500 new DVR applicants statewide and an increased number of students with disabilities seeking DVR support from about 800 to 1,200 once the COVID-19 crisis settles. It is crucial to have VRS staff to provide services for this group of Hawaii's disabled population. As the caseloads increase, it is important to have these positions filled to maintain effective and necessary engagement with VR participants that result in job placements to support our community's needs. An increased caseload with no support/reinforcements in sight could adversely affect the retention of existing staff, and buildup of a waitlist for these needed services.

HMS802	GA	04/21/20	22666	VOCATIONAL REHAB SPCLT V	SR24I	P	0.33	A	19,673	Approved to fill by Gov; in process of recruitment	Filled	1 - Match	This position became vacant on 4/20/2020. However, the recruitment of this position was affected by the hiring freeze imposed by EM 20-01, issued on April 3, 2020 and was subject to the B-2 process requiring Governor's approval to recruit and hire. Governor approval to hire was obtained in February 2021 and since then DVR has completed the recruitment, interview, and selection process. An offer has been made and candidate accepted with a start date of April 1, 2021. This position is crucial for DVR statewide operations for timely preparation of status reports for federal funders, key stakeholders and community groups, and legislative request for information. This position manages \$13.9M in DVR federal awards; SSA program income averaging \$700,000 per annum in additional federal funding; oversees procurement for 36 contracts and MOUs; the quality and systems/projects progress; finalization of program budgets and expenditure plans; accurate and sufficient accountability for budgetary needs to provide timely services; compliance with planning, coordination, development, evaluation and monitoring of bidding, proposals and all contracting processes for statewide program services; timely compliance with state procurement and payment processing to avoid procurement violation; compliance with federal reporting and monitoring of services and expenditures and timely response to corrective action plan items and requests for state and federal audits; and timely purchases and payments for delivery of program services. From the date of vacancy in April 2020, DVR has had to parcel out the responsibilities for this position to multiple DVR staff and DVR Administrators who shared in fulfilling the many statewide responsibilities of this position. This strategy was a temporary solution and is not sustainable. DVR would benefit from having a full-time staff member fill this position and looking forward to this position being filled as of April 1, 2021 per the identification and selection of a qualified
HMS901	MA	05/30/20	40893	SYSTEMS PROJECT MANAGER	SRNA	P	0.75	A	78,219	Approved to fill by Gov; in process of recruitment	Recommendation for hire pending	1 -PEN	This is a critical position as it is tied to improving the data system for child welfare services and is split funded, based on the foster care penetration rate. This position will be managing the development and implementation of the Comprehensive Child Welfare Information System (CCWIS), a modernization project to replace the legacy Child Protective Services System (CPSS), an antiquated data system. CPSS is unable to provide data reports and tracking in a timely and efficient matter and is not fully compatible with newer technology. CCWIS has the support of the federal government and federal reimbursement is available. The Administration for Children and Families (ACF) has identified this position as necessary to keep CCWIS moving forward and without this position questions the ability and capacity to succeed with CCWIS. The B2 for this position was initiated on July 15, 2020 and was approved by the Governor on December 21, 2020. The salary is \$8691/month. DHRD announced the position on January 4, 2021. Interviews of applicants were conducted in February. The position remains open. DHRD was recently notified to re-recruit for this position. This position needs to be filled as soon as possible to leverage federal funds as well as to provide the technology necessary to manage and support child welfare services programs to enhance access, outcomes, costs and quality, and to provide the level of care required to protect at-risk children and families in Hawaii.
HMS903	FA	06/01/20	1692	ELIGIBILITY WKR IV	SR18L	P	0.55	A	36,406			2 - MOE	Position became vacant during COVID-19 period and unable to fill due to hiring freeze. The primary purpose of this position is to review public assistance cases in which intentional program violations are suspected to have occurred but which, because of short violation periods and/or other factors, are not considered appropriate for criminal prosecution, and in those cases considered deserving of further action. Although not considered appropriate for criminal prosecution, are violations of the administrative rules of the various assistance program rules and are considered appropriate for referral to an administrative disqualification hearing. In addition, ADS enters appropriate disqualification information into the nation-wide Disqualified Recipient System (DRS) computer system administered by the United States Department of Agriculture.

HMS903	FA	05/16/20	1702	INVESTIGATOR IV	SR22D	P	0.55	A	30,301			2 - MOE	Position became vacant during COVID-19 period and unable to fill due to hiring freeze. The primary purpose of this position is to investigate violations of State and Federal statutes, rules and regulations governing programs administered by the Department, including alleged misconduct by Department employees. Conducts investigations of violations of State and Federal Statutes, rules and regulations to confirm, stop and prevent current and future violations following standard policies and procedures. This Investigator position is very critical in order to safeguard the integrity of public assistance programs and ensures that benefits go to residents that are in need.
HMS903	FA	07/01/20	16992	OFFICE ASSISTANT IV	SR10I	P	0.53	A	22,794			2 - MOE	This position is a working supervisor and supervises one (1) Office Assistant III. Position oversees all activities, such as distribution of office mail from Statewide Branch units, BESSD Administration, and DHS Staff Offices; provide temporary storage of closed cases before it us sent to Access; processes closed case records for the Processing Centers, First-To-Work, and Child Care Licensing Units to send to Access storage facility; and prepares list of closed cases that are approved for destruction.
HMS903	FA	06/01/20	29838	SECRETARY II	SR14C	P	0.53	A	21,052	B-2 pending		1 - MOE	B-2 submitted to BESSD-AA on 06/19/20 and BESSD-A on 08/04/20. This clerical/administrative position serves as the administrative secretary for the Chief Investigator of The Investigations Section. Position is responsible for all travel, purchase order and pcard transactions. The position also serves as a liaison between the Chief Investigator and outer island supervisors and is responsible for the coordination of all clerical procedures on the neighbor islands.
HMS903	FA	06/13/20	35534	ELIGIBILITY WKR IV		P	0.53	A	23,704			2 - MOE	Position became vacant during COVID-19 period and unable to fill due to hiring freeze. The primary purpose of this position is to receive, review and evaluate overpayment claim reports in order to verify proper policy application and accuracy of the computed claim amounts; resolve and correct inconsistencies, omissions or other discrepancies in overpayment reports; and identify cases considered appropriate for referral to the Case Control staff for further review and possible investigative assignment. In cases brought before the court for civil collection actions, the incumbent of this position testifies concerning the collection requirements of State and Federal regulations and the accuracy and appropriateness of the amounts to be collected.
HMS903	FA	04/16/20	42445	SECRETARY II	SR14B	P	0.53	A	20,257		Temporarily assigned	1 - MOE	This position is the Administrative Services support position, responsible for processing orders and invoices for all Division technology such as computers, printers, scanners, multifunction devices, and EBT transaction vendor invoices. This is a VITAL position for the entire Division. The encumbant advanced to a position outside the Division. Recruitment has been blocked due to Covid and the related hiring freezes. It has been filled through Temporary Assignment and continues to function in support of the Division's ongoing needs. Again, this position is vital for the technology support of the entire Division.
HMS903	FA	05/01/20	42968	ELIGIBILITY PROGRAM SPCLT IV	SR22H	P	0.57	A	36,164			2 - MOE	This position is responsible to train new hires on the SNAP and Financial Assistance Program policy and the HAWI system, provide training on new policies and clarifications that are issued, and to provide refresher training on areas that are error-prone. As Hawaii is under corrective action for the SNAP, the position is crucial to improving in implementation of the SNAP policy.
HMS903	FA	10/01/20	51788	ELIGIBILITY PROGRAM SPCLT V	SR24L	P	0.50	A	29,808	Approved to fill by Gov; in process of recruitment	Extended job offer	1 - MOE	This position has the sole responsibility for the SNAP E&T program, which includes services such as HINET. During this current period of COVID, and especially during the period post-COVID, economic recovery will be challenging for all in the State, and especially our low-income population. Services that can provide them the skill set needed to adapt to changes to the economy, such as new employment skills through vocational training opportunities, is vital to our economic recovery. And this postion has the responsibility for this critical need.

HMS903	FA	10/27/20	51837	OFFICE ASSISTANT III	SR08B	P	0.50	A	15,120			2 - MOE	All clerical duties and responsibilities normally assigned to the OA III is now assigned to the Secretary, adding to what is already a full-time workload. Administrator and program specialists can only assist with certain general clerical work. If the incumbent in the Secretary position leaves, the office will be without any clerical support. The OA III typically provide coverage as the temporarily assigned Secretary while the incumbent is out on leave or the position is vacant.
HMS903	FA	07/01/20	121177	ELIGIBILITY SYS BUS ANALYST	SRNA	T	0.53	A	39,979			1 - MOE	This position was held by a business analyst who retired from State service. Throughout the final two years of the BES Project, part of DHS IT Modernization effort, BES has needed a professional project manager to complete the project. As such, the funding for this Business Analyst will be re-purposed to support a skilled PM to complete the \$40M integrated eligibility system project manager at a 24-month contracted commensurate with the prevailing market rates. This BA position's funding contributes to the overall cost of this PM position. BESSD Division Administrator and DHS IT Manager are working through this contract; during the vacancy, the Division Administrator has assumed the PM's duties.
HMS904	AA	08/01/20	2622	HUMAN RESOURCES ASSISTANT IV	SR11A	P	1.00	A	36,732	Approved to fill by Gov; in process of recruitment		1	This is one of three vacancies in a unit of 5 total positions in the Records and Support Services Staff (RSS) unit. The other two HRA vacancies were unfunded last session and it is uncertain whether they will be funded this session. It is critical that the department retain and fill this position as it is responsible to process the full range of human resources transactions and pay-related documents and to assist assigned programs in the interpretation of rules, regulations, and collective bargaining contract provisions as they relate to transactions activities. HRA positions receive specialized training to enable them to determine the salary and other pay related information for new hires, promotions, demotions, transfers, reallocations, step movements, leaves with and without pay, separations, etc.; record and provide this information, via the Employee Personnel Action Report, to the Fiscal Management Office/Pre-Audit/Payroll Staff (FMO/PA/Payroll) by set deadlines to enable them to accurately compensate 1900 Department of Human Services (DHS) employees on a timely basis. They also determine the eligibility of DHS employees for Temporary Disability Benefits (TDB) and prepare appropriate forms for FMO/PA/Payroll for payment; audit employee leave records and Application for Transfer of Vacation and Sick Leave Credit or Payment in Lieu of Vacation (G-2) forms; and submit them to FMO/PA/Payroll for payment or transfer of funds; process health benefit changes; complete employment verification requests; transmit and audit Performance Appraisal Summary (PAS) forms; and maintain employee Official Personnel Folders (OPF). RSS cannot continue to function with only two staff.
HMS904	AA	05/01/20	28230	INFORMATION TECHNOLOGY BAND B	SR22H	P	0.65	A	38,641			1-Match	This position was vacated in 2020 while the hiring freeze was in place. Therefore, it could not be recruited for. However, this position is needed to support the child welfare modernization project.
HMS904	AA	04/06/20	35316	SECRETARY II	SR14E	P	1.00	A	43,008	In the process of redescrbing the position. Pending B-2 approval.		1	This Secretary II position provides secretarial support for 9 BPMO positions and relieves the Officer, Budget Analysts, Planner, and Program Management staff from all clerical responsibilities. The incumbent accepted a promotion and the position remained vacant due to the hiring freeze imposed by E.M. 20-01. This is the only secretary position for BPMO, with responsibilities of updating position actions and inventory records, ordering supplies, processing invoices, and serving as the point person for the new on-line time and leave system and other changes to work process enhancements to keep staff safe, and maximize efficiency. BPMO has expansive work, collaborating with the DHS leaders, to develop and update the first department-wide strategic plan, DHS FAQs, DHS Pandemic FAQs, DHS Specialty Funds FAQs, DHS Fact Sheets, and other tools and training to assist internal and external stakeholders to understand how DHS provides benefits and services to those we serve. BPMO is in the process of redescrbing this position to expand the scope of duties to better assist BPMO and DHS to adhere to strict budget deadlines, assist with the strategic plan and other planning initiatives, and assist with program reviews and reorganizations conducted by BPMO/PME. Elimination of this position will result in the inability of BPMO to fully function efficiently and effectively to support DHS and its operations to best serve internal and external customers.



HMS904	AA	10/01/20	46592	COMPUTER OPERATOR II	SR15M	P	0.65	A	39,764			2-Match	This position was vacated in 2020 while the hiring freeze was in place. Therefore, it could not be recruited for. However, this position is needed to support the child welfare modernization project.
HMS904	AA	10/01/20	122085	SPECIAL ASSISTANT TO THE DIREC		T	1.00	A	115,008	Recruitment closed on Tuesday, March 23, 2021. Interviews are scheduled.		1	Funding for the Special Assistant to the Director is budgeted under Act 9, SLH 2020, personal services cost. This position was approved to fill by the Governor and is in process of recruitment. The recruitment closed on Tuesday, March 23, 2021, and interviews are currently being scheduled. Elimination of the Special Assistant to the Director would negatively impact DHS operation and hinder the effectiveness and responsiveness of DHS administration. This position requires extensive procurement expertise to ensure effective and compliant procurement and is critical to address the ongoing and new functions added to DHS due to the COVID 19 pandemic. DHS has one of the largest budgets comprised by federal funds. DHS only has one deputy, and the Special Assistant to the Director will assist with managing programs, policy, budget, operations, human resources, aligning state operations with federal and state law and regulations. This position will assist with responsibilities including litigation coordination, working with divisions to quickly digest federal law and regulations to ensure compliance, streamline workflows for administrative rule making and procurement oversight, and assists with high level meetings and constituent response. With the relentless pace with which HMS 904 works, this position will be responsible for assisting with the added federal requirements under the CARES Act, Coronavirus Relief Funds, emergency rule making to ensure quickness and agility in dispersing benefits and services, and tracking the American Rescue Plan funds to ensure the department has the federal guidelines and capacity to dispense the funds to those who most need it. Losing this position would critically hinder the efficacy of the Director's office.
HMS904	AA		92121K	COMMUNITY DEVELOPMENT SPCLT	SRNA	P	1.00	A	0			5	No impact of reduction. DHS is unable to fill this position because no funds were appropriated for salaries.
HMS904	AA		92122K	COMMUNITY DEVELOPMENT SPCLT		P	1.00	A	0			5	No impact of reduction. DHS is unable to fill this position because no funds were appropriated for salaries.

\$ 2,893,949

Managers to complete impact statement (column M) and prioritize positions using priority numbers 1-5 (column L)													
House Vacancy Reductions													
Prog ID	Sub-Org	Date of Vacancy	Position Number	Position Title	SR Level	Perm Temp (P/T)	FTE	MOF	Budgeted Amount	B-2 STATUS	Filled / Committed	Priority # to Retain	Impact Statement
HMS220	RH	08/10/19	5855	SECRETARY I	SR12E	P	1.00	W	39,720			1	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position, HPHA submitted request to fill on 2/23/21.
HMS220	RH	04/06/20	41066	BUILDING MAINTENANCE HELPER	BC05A	P	1.00	W	48,000			2	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position. This position is critical to fill to assist the management unit in repair and maintenance of vacant and occupied units.
HMS220	RH	01/31/20	123141	GENERAL LABOR II	BC03A	P	1.00	W	41,304			1	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; internal recruitment as of 3/15/21.
HMS220	RH	01/31/20	123143	GENERAL LABOR II	BC03A	P	1.00	W	41,304			1	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; internal recruitment as of 3/15/21.
HMS229	HA	12/31/14	8063	OFFICE ASSISTANT II	SR06	P	1.00	W	27,912			2	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position, HPHA will redescribe to secretarial position for the Office of Executive Director.
HMS229	HA	02/04/20	22265	ACCOUNT CLERK III	SR11C	P	1.00	W	34,020			1	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position, and is on continuous recruitment as of 3/15/21.
HMS229	HA	07/01/05	31664	PROCUREMENT & SUPPLY SPCLT III	SR20	P	1.00	W	48,948			1	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position, and is on continuous recruitment as of 3/8/21.
HMS229	HA	12/04/17	42096	SECRETARY I	SR12A	P	1.00	W	35,340			1	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position, and is on continuous recruitment as of 3/22/21.
HMS229	HA	07/17/17	42101	ACCOUNT CLERK III	SR11C	P	1.00	W	34,020			1	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position, and is on continuous recruitment as of 3/15/21.
HMS229	HA	05/31/18	100886	HOUSING DEVELOPMENT SPCLT I	SRNA	T	1.00	W	62,224			1	Job offer accepted; start date 3/31/21.
HMS229	HA	03/01/19	101326	PROJECT ENGINEER	SRNA	T	1.00	W	81,336			2	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; HPHA will continue the recruitment process due to the on-going construction projects.
HMS229	HA	04/29/08	102041	HOUSING INFORMATION OFFICER	SRNA	T	1.00	W	58,488			2	HPHA will redescribe as agency's Public Information officer
HMS229	HA	12/24/14	102048	PROPERTY MGMT SPCLT	SRNA	P	1.00	W	49,332			1	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; this position is in recruitment and pending a selection.
HMS229	HA	08/01/07	102676	ENGINEER IV	SR24C	T	1.00	W	59,616			2	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; HPHA will continue the recruitment process due to the on-going construction projects.
HMS229	HA	08/01/20	105642	HPHA SYSTEMS ANALYST IV	SRNA	T	1.00	W	72,324			1	This position is critical to fill as the agency is implementing cloud base and new housing software; this position does not impact state general funds.
HMS229	HA	02/03/20	120410	BUILDING CONST INSPECTOR II	SR19B	T	1.00	W	46,476			2	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; HPHA will continue the recruitment process due to on-going inspection projects.
HMS229	HA	02/04/20	122983	CONSTRUCTION COORDINATOR	SRNA	T	1.00	W	55,500		Filled	2	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; HPHA will continue the recruitment process due to the on-going construction projects.
HMS229	HA	12/02/19	123166	BUILDING MAINTENANCE HELPER		P	1.00	W	43,308			2	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; HPHA will transfer position to neighbor island properties to assist in repairs and maintenance due to health and safety.
HMS229	HA	12/02/19	123168	BUILDING MAINTENANCE HELPER		P	1.00	W	43,308			2	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; HPHA will transfer position to neighbor island properties to assist in repairs and maintenance of units due to health and safety.
HMS229	HA	12/02/19	123169	BUILDING MAINTENANCE HELPER		P	1.00	W	43,308			3	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; HPHA will transfer position to neighbor island properties to assist in repairs and maintenance of units due to health and safety.
HMS229	HA	12/02/19	123170	BUILDING MAINTENANCE HELPER		P	1.00	W	43,308			3	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; HPHA will transfer position to neighbor island properties to assist in repairs and maintenance of units due to health and safety.
HMS229	HA	11/26/19	123171	PLUMBER 1		P	1.00	W	54,180			3	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; this position is critical to fill due to the demands in the plumbing services for Oahu properties especially during this pandemic.
HMS229	HA	11/26/19	123172	PLUMBER 1		P	1.00	W	54,180			3	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; this position is critical to fill due to the demands in the plumbing services for Oahu properties especially during this pandemic.
HMS229	HA	11/26/19	123173	PLUMBER 1		P	1.00	W	54,180			3	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; this position is critical to fill due to the demands in the plumbing services for Oahu properties especially during this pandemic.

HMS229	HA	11/26/19	123174	PLUMBER 1		P	1.00	W	54,180			3	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; this position is critical to fill due to the demands in the plumbing services for Oahu properties especially during this pandemic.
HMS229	HA		94853K	ACCOUNT CLERK II	SR8	P	1.00	W	25,668			3	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; HPHA will establish position to assist in upcoming development project invoices, payments etc.
HMS229	HA		94854K	ASST CHIEF FINANCIAL MGT ADVSR	SRNA	P	1.00	W	75,960			2	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; HPHA will establish position in the upcoming redevelopment finances, program etc.
HMS229	HA		94856K	CONSTRUCTION COORDINATOR	SRNA	T	1.00	W	55,500			3	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; HPHA will establish position due to upcoming redevelopment projects in 2021
HMS229	HA		94857K	CONSTRUCTION COORDINATOR	SRNA	T	1.00	W	55,500			3	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; HPHA will establish position due to upcoming redevelopment projects in 2021
HMS229	HA		94858K	CONTRACT ASSISTANT	SRNA	T	1.00	W	45,576			3	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; HPHA will establish position due to upcoming redevelopment projects in 2021
HMS229	HA		94859K	CONTRACT ASSISTANT	SRNA	T	1.00	W	45,576			4	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; HPHA will establish position due to upcoming redevelopment projects in 2021
HMS229	HA		95851K	CONSTRUCTION INSPECTOR IIFY15	SR19	T	1.00	W	39,480			4	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; HPHA will establish position due to upcoming redevelopment projects in 2021
HMS229	HA		95852K	CONSTRUCTION INSPECTOR IIFY15	SR19	T	1.00	W	39,480			4	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; HPHA will establish position due to upcoming redevelopment projects in 2021
HMS229	HA		95853K	PERS MGMT SPLCT IV FY2015	SR24	P	1.00	W	45,476			4	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; HPHA will establish position due to the need for a Housing Safety Coordinator for both employees and housing program.
HMS229	HA		95854K	SECRETARY I	SR12	P	1.00	W	30,036			4	Unable to fill position in 2020 due to hiring freeze; Budget and Finance issued Executive Memorandum No. 20-08, Workforce Control on 2/2/21. This position is exempt as it is 100% non-general funded position; HPHA will establish position due to the need in providing secretarial support to the development staff.
HMS229	HA		95856K	RESIDENT SERVICES COORDINATOR	SR22	T	1.00	W	45,576			4	HPHA delayed hiring as the federal government issued exemptions for certain tasks and activities (e.g. unit inspections) during the height of the pandemic. Those exemptions are due to terminate on June 30, 2021, and the HPHA will need to resume full operations, maintenance and repairs so this position is critical to catch up on federal program.
HMS229	HA		95857K	RESIDENT SERVICES COORDINATOR	SR22	T	1.00	W	45,576			4	HPHA delayed hiring as the federal government issued exemptions for certain tasks and activities (e.g. unit inspections) during the height of the pandemic. Those exemptions are due to terminate on June 30, 2021, and the HPHA will need to resume full operations, maintenance and repairs so this position is critical to catch up on federal program.
HMS229	HA		98602K	GENERAL CONST AND MAINT SUPVR		P	1.00	W	60,516			2	HPHA delayed hiring as the federal government issued exemptions for certain tasks and activities (e.g. unit inspections) during the height of the pandemic. Those exemptions are due to terminate on June 30, 2021, and the HPHA will need to resume full operations, maintenance and repairs so this position is critical to catch up on federal program.
HMS229	HA		98607K	BLDG MAINTENANCE WORKER III		P	1.00	W	56,148			2	HPHA delayed hiring as the federal government issued exemptions for certain tasks and activities (e.g. unit inspections) during the height of the pandemic. Those exemptions are due to terminate on June 30, 2021, and the HPHA will need to resume full operations, maintenance and repairs so this position is critical to catch up on federal program.
HMS229	HA		98608K	BLDG MAINTENANCE WORKER III		P	1.00	W	56,148			2	HPHA delayed hiring as the federal government issued exemptions for certain tasks and activities (e.g. unit inspections) during the height of the pandemic. Those exemptions are due to terminate on June 30, 2021, and the HPHA will need to resume full operations, maintenance and repairs so this position is critical to catch up on federal program.
HMS229	HA		98609K	BLDG MAINTENANCE WORKER III		P	1.00	W	56,148			2	HPHA delayed hiring as the federal government issued exemptions for certain tasks and activities (e.g. unit inspections) during the height of the pandemic. Those exemptions are due to terminate on June 30, 2021, and the HPHA will need to resume full operations, maintenance and repairs so this position is critical to catch up on federal program.
HMS229	HA		98610K	BUILDING MAINTENANCE WORKER II		P	1.00	W	55,392			5	HPHA delayed hiring as the federal government issued exemptions for certain tasks and activities (e.g. unit inspections) during the height of the pandemic. Those exemptions are due to terminate on June 30, 2021, and the HPHA will need to resume full operations, maintenance and repairs so this position is critical to catch up on federal program.
HMS229	HA		98611K	BUILDING MAINTENANCE WORKER II		P	1.00	W	55,392			5	HPHA delayed hiring as the federal government issued exemptions for certain tasks and activities (e.g. unit inspections) during the height of the pandemic. Those exemptions are due to terminate on June 30, 2021, and the HPHA will need to resume full operations, maintenance and repairs so this position is critical to catch up on federal program.
HMS229	HA		98612K	BUILDING MAINTENANCE WORKER II		P	1.00	W	55,392			5	HPHA delayed hiring as the federal government issued exemptions for certain tasks and activities (e.g. unit inspections) during the height of the pandemic. Those exemptions are due to terminate on June 30, 2021, and the HPHA will need to resume full operations, maintenance and repairs so this position is critical to catch up on federal program.
HMS229	HA		98618K	BUILDING MAINTENANCE WORKER I		P	1.00	W	52,188			5	HPHA delayed hiring as the federal government issued exemptions for certain tasks and activities (e.g. unit inspections) during the height of the pandemic. Those exemptions are due to terminate on June 30, 2021, and the HPHA will need to resume full operations, maintenance and repairs so this position is critical to catch up on federal program.

HMS229	HA		98619K	BUILDING MAINTENANCE WORKER I		P	1.00	W	52,188			5	HPHA delayed hiring as the federal government issued exemptions for certain tasks and activities (e.g. unit inspections) during the height of the pandemic. Those exemptions are due to terminate on June 30, 2021, and the HPHA will need to resume full operations, maintenance and repairs so this position is critical to catch up on federal program.
HMS229	HA		98620K	BUILDING MAINTENANCE WORKER I		P	1.00	W	52,188			5	HPHA delayed hiring as the federal government issued exemptions for certain tasks and activities (e.g. unit inspections) during the height of the pandemic. Those exemptions are due to terminate on June 30, 2021, and the HPHA will need to resume full operations, maintenance and repairs so this position is critical to catch up on federal program.
HMS229	HA		98621K	BUILDING MAINTENANCE WORKER I		P	1.00	W	52,188			5	HPHA delayed hiring as the federal government issued exemptions for certain tasks and activities (e.g. unit inspections) during the height of the pandemic. Those exemptions are due to terminate on June 30, 2021, and the HPHA will need to resume full operations, maintenance and repairs so this position is critical to catch up on federal program.
HMS229	HA		98632K	CARPENTER I		P	1.00	W	52,188			2	HPHA delayed hiring as the federal government issued exemptions for certain tasks and activities (e.g. unit inspections) during the height of the pandemic. Those exemptions are due to terminate on June 30, 2021, and the HPHA will need to resume full operations, maintenance and repairs so this position is critical to catch up on federal program.
HMS229	HA		98633K	CARPENTER I		P	1.00	W	52,188			2	HPHA delayed hiring as the federal government issued exemptions for certain tasks and activities (e.g. unit inspections) during the height of the pandemic. Those exemptions are due to terminate on June 30, 2021, and the HPHA will need to resume full operations, maintenance and repairs so this position is critical to catch up on federal program.
HMS229	HA		98634K	CARPENTER I		P	1.00	W	52,188			5	HPHA delayed hiring as the federal government issued exemptions for certain tasks and activities (e.g. unit inspections) during the height of the pandemic. Those exemptions are due to terminate on June 30, 2021, and the HPHA will need to resume full operations, maintenance and repairs so this position is critical to catch up on federal program.

2,535,672

DAVID Y. IGE  
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

**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

**Testimony of  
SUZANNE D. CASE  
Chairperson**

**Before the Senate Committee on  
WAYS AND MEANS**

**Monday, March 29, 2021  
9:00 AM**

**State Capitol, Via Videoconference, Conference Room 211**

**In consideration of  
HOUSE BILL 200, HOUSE DRAFT 1  
RELATING TO THE STATE BUDGET**

House Bill (HB) 200, House Draft (HD) 1, proposes to appropriate funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2021-2022 and 2022-2023. **The Department of Land and Natural Resources (Department) appreciates and acknowledges the overall concept of this bill as it includes initiatives supportive of our goals and objectives. Nonetheless, the Department has concerns with the budgetary implications this bill may have on the Department's programs and initiatives.**

**The Department offers the following comments shown on the attached tables.**

- HB200, HD1 Impact Statement – Operating
- HB200, HD1 Impact Statement – CIP

**Operating Budget:**

The Department respectfully asks for your favorable consideration in regard to HD1 adjustments. With the State's strong economic recovery and the significant federal aid through the American Rescue Plan Act, the Department is hopeful that the budget reductions in this measure would be adjusted to reflect a lesser impact on the Department's foreseen hardship.

**Capital Improvement Project (CIP) Budget:**

The Department respectfully requests that this measure be amended to restore all of the Department's Executive CIP Budget requests as indicated in the attached list.

The Department is appreciative of projects added by HB 200, HD 1, provided their inclusion does not impact on priorities as indicated in the Executive CIP Budget.

Thank you for the opportunity to comment on this measure.

Department of Land and Natural Resources  
HB200, HD1 Impact Statement

PROG ID/ORG	HD1 SEQ NO.	DESCRIPTION	MOF	HB200, HD1						HD1 ADJUSTMENTS TO EXECUTIVE REQUEST						IMPACT OF ADJUSTMENTS	ALTERNATIVE REDUCTIONS(FOR ANY REDUCTION YOU OPPOSE)
				FY 22			FY 23			FY 22			FY 23				
				FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT		
<b>LAND DIVISION</b>																	
LNR101/EA	60-001	Reduction in the amount of consultant contract	A	-	-	(38,677)	-	-	(38,677)	-	-	-	-	-	-		
LNR101/EA	100-001	Special Fund ceiling increase for Land Conservation Fund (LCF) to fund the acquisition of interests or rights in land having value as a resource to the State.	B	-	-	866,315	-	-	2,866,315	-	-	(4,233,685)	-	-	(2,233,685)		
LNR101/EA	1100-001 House Adj.	Reduce 1 permanent positions & funds for Public Lands Management, #13178, Supervising Land Agent.	B	(1.00)		(78,420)	(1.00)		(78,420)	(1.00)	-	(78,420)	(1.00)	-	(78,420)	This position is special funded and budgeted for, thus the elimination of the position would not serve to benefit the general fund. The position is located within DLNR Land Division, Support Branch, and is actively involved in the planning, policy making and management of the land management programs and is directly responsible for the operations of the Support Branch. This position reports directly to the State Lands Assistant Administrator and oversees several highly important functions of the division, including land acquisitions/dispositions, appraisals and abstracting. This position conducts acquisitions of private lands for various State departments as well as dispositions of State land to support government operations and/or for revenue generation and is responsible for training subordinates in these key functions and overseeing the critical details of their work. The proper performance of land acquisitions in particular requires significant training to protect the State's interests. With revenue shortfalls resulting from COVID-19, it is critical that this position be filled by a highly qualified and capable candidate so that new land dispositions can be issued that will, in turn, generate additional revenue	
LNR101/EA	1120-001 House Adj.	Reduce funds for personal services (Payroll Adjustment)	B			(215,804)			(215,804)			(215,804)			(215,804)		
LNR101/EA	1130-001 House Adj.	Reduce funds for Public Lands Management (Motor Vehicles)	B			(100,000)			(100,000)			(100,000)			(100,000)		
<b>BUREAU OF CONVEYANCES</b>																	
LNR111/BA	100-001	Ceiling increase to continue the digitization, image enhancement and preservation of recorded documents and maps to secure the integrity of the data/images and then to provide secure accessibility for internal users, businesses and the public to all images.	B	-	-	750,000	-	-	750,000	-	-	-	-	-	-		
LNR111/BA	1100-001 House Adj.	Reduce 8 permanent positions & funds: #46747, Abstractor; #47354, Office Assistant; #154, Abstracting Assistant IV; #38263, Office Assistant III; #47355, Office Assistant III; #161, Office Assistant III; #146, Clerical Supervisor III; #158, Office Assistant III.	B	(8.00)		(266,940)	(8.00)		(266,940)	(8.00)	-	(266,940)	(8.00)	-	(266,940)	See below for impact statement per specific position number.  (1) PERM OFFICE ASSISTANT III (#158; -1.00B; -30,240): Position is filled, Cody Dunham, started 3/15/2021.	

Department of Land and Natural Resources  
HB200, HD1 Impact Statement

PROG ID/ORG	HD1 SEQ NO.	DESCRIPTION	MOF	HB200, HD1						HD1 ADJUSTMENTS TO EXECUTIVE REQUEST						IMPACT OF ADJUSTMENTS	ALTERNATIVE REDUCTIONS(FOR ANY REDUCTION YOU OPPOSE)
				FY 22			FY 23			FY 22			FY 23				
				FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT		
																<p>(1) PERM CLERICAL SUPERVISOR III (#146; -1.00B; -38,220): This position supervises the Central Processing Section which is instrumental in the BOC's customer service and office-wide administrative support. Aside from the supervisory, staff development and coaching duties, operational responsibilities include digitizing all recorded documents, managing and distributing all incoming/outgoing mail, responding to various public inquiries via phone and email as well as fulfilling paid requests for copies of recorded documents. They also provide similar assistance for customers in person in our Public Reference Room. If this position is eliminated, all venues of customer support and response will be delayed which may result in financial consequences to these parties and the State along with increased exposure to potential legal actions.</p>	
																<p>(1) PERM ABSTRACTING ASSISTANT IV (#154; -1.00B; -34,020): This position is part of the Land Court Review unit and is critical for the efficient, accurate and timely processing of recorded Land Court documents while adhering to the strict requirements of that System. Another critical function that would be impacted if the position were eliminated is supporting the reduction of the Transfer Certificates of Title (TCT) backlog. Customer issues and legal risks for the State will be increased with further delays in reducing this TCT backlog.</p>	
																<p>(1) PERM ABTRACTOR VI (#46747;-1.00B; -39,720): This position is supervisory and critical to managing the cashiers, their daily balancing and fiscal reporting and walk-in customer support. Assistance is also provided to the Regular System Branch Chief with research, public inquiries and correspondence and providing related information for the Uniform Commercial Code (UCC) filings. Eliminating this position could delay the timely reporting of revenues and responses to critical customer issues.</p>	
																<p>(1) PERM OFFICE ASSISTANT III (#47354; -1.00B; -30,240) (1) PERM OFFICE ASSISTANT III (#38263; -1.00B; -30,240) (1) PERM OFFICE ASSISTANT III (#47355; -1.00B; -34,020) (1) PERM OFFICE ASSISTANT III (#161; -1.00B; -30,240): This position is part of the Central Processing Section which is instrumental in the BOC's customer service and office-wide administrative support. Responsibilities include digitizing all recorded documents, managing and distributing all incoming/outgoing mail, responding to various public inquiries via phone and email as well as fulfilling paid requests for copies of recorded documents. They also provide similar assistance for customers in person in our Public Reference Room. If this position is eliminated, all venues of customer support and response will be delayed which may result in financial consequences to these parties and the State along with increased exposure to potential legal actions.</p>	

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				FY 22			FY 23			FY 22			FY 23				
				FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT		
LNR111/BA	1120-001 House Adj.	Reduce funds for personal services (Payroll Adjustment)	B			(225,344)			(225,344)	-	-	(225,344)	-	-	(225,344)	Assuming this reduction is related to the fringe benefit costs associated with the 8 permanent positions being reduced, we oppose to this reduction.	Reduce Funds for "Other Current Expenses" by \$225,000 each FY22 and FY23.
<b>ENGINEERING DIVISION</b>																	
LNR141/GA	30-001	Position #113219, Engineering Program Manager - conversion of 50% payroll from LNR141 MOF A to LNR810 MOF B and 25% payroll from LNR141 MOF A to LNR141 MOF B to reflect this position's activities	A	-	-	-	-	-	-	0.75	-	98,145	0.75	-	98,145		
LNR810/GD	30-001		B	-	-	-	-	-	-	(0.25)	-	(49,073)	(0.25)	-	(49,073)		
LNR141/GA	31-001	Position #10119, Engineer V - conversion of 50% payroll from LNR141 MOF A to LNR810 MOF B to reflect this position's activities	A	-	-	-	-	-	-	0.50	-	32,238	0.50	-	32,238		
LNR810/GD	71-001		B	-	-	-	-	-	-	(0.50)	-	(48,357)	(0.50)	-	(48,357)		
LNR141/GA	32-001	Position #12391, Secretary II - conversion of 75% payroll from LNR141 MOF A to LNR810 MOF B to reflect this positions activities	A	-	-	-	-	-	-	0.75	-	39,222	0.75	-	39,222		
LNR810/GD	70-001		B	-	-	-	-	-	-	(0.75)	-	(58,833)	(0.75)	-	(58,833)		
LNR141/GA	60-001	Operating expenses for administration of the Soil and Water Conservation District program, statewide - prorated reduction (20%)	A	-	-	-	-	-	-	-	-	100,000	-	-	100,000		
LNR141/GA	61-001	Payroll savings - difference between budgeted and actual payroll (Payroll Adjustment)	A	-	-	(101,410)	-	-	(101,410)	-	-	-	-	-	-		
LNR141/GA	62-001	Conversion of portions of various positions that work on GO Bond funded projects from MOF A to MOF C. Approval of a corresponding lump sum CIP (MOF C) request is needed to cover the portions of the positions converted, plus 50% fringe benefits. #2722/ Engineer VI/ 0.75 FTE/ \$74,448 #9714/ Engineer V/ 0.75 FTE/ \$50,283 #9715/ Engineer V/ 0.75 FTE/ \$48,357 #9716/ Engineer III/ 0.75 FTE/ \$48,357 #9742/ Engineer VI/ 0.75 FTE/ \$77,427 #9745/ Engineer V/ 0.75 FTE/ \$62,218 #10520/ Engineer V/ 0.75 FTE/ \$56,574 #12771/ Engineer V/ 0.75 FTE/ \$48,357 #13173/ Engineer V/ 0.75 FTE/ \$56,574 #52394/ Engineer VI/ 0.75 FTE/ \$80,523 #110156/ Engineer V/ 0.25 FTE/ \$20,397 #110157/ Engineer V/ 0.75 FTE/ \$51,459	A	-	-	-	-	-	-	8.50	-	674,974	8.50	-	674,974		
LNR141/GA	63-001	Reduce 3 permanent positions (Unfunded positions, #117792; #120910; #123037).	A	(3.00)			(3.00)			-	-	-	-	-	-	Abolishment of these positions will have an impact on Engineering's operations, especially in implementing CIP projects to help Hawaii's economy recover and addressing health and safety (rockfall, flood) impacts.	
LNR141/GA	70-001	Position #9630, Engineering Program Manager - conversion of 50% payroll from LNR141 MOF A to LNR141 MOF B to reflect this position's activities	A	-	-	-	-	-	-	0.50	-	50,754	0.50	-	50,754		
			B	-	-	-	-	-	-	(0.50)	-	(76,131)	(0.50)	-	(76,131)		
LNR141/GA	71-001	Position #110156, Engineer V - conversion of 75% payroll from LNR141 MOF A to LNR141 MOF B to reflect this position's activities	A	-	-	-	-	-	-	0.75	-	61,191	0.75	-	61,191		
			B	-	-	-	-	-	-	(0.75)	-	(91,787)	(0.75)	-	(91,787)		



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PROG ID/ORG	HD1 SEQ NO.	DESCRIPTION	MOF	HB200, HD1						HD1 ADJUSTMENTS TO EXECUTIVE REQUEST						IMPACT OF ADJUSTMENTS	ALTERNATIVE REDUCTIONS(FOR ANY REDUCTION YOU OPPOSE)
				FY 22			FY 23			FY 22			FY 23				
				FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT		
LNR141/GA	1000-001 House Adj.	HOUSE ADJUSTMENT/SEQ #1000-001: Transfer-in (6) temporary positions and funds from Waiahole Water System (AGR161/KC) to LNR141/GA	W		6.00	1,427,549		6.00	1,427,549	-	6.00	1,427,549	-	6.00	1,427,549	The Irrigation Systems Program and Agricultural Parks Program were transferred from DLNR to the Department of Agriculture by Act 306, SLH 1987 (codified as HRS Chap. 167), and Act 222, SLH 1986 (codified as HRS Chap. 166), respectively, due to the enactment of the State Water Code in 1987. We oppose this House Adjustment as the purveyance and/or operation of water and/or irrigation systems is not under DLNR's purview or expertise.	
LNR141/GA	1100-001 House Adj.	HOUSE ADJUSTMENT/SEQ # 1100-001: Reduce (1) permanent position (#119309) and funds for Water and Land Development	B	(1.00)		(78,420)	(1.00)		(78,420)	(1.00)	-	(78,420)	(1.00)	-	(78,420)	This special funded engineer position is the only engineer position in the mineral resources section that is focused on geothermal resource management/development and mitigation of rockfall/slope movement hazards. Loss of this position would impact the Department's ability to protect lives and property by mitigating rockfall hazards and slope movement on lands under DLNR jurisdiction. This engineer position also supports the geothermal/mineral resources management program and is necessary to ensure public safety and viability of this public trust resource for future generations which is essential in supporting Hawaii's Clean Energy Goals.	
LNR141/GA	1120-001 House Adj.	HOUSE ADJUSTMENT/SEQ #1120-001: Reduce funds for personal services for Water and Land Development	A			(167,270)			(167,270)	-	-	(167,270)	-	-	(167,270)	The MOF A adjustment is problematic as all general funded positions are filled and the House concurred with an executive request payroll adjustment (LNR141 SEQ # 61-001) which reduced all excess MOF A payroll funds. This will result in the program's inability to fund all filled positions.	
LNR141/GA	1120-001 House Adj.	Reduce funds for personal services (Payroll Adjustment)	B			(80,519)			(80,519)	-	-	(80,519)	-	-	(80,519)		
LNR141/GA	1120-001 House Adj.	Reduce funds for personal services (Payroll Adjustment)	T			(1,652)			(1,652)	-	-	(1,652)	-	-	(1,652)		
LNR810/GD	60-001	Federal Fund Ceiling Adjustment	P	-	-	(80,454)	-	-	(70,454)	-	-	-	-	-	-		
LNR810/GD	1100-001 House Adj.	HOUSE ADJUSTMENT/SEQ # 1100-001: Reduce (1) permanent position (#118924) and funds for Prevention of Natural Disasters	B	(1.00)		(75,190)	(1.00)		(75,190)	(1.00)	-	(75,190)	(1.00)	-	(75,190)	This special funded engineer position is one of two engineer positions in the flood control unit which oversees the administration and enforcement of National Flood Insurance Program (NFIP) by each participating community (includes the State of Hawaii and the four Counties). Inability of the participating community to keep up with program requirements may jeopardize the State and/or County's eligibility in NFIP program, which could result in the: loss of the availability of flood insurance, inability to M.I.R.E. (Make, Increase, Renew, or Extend) residential/commercial federally backed loans in special flood hazard areas, eligibility to receive federal disaster assistance and hazard mitigation grant funding, and reduced educational/outreach efforts to help residents prepare and mitigate against flood losses.	
LNR810/GD	1120-001 House Adj.	Reduce funds for personal services (Payroll Adjustment)	B			(89,301)			(89,301)			(89,301)			(89,301)		





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				FY 22			FY 23			FY 22			FY 23				
				FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT		
LNR805/CB	1000-001 House Adj.	Add 5 permanent position and funds, District Aquatic Biologist VI (\$70,000 each).	A	5.00		350,000	5.00		350,000	5.00	-	350,000	5.00	-	350,000		
LNR805/CB	1120-001 House Adj.	Reduce funds for personal services (Payroll Adjustment)	B			(19,177)			(19,177)	-	-	(19,177)	-	-	(19,177)		
LNR805/CB	1120-001 House Adj.	Reduce funds for personal services (Payroll Adjustment)	N			(167,682)			(167,682)	-	-	(167,682)	-	-	(167,682)		
<b>DIVISION OF FORESTRY AND WILDLIFE</b>																	
LNR172/DA	30-001	Transfer out one unfunded position from LNR172, Position #118680 to LNR906.	A	(1.00)	-	-	(1.00)	-	-	-	-	-	-	-	-		
LNR172/DA	60-001	Reduce funds for Forestry - Resource Management and Development	A	-	-	(657,194)	-	-	(657,194)	-	-	-	-	-	-		A 20% reduction would be taken from operating funds, resulting in an overall 32% reduction in state funds available for management of 680,000 acres of the public Forest Reserve System. Impacts would include reduction in maintenance of roads, trails, and facilities that support public and management access; reduction in fencing to protect sensitive areas and species; reduction in tree nursery production and revenue (estimated at -\$315,000/year); termination of four contract employee positions. Several of the advancements in natural resource management gained over the last 10 years will suffer set-backs and losses including those projects preventing the loss of Hawaii's native bird habitat, degradation of forest lands that provide our fresh water, impacts to our coral reefs and fisheries from sedimentation, and continued escalation of climate change.
LNR172/DA	61-001	Reduce 4 permanent and 1 temporary positions (Unfunded positions).	A	(4.00)	(1.00)		(4.00)	(1.00)		-	-	-	-	-	-		
LNR172/DA	80-001	Convert seven (7) positions from temporary to permanent: Position #119078, #122858, #122859, #122708 (Pseudo #91702C), #122860 (Pseudo #91910C), #122861 (Pseudo #91911C), #123131 (Pseudo #91912C)	A	7.00	(7.00)	-	7.00	(7.00)	-	-	-	-	-	-	-		These long-standing positions should be made permanent for long-term protection and management of forest and wildlife resources. Conversions will reduce employee turnover by increasing the position's stability.
LNR172/DA	100-001	Federal Fund Ceiling Adjustment	P	-	-	9,543,562	-	-	(377,901)	-	-	-	-	-	-		
LNR172/DA	1100-001 House Adj.	Reduce 1 permanent position and funds, #39733, Office Assistant III.	A	(1.00)		(30,240)	(1.00)		(30,240)	(1.00)	-	(30,240)	(1.00)	-	(30,240)		Hawaii Branch clerical staff has been cut from 6 positions to 3 to cover the Hilo and Waimea offices. Public services are severely impacted by the inability to fill these positions. Position is responsible for providing clerical and administrative support for fire and emergency response; Forestry, Wildlife, Natural Area Reserves, Trails and Access Programs and the Kamuela State Tree Nursery (62 employees overall). Provides customer service to the public for sales of hunting licenses, tree seedlings, permits; general information; data input to support the hunting licenses data base management; provides support to input statistical data, reports, spreadsheets, standard forms and other materials from draft documents in accordance with established formats and procedures; assists with various audits from Admin, Fiscal and Personnel offices; campout/travel requests; processing of pcard transactions and purchase orders; fiscal tracking and timely payments to vendors and deposits for Branch.

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HB200, HD1 Impact Statement**

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				FY 22			FY 23			FY 22			FY 23				
				FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT		
LNR402/DA	10-001	Trade off Other Current Expenses for three (3) positions defunded by Act 49, SLH, 2020: Wildlife Management Program Specialist, Position #15015, SR26; Wildlife Biologist V (Invasive Species), Position #52385; Secretary (Maui Branch), Position #2940, SR 12	A			(176,856)	-	-	(176,856)	-	-	-	-	-	-	The 3 positions need to be funded as soon as possible: 1) Wildlife Management Program Specialist/ Statewide. Wildlife Program Manager is responsible for all native and endangered species protection programs statewide, invasive species program, Habitat Conservation Program, and outdoor recreation/ hunting; 2) Wildlife Biologist V (Invasive Species), Statewide coordination of invasive species program would be lost, resulting in increased impacts to native species and terrestrial ecosystems from invasive species; and 3) Secretary (Maui) responsible for managing all Maui Nui administrative and clerical tasks.	
LNR402/DA	10-002	Trade off Other Current Expenses for three (3) positions defunded by Act 49, SLH, 2020: Wildlife Management Program Specialist, Position #15015, SR26; Wildlife Biologist V (Invasive Species), Position #52385; Secretary (Maui Branch), Position #2940, SR 12	A			176,856	-	-	176,856	-	-	-	-	-	-		
LNR402/DB	30-001	Change in MOF from P to N for Forestry and Wildlife Technician IV, Position #10944  NOTE: There is a position transfer request from LNR402 to LNR804 (see Trade-off/Transfer request 7A and 7B).	P	(0.50)		(35,561)	(0.50)		(35,561)	-	-	-	-	-	-	To primarily reflect the duties of the position	
LNR402/DA	31-001	Transfer in Position#17394, Forestry and Wildlife Technician IV from LNR804 to LNR402	N	1.00	-	75,959	1.00	-	75,959	-	-	-	-	-	-	To primarily reflect the duties of the position	
LNR402/DA	32-001	Transfer out Position #122044, Forestry and Wildlife Technician IV from LNR402 to LNR804	N	(1.00)	-	(55,465)	(1.00)	-	(55,465)	-	-	-	-	-	-	To primarily reflect the duties of the position	
LNR402/DA	33-001	Transfer in Position #120852 (P) .50 FTE, Wildlife Biologist V and Position #122076 (T) .50 FTE, Planner V, from LNR804 to LNR402	N	0.50	0.50	86,605	0.50	0.50	86,605	(0.50)	0.50	-	(0.50)	0.50	-	To primarily reflect the duties of the position	
LNR402/DA	60-001 / 101-001	Federal Fund Ceiling Adjustment	P			2,449,033			(95,390)	-	-	-	-	-	-		
LNR402/DA	61-001	Reduce funds for Native Resources and Fire Protection Program	A			(2,751,546)			(2,751,546)	-	-	359,400	-	-	359,400	HD1 reduces impacts to wildlife programs, but still represents reductions to the following program areas: implementation of landscape-level mosquito control program and establishment and management of captive breeding flocks; baseline forest bird surveys and habitat restoration activities; establishment of predator-proof areas for threatened and endangered seabird species; seabird breeding colony monitoring and management activities; waterbird habitat management and predator control; injured wildlife and public inquiries concerning wildlife issue; rare plant and invertebrate program; watershed protection. Reduced match available for applying for competitive grants. Lack of funds for analysis of results. reduction in number of invasive species targeted; reduction in ability to match federal grants for some projects; increase in long-term costs of controlling invasive species due to lost progress of current control projects. Reduced ability to conduct regulatory compliance review and annual site visits at Habitat Conservation Plan incidental take licensees' mitigation sites.	
LNR402/DA	62-001	Reduce 5 permanent positions (Unfunded positions).	A	(4.50)			(4.50)			-	-	-	-	-	-	Loss of Maui branch protection forester, Hawaii office assistant, Hawaii wildlife biologist, Oahu forestry worker, Kauai account clerk. Cuts will reduce capacity for resource management.	
			N	(0.50)		(19,860)	(0.50)		(19,860)	(0.50)	-	(19,860)	(0.50)	-	(19,860)	Reduce account clerk Kauai; public service	



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				FY 22			FY 23			FY 22			FY 23				
				FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT		
LNR407/NA	60-001	Reduce funds for Natural Area Reserves and Watershed Management	A			(1,646,475)			(1,646,475)	-	-	-	-	-	-	A 20% cut would impact the following: the Youth Conservation Corps program, resulting in fewer year-round intern jobs and fewer hours of workforce for conservation programs; contract jobs, loss of local employment and highly skilled and experienced staff capacity; reduced capacity to control invasive species;. These programs maintain over 400 miles of State-funded infrastructure of fences to keep 176,000 acres protected from hooved animals, maintains firebreaks and many other natural resource management projects. These cuts would decimate the ability to continue these tasks, leading to costly repairs and setbacks if fires, hooved animals, and other pests are allowed to spread uncontrolled. This lapse of maintenance of critical functions would be detrimental to forests which provide fresh water security, erosion control, carbon sequestration, and biodiversity. These investments have been repeatedly shown to be cost-effective in external studies of the economic return of forest protection. These programs are also preventing extinctions of hundreds of endangered species by reintroducing individuals and improving habitat. This reduction will also threaten matching requirements for grants, jeopardizing Federal grant funding.	
LNR407/NA	61-001	Reduce permanent and temporary positions (unfunded positions).	A	(2.00)	(4.00)		(2.00)	(4.00)		-	-	-	-	-	-		
LNR407/NA	80-001	Convert eighteen (18) positions from temporary to permanent: Position #121624, #121976, #122003, #122005, #122213, #122243, #122278, #122326, #122328, #122329, #122487, #122488, #122574, #122836, #122857, #122966, #122821 (Pseudo #91922C), #122817 (Pseudo #91925C)	A	-	-		-	-		(18.00)	18.00	-	(18.00)	18.00	-	Without these positions converted to permanent, there will likely be more employee turnover as staff view their position as uncertain. This is a no-cost way to improve retention and retain the significant expertise and investments in training made on these employees. Also, permanent status is warranted because their duties are necessary for long-term maintenance and protection of natural areas, watersheds, and threatened and endangered species.	
LNR407/NA	100-001	Federal Fund Ceiling Adjustment	P	-	-	720,408	-	-	720,408	-	-	-	-	-	-		
LNR407/NA	101-001	Ceiling increase for the Natural Area Reserves Fund (S342) to expend funds generated by parking fee revenues to fund Natural Area Reserve Improvement.	B			-			-	-	(180,000)	-	-	(360,000)	Without the ceiling increase, the funds currently being generated from the parking fees will remain unused. The community supported these fees because they were meant for the urgent natural resource needs of the Ahihi Kinau Reserve, which have only worsened from COVID due to increased illegal fishing/poaching. As Maui tourism rebounds, the human waste and safety issues will also return in full force to this area, which is the third most visited place on Maui, yet has no permanent restroom facilities or lifeguards. Without use of these fees, public trust in government may erode as the fees continue to be collected but the management remains unfunded.		
LNR407/NA	1100-001 House Adj.	Reduce 1 permanent position and funds, #48776, NARS IV	A	(1.00)		(69,732)	(1.00)		(69,732)	(1.00)	-	(69,732)	(1.00)	-	(69,732)	Position is a trained wildland fire fighter/ emergency response/ incident command personnel. Position is responsible for invasive species control in Natural Area Reserves and high value native ecosystems on Oahu. Loss of the position will reduce capacity for emergency response, management of native ecosystems, endangered species recovery, and watershed protection.	

**Department of Land and Natural Resources  
HB200, HD1 Impact Statement**

PROG ID/ORG	HD1 SEQ NO.	DESCRIPTION	MOF	HB200, HD1						HD1 ADJUSTMENTS TO EXECUTIVE REQUEST						IMPACT OF ADJUSTMENTS	ALTERNATIVE REDUCTIONS(FOR ANY REDUCTION YOU OPPOSE)
				FY 22			FY 23			FY 22			FY 23				
				FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT		
LNR804/DA	30-001	Change in MOF from P to N for Forestry and Wildlife Technician IV, Position #10944  NOTE: There is a position transfer request from LNR402 to LNR804 (see Trade-off/Transfer request 7A and 7B).	N	0.50		35,561	0.50		35,561	-	-	-	-	-	-	To properly reflect the duties of the position.	
LNR804/DA	31-001	Transfer out Position#17394, Forestry and Wildlife Technician IV from LNR804 to LNR402	N	(1.00)	-	(75,959)	(1.00)	-	(75,959)	-	-	-	-	-	-	To properly reflect the duties of the position.	
LNR804/DA	32-001	Transfer in Position #122044, Forestry and Wildlife Technician IV from LNR402 to LNR804	N	1.00	-	55,465	1.00	-	55,465	-	-	-	-	-	-	To properly reflect the duties of the position.	
LNR804/DA	33-001	Transfer out Position #120852 (P) .50 FTE, Wildlife Biologist V and Position #122076 (T) .50 FTE, Planner V, from LNR804 to LNR402	N	(0.50)	(0.50)	(86,605)	(0.50)	(0.50)	(86,605)	0.50	(0.50)	-	0.50	(0.50)	-		
LNR804/DA	60-001	Reduce 2 permanent positions (unfunded positions).	A N	(1.50) (0.50)		 (24,174)	(1.50) (0.50)		 (24,174)	- (0.50)	- -	- (24,174)	- (0.50)	- -	- (24,174)		
LNR804/DA	80-001	Convert thirteen (13) positions from temporary to permanent: Position #120324, #120325, #120332, #120729, #120730, #120863, #121490, #122007, #121641, #121642, #122076, #122272, #122330	N	-	-	-	-	-	-	(13.00)	13.00	-	(13.00)	13.00	-	These long-standing positions should be made permanent for long-term protection and management of forest and wildlife resources. Conversions will reduce employee turnover by increasing the position's stability.	
LNR804/DA	100-001	Federal Fund Ceiling Adjustment	N	-	-	950,000	-	-	950,000	-	-	-	-	-	-		
LNR804/DA	101-001	Ceiling increase for the Wildlife Revolving Fund (S-343) to allow the Division to accomplish increasing annual program needs: Other Current Expenses: \$120,000; Equipment: \$30,000.	W	-	-	-	-	-	-	-	-	(150,000)	-	-	(150,000)	The ceiling increase will allow the Division to accomplish increasing annual program needs. Provide new hunter access routes to several hunting units; purchase additional ground and maintenance equipment and supplies to maintain existing game management facilities and improve game habitat projects in game management areas.	
LNR804/DA	1100-001	Reduce permanent positions and funds, #52386, Forestry and Wildlife Tech IV	B	(1.00)		(38,220)	(1.00)		(38,220)	(1.00)	-	(38,220)	(1.00)	-	(38,220)	The Oahu NAH program on Oahu has only 4 staff responsible for nearly 100 miles of trails used for recreation by the public and management by DOFAW and partner agencies. Loss of this position will result in decreased ability of the Department to address trail safety issues such as maintaining warning signs, addressing dangerous conditions like fallen trees and washouts, and manage volunteer resources to help maintain trails. Position is a trained responder as a wildland fire fighter and essential for disaster response.	
LNR804/DA		Reduce permanent positions and funds, #117828, General Laborer.	W	(0.50)		(21,624)	(0.50)		(21,624)	(0.50)	-	(21,624)	(0.50)	-	(21,624)	Position maintains public access to DOFAW managed lands, hunter check in stations, and public outreach. Mitigates native wildlife degradation from insects, rats mongoose, yellow jackets, etc. Animal damage control to mitigate threats to native ecosystems, wildlife, human health and safety.	
LNR804/DA	1120-001	Reduce funds for personal services ( Temporary House Adj. Assignment)	A			(10,000)			(10,000)	-	-	(10,000)	-	-	(10,000)	LNR 804 is already \$108,000 negative on payroll. This will only make the situation worse, as the program costs must be taken from other LNRs	
LNR804/DA	1120-001	Reduce funds for personal services (Payroll House Adj. Adjustment)	B			(118,222)			(118,222)	-	-	(118,222)	-	-	(118,222)	This is an arbitrary reduction from the special fund that makes up the difference in LNR 804	
LNR804/DA	1120-001	Reduce funds for personal services (Payroll House Adj. Adjustment)	W			(24,161)			(24,161)	-	-	(24,161)	-	-	(24,161)	This is an arbitrary reduction	
LNR804/DA	1130-001	Reduce funds for Motor Vehicles	N			(18,500)			(18,500)			(18,500)			(18,500)		



**Department of Land and Natural Resources  
HB200, HD1 Impact Statement**

PROG ID/ORG	HD1 SEQ NO.	DESCRIPTION	MOF	HB200, HD1						HD1 ADJUSTMENTS TO EXECUTIVE REQUEST						IMPACT OF ADJUSTMENTS	ALTERNATIVE REDUCTIONS(FOR AN ALTERNATIVE YOU OPPOSE)
				FY 22			FY 23			FY 22			FY 23				
				FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT		
LNR804/DA	1130-001 House Adj.	Reduce funds for Motor Vehicles	W			(3,000)			(3,000)			(3,000)			(3,000)		
<b>COMMISSION ON WATER RESOURCE MANAGEMENT</b>																	
LNR404/GC	30-001	Transfer funds from Personal Services LNR404 to LNR906 to fund two (2) unfunded positions	A			(110,400)			(110,400)	-	-	-	-	-	-		
LNR404/GC	60-001	Federal Fund Ceiling Adjustment	N	-	-	(150,000)	-	-	(150,000)	-	-	-	-	-	-		
LNR404/GC	61-001	Reduce funds for contract services on a fee basis	A	-	-	(90,096)	-	-	(90,096)	-	-	-	-	-	-		
LNR404/GC	62-001	Reduce funds for Personal Services	A	-	-	(118,623)	-	-	(118,623)	-	-	-	-	-	-		
LNR404/GC	63-001	Reduce funds for stream monitoring	A	-	-	(258,000)	-	-	(258,000)	-	-	-	-	-	-		
LNR404/GC	64-001	Reduce 4 permanent positions (unfunded positions).	A	(4.00)			(4.00)			-	-	-	-	-	-		
LNR404/GC	1100-001 House Adj.	Reduce 1 permanent position and funds, #122127, Planner.	B	(1.00)		(52,956)	(1.00)		(52,956)	(1.00)	-	(52,956)	(1.00)	-	(52,956)	Elimination of the Planner IV position will hamper Commission efforts to increase the processing of stream-related permits, addressing complaints, conducting field investigations, performing regular assessments of nearly 1,500 diversions statewide, preparation of technical reports for developing instream flow standards, and improving coordination with other regulatory agencies and the general public.	
LNR404/GC	1120-001 House Adj.	Reduce funds for personal services (Payroll Adjustment)	B			(58,711)			(58,711)	-	-	(58,711)	-	-	(58,711)	Reduction of funds from Personal Services would not currently negatively impact payroll and fringe benefits for "warm body" positions, as there is sufficient special fund expenditure ceiling in place for Personal Services. However, if the fringe benefit percentage rate increases in future years, the Commission on Water Resource Management will need to request a corresponding increase to the special fund expenditure ceiling to accommodate the increase in fringe benefit payroll costs for its "warm body" positions.	
<b>DIVISION OF CONSERVATION AND RESOURCES ENFORCEMENT</b>																	
LNR405/HB	60-001	Federal Fund Ceiling Adjustment	P			(833)			(833)	-	-	-	-	-	-		
LNR405/HA	61-001	Reduce funds, Other Current Expenses	A			(500,000)			(500,000)	-	-	427,040	-	-	264,007		
LNR405/HA	62-001	Reduce 30 permanent positions (unfunded positions).	A			1,459,440			1,459,440	30.00	-	1,459,440	30.00	-	1,459,440		
LNR405/HA	70-001	Change of MOF for Holiday Overtime, Overtime (Regular), and Night Differential from MOF A to MOF B (DOBOR special funds)	A			-			-	-	-	132,620	-	-	132,620		
			B			-			-	-	-	(198,930)	-	-	(198,930)		
LNR405/HA	71-001	Conversion from MOF A to MOF B (DOBOR Special Fund) for seven (7) permanent positions: CREO III - Position #29605, CREO III - Position #39168, CREO I - Position #33295, CREO I - Position #4685, CREO I - Position #34478, CREO I - Position #117734, and Office Assistant III - Position #118983	A			-			-	7.00	-	251,373	7.00	-	414,406		
			B			-			-	(7.00)	-	(377,060)	(7.00)	-	(621,609)		

Department of Land and Natural Resources  
HB200, HD1 Impact Statement

PROG ID/ORG	HD1 SEQ NO.	DESCRIPTION	MOF	HB200, HD1						HD1 ADJUSTMENTS TO EXECUTIVE REQUEST						IMPACT OF ADJUSTMENTS	ALTERNATIVE REDUCTIONS(FOR ANY REDUCTION YOU OPPOSE)
				FY 22			FY 23			FY 22			FY 23				
				FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT		
LNR405/HA	72-001	Funding for 12 positions: 1 Assistant Administrator (Pos. #5025); 1 Secretary I (Pos. #50974), 6 CREO IV (Pos. #5982, 5986, 17486, 25893, 34579, 50966); 1 Office Assistant III (Pos. #118410); 3 Clerk DispatchernII (Pos. #123248, 123249, 123250), under a different MOF, from A to B (funding from conveyance tax collection) Salary, \$771,980; Fringe Benefit, \$393,711.  The department will initiate the necessary enabling legislation, or appropriate rule changes, to coincide with the budget request.	A			771,980			771,980	12.00	-	771,980	12.00	-	771,980		
LNR405/HA		Funding for 12 positions: 1 Assistant Administrator (Pos. #5025); 1 Secretary I (Pos. #50974), 6 CREO IV (Pos. #5982, 5986, 17486, 25893, 34579, 50966); 1 Office Assistant III (Pos. #118410); 3 Clerk DispatchernII (Pos. #123248, 123249, 123250), under a different MOF, from A to B (funding from conveyance tax collection) Salary, \$771,980; Fringe Benefit, \$393,711.  The department will initiate the necessary enabling legislation, or appropriate rule changes, to coincide with the budget request.	B			-			-	(12.00)	-	(1,165,691)	(12.00)	-	(1,165,691)		
LNR405/HA	1000-001 House Adj.	Add funds for Other Current Expenses (\$862,290); Equipment (\$486,000); Motor Vehicles (\$1,200,000).	V			2,548,290				-	-	2,548,290	-	-	-		
LNR405/HA	1001-001 House	Change means of financing (MOF) for Other Current Expenses	A			464,671			464,671	-	-	464,671	-	-	464,671		
			B			(464,671)			(464,671)	-	-	(464,671)	-	-	(464,671)		
LNR405/HA	1100-0001 House Adj.	Reduce 1 permanent position and funds, #30182, Secretary.	A	(1.00)		(63,612)	(1.00)		(63,612)	(1.00)	-	(63,612)	(1.00)	-	(63,612)	Significant loss of a position essential to the functioning of the Division's operations. This position serves as the Division Secretary and is a key position that conducts the most complex clerical and administrative functions for the Division Statewide. The position also provides guidance and support to subordinate clerical staff. Position was vacated in November 2020 and has been filled for (39) years.	Trade-Off of Position #39168 offered to maintain Position #30182. Position #30182 is extremely critical to the functioning of the Program. Requesting to trade-off two positions, if necessary, to maintain this one key position.  Trade-Off of Position #29605 offered to maintain Position #30182. Position #30182 is extremely critical to the functioning of the Program. Requesting to trade-off two positions, if necessary, to maintain this one key position.
LNR405/HA	1120-001 House Adj.	Reduce funds for personal services (Temporary Assignment)	A			(5,257)			(5,257)	-	-	(5,257)	-	-	(5,257)		
LNR405/HA	1120-001 House Adj.	Reduce funds for personal services (Payroll Adjustment)	N			(31,623)			(31,623)	-	-	(31,623)	-	-	(31,623)		
LNR405/HA	1120-002 House Adj.	Reduce funds for personal services (Payroll Adjustment)	P			(59,855)			(59,855)	-	-	(59,855)	-	-	(59,855)		

**Department of Land and Natural Resources  
HB200, HD1 Impact Statement**

PROG ID/ORG	HD1 SEQ NO.	DESCRIPTION	MOF	HB200, HD1						HD1 ADJUSTMENTS TO EXECUTIVE REQUEST						IMPACT OF ADJUSTMENTS	ALTERNATIVE REDUCTIONS(FOR ANY REDUCTION YOU OPPOSE)
				FY 22			FY 23			FY 22			FY 23				
				FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT		
<b>DIVISION OF BOATING AND OCEAN RECREATION</b>																	
LNR801/CH	60-001	Federal Fund Ceiling Adjustment	N			(626)			(626)	-	-	-	-	-	-		
LNR801/CH	61-001	Reductions of funds to clear grounded and impounded vessels	A			(99,985)			(99,985)	-	-	-	-	-	-		
LNR801/CH	62-001	Reduce 3 permanent positions (unfunded positions).	A	(3.00)			(3.00)			-	-	-	-	-	-		
LNR801/CH	100-0001	Add position and funds for one (1) Environmental Health Specialist IV, FY22: \$27,600; FY23; \$55,200. Fringe benefit, FY22: \$14,076; FY23, \$28,152.	B	1.00		83,352	1.00		83,352	-	-	41,676	-	-	-		
LNR801/CH	101-001	Ceiling increase for the Boating (DOBOR) Special Fund	B			2,000,000			2,000,000	-	-	-	-	-	-		
LNR801/CH	1100-001 House Adj.	Reduce 24 permanent positions and funds.	B	(24.00)		(1,107,852)	(24.00)		(1,107,852)	(24.00)	-	(1,107,852)	(24.00)	-	(1,107,852)	Please see attached.	
LNR801/CH	1120-001 House Adj.	Reduce funds for personal services (Temporary Assignment / Payroll Adjustment)	B			(94,862)			(94,862)	-	-	(94,862)	-	-	(94,862)		
LNR801/CH	1120-001 House Adj.	Reduce funds for personal services (Payroll Adjustment)	N			(35,411)			(35,411)	-	-	(35,411)	-	-	(35,411)		
LNR801/CH	1130-001 House Adj.	Reduce funds for Motor Vehicles	B			(328,000)			(328,000)	-	-	(328,000)	-	-	(328,000)		
<b>STATE HISTORIC PRESERVATION DIVISION</b>																	
LNR802/HP	60-001	EDP Consultant, object code 7170	A	-	-	(203,424)	-	-	(203,424)	-	-	-	-	-	-	Budget item approved as submitted.	
LNR802/HP	70-001	Funding for Position #100379, Archaeologist IV, #122489, Archaeologist IV, #43185, Office Assistant IV, through change in MOF from A to B (funding from SLDF).	A			165,336			165,336	3.00	-	165,336	3.00	-	165,336	These positions have been approved for funding under the general fund.	
		Funding for Position #100379, Archaeologist IV, #122489, Archaeologist IV, #43185, Office Assistant IV, through change in MOF from A to B (funding from SLDF). Salary \$165,336, Fringe Benefit \$84,321	B			-			-	(3.00)	-	(249,657)	(3.00)	-	(249,657)	These positions have been approved for funding under the general fund.	
LNR802/HP	71-001	Conversion from MOF A to MOF B (BOC Special Fund) of one (1) Architectural Historian, Position #112243	A							1.00	-	56,784	1.00	-	56,784	These positions have been approved for funding under the general fund.	
			B							(1.00)	-	(85,176)	(1.00)	-	(85,176)	These positions have been approved for funding under the general fund.	
LNR802/HP	72-001	Conversion from MOF A to MOF B (BOC Special Fund) of one (1) Archaeologist III, Position #122799	A							1.00	-	56,100	1.00	-	56,100	These positions have been approved for funding under the general fund.	
			B							(1.00)	-	(84,150)	(1.00)	-	(84,150)	These positions have been approved for funding under the general fund.	
LNR802/HP	73-001	Conversion from MOF A to MOF B (BOC Special Fund) GIS Technical Assistant, Pos. No. 122938	A							1.00	-	56,100	1.00	-	56,100	These positions have been approved for funding under the general fund.	
			B							(1.00)	-	(84,150)	(1.00)	-	(84,150)	These positions have been approved for funding under the general fund.	
LNR802/HP	74-001	Conversion from MOF A to MOF B (BOC Special Fund) of one (1) Ethnographer, Position #122802	A							1.00	-	71,592	1.00	-	71,592	These positions have been approved for funding under the general fund.	
			B							(1.00)	-	(107,338)	(1.00)	-	(107,338)	These positions have been approved for funding under the general fund.	
LNR802/HP	100-001	Federal Fund Ceiling Adjustment	N	-	-	6,155	-	-	30,776	-	-	-	-	-	-	Budget item approved as submitted.	

**Department of Land and Natural Resources  
HB200, HD1 Impact Statement**

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				FY 22			FY 23			FY 22			FY 23				
				FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT		
LNR802/HP	1120-001 House Adj.	Reduce funds for personal services (Payroll Adjustment)	A			(180,667)			(180,667)	-	-	(180,667)	-	-	(180,667)	This reduction to line item 910, Payroll Adjustment, of the Table BJ may restrict SHPD's ability to hire professional staff by offering compensation that is competitive with federal agencies and for profit companies. It will result in hiring less experienced and minimally qualified staff, as well as require a longer timeframe to fill these positions.	The alternative is for a \$90,333 adjustment or reduction thus allowing SHPD funds to hire professional staff with an offer of compensation that is competitive with federal agencies and for profit companies.
LNR802/HP	1120-001 House Adj.	Reduce funds for personal services (Payroll Adjustment)	B			(8,402)			(8,402)	-	-	(8,402)	-	-	(8,402)	This reduction to line item 911, Payroll Adjustment, of the Table BJ may restrict SHPD's ability to hire professional staff by offering compensation that is competitive with federal agencies and for profit companies. It will result in hiring less experienced and minimally qualified staff, as well as require a longer timeframe to fill these positions.	The alternative is for a \$5,000 adjustment or reduction to line item 022, transportation, intra-state, thus allowing SHPD funds to hire professional staff with an offer of compensation that is competitive with federal agencies and for profit
<b>DIVISION OF STATE PARKS</b>																	
LNR806/FA	10-001	Trade off: Funding of unfunded positions by reducing current (funded) vacant positions (\$137,616) and reducing other operating expenses (\$4,824).	A			(142,440)	-	-	(142,440)	-	-	-	-	-	-		
LNR806/FA	10-002	Trade off: Funding of unfunded positions by reducing current (funded) vacant positions (\$137,616) and reducing other operating expenses (\$4,824).	A			142,440	-	-	142,440	-	-	-	-	-	-		
LNR806/FA	60-001	Reduce funds for Lifeguard Contracts	A			(735,000)			(735,000)	-	-	721,161	-	-	721,161	The ceiling increase will offset the elimination of the TAT and allow for the ability to increase services that include, but are not limited to: additional contracts for park maintenance such as tree trimming and comfort station pumping, the installation and pumping of new waterless toilets in underserved park units with no utilities, secure additional security services for gate operations and special duty law enforcement costs for targeted problem park unit's where illegal activities are increasing. In addition, there a backlog of R&M that will be targeted and the replacement of an aging fleet that the increase in the S312 ceiling would support. Overtime, with tourism returning and new State Park fee assessments, a portion of the County lifeguard contracts may also be funded through the increase and allocation of S312 revenue. Absent this increase, the State Park System will remain at status quo and improvement in the quality of management of infrastructure, grounds and increased public compliance and safety for residents and visitors is not attainable.	
			S			735,000			735,000	-	-	735,000	-	-	735,000		
LNR806/FA	61-001	3110 - R&M Sup - Equipment	A							-	-	75,000	-	-	75,000		
		3150 - R&M Materials and Supplies - Bldg & Cons	A							-	-	22,500	-	-	22,500		
		5830 - R&M - Bldg & Structure / Routine	A							-	-	131,000	-	-	131,000		
		5831 - R&M - Bldg & Structure / Special	A							-	-	130,000	-	-	130,000		
		5840 - R&M - Grounds / Routine	A							-	-	85,000	-	-	85,000		
		3101 - R&M Sup- Maintenance	A							-	-	89,455	-	-	89,455		
		5820 - R&M - M&E / Routine (Non EDP)	A							-	-	123,000	-	-	123,000		
		5850 - R&M - Motor Vehicles	A							-	-	10,000	-	-	10,000		
LNR806/FA	62-001	4200 - Transportation, Intra-State, Airfare	A							-	-	2,500	-	-	2,500		
		4301 - Subsistence, Intra-State	A							-	-	500	-	-	500		

Department of Land and Natural Resources  
HB200, HD1 Impact Statement

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				FY 22			FY 23			FY 22			FY 23				
				FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT		
		4302 - Subsistence, Meals	A							-	-	2,500	-	-	2,500		
		5610 - Rental - Helicopters	A							-	-	81,060	-	-	81,060		
LNR806/FA	63-001	3200 - Office Supplies	A							-	-	4,310	-	-	4,310		
		3300 - Food Supplies	A							-	-	1,290	-	-	1,290		
		3400 - Other Supplies	A							-	-	1,500	-	-	1,500		
		3500 - Dues and Subscriptions	A							-	-	500	-	-	500		
		5870 - R&M - Data Processing Equipment	A							-	-	5,000	-	-	5,000		
		7200 - Other Current Expenditures	A							-	-	3,000	-	-	3,000		
		5810 - R&M - Office Furniture and Fixtures - Non EDP	A							-	-	2,500	-	-	2,500		
		5701 - Rental - Other (Non EDP)	A							-	-	50,000	-	-	50,000		
LNR806/FA	64-001	Reduce 6 permanent positions (unfunded positions).	A	(6.00)			(6.00)			-	-	-	-	-	-		
LNR806/FA	100-001	Ceiling increase for the State Parks Special Fund: FY22 (Other Current Expenditures, \$1,936,688; Equipment, \$570,000; Motor Vehicles, \$400,000) and FY23 (Other Current Expenses, \$1,600,000; Motor Vehicle, \$400,000)	B							-	-	(2,906,688)	-	-	(2,000,000)	<p>The current \$3,094,536 ceiling B of LNR 806 reflects allocations from the TAT (S305) and the SLDF (S305). The 2 million dollars of TAT has been suspended by the Governor and there is legislation that will permanently eliminate the 2 million of TAT from the B account of the State Park budget. The current S-312-C State Park special fund ceiling is \$96,000. Due to new fee increases and potential legislation to allow for more flexible fee increases, State Parks, at a minimum, must have a ceiling increase of 2.9 million to reinvest the fee-based income into operations and management - and due to the unanticipated rapid resurgence of tourism and the ability to generate greater fee income, a 4 million dollar increase in the ceiling is actually warranted.</p> <p>The ceiling increase will offset the elimination of the TAT and allow for the ability to increase services that include, but are not limited to: additional contracts for park maintenance such as tree trimming and comfort station pumping, the installation and pumping of new waterless toilets in underserved park units with no utilities, secure additional security services for gate operations and special duty law enforcement costs for targeted problem park unit's where illegal activities are increasing. In addition, there a backlog of R&amp;M that will be targeted and the replacement of an aging fleet that the increase in the S312 ceiling would support. Overtime, with tourism returning and new State Park fee assessments, a portion of the County lifeguard contracts may also be funded through the increase and allocation of S312 revenue. Absent this increase, the State Park System will remain at status quo and improvement in the quality of management of infrastructure, grounds and increased public compliance and safety for residents and visitors is not attainable.</p>	
LNR806/FA	1100-001 House Adj.	Reduce 8 permanent positions and funds.	A	(8.00)		(354,540)	(8.00)		(354,540)	(8.00)	-	(354,540)	(8.00)	-	(354,540)	Please see attached.	
LNR806/FA	1120-001 House Adj.	Reduce funds for personal services (Payroll Adjustment)	A			(49,195)			(49,195)	-	-	(49,195)	-	-	(49,195)		
LNR806/FA	1130-001 House Adj.	Reduce funds for Motor Vehicles	A			(10,000)			(10,000)	-	-	(10,000)	-	-	(10,000)		

Department of Land and Natural Resources  
HB200, HD1 Impact Statement

PROG ID/ORG	HD1 SEQ NO.	DESCRIPTION	MOF	HB200, HD1						HD1 ADJUSTMENTS TO EXECUTIVE REQUEST						IMPACT OF ADJUSTMENTS	ALTERNATIVE REDUCTIONS(FOR ANY REDUCTION YOU OPPOSE)
				FY 22			FY 23			FY 22			FY 23				
				FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT		
<b>LNR-NATURAL PHYSICAL ENVIRONMENT (ADMIN, AHA MOKU, &amp; KIRC)</b>																	
LNR906/AA	30-001	Transfer in two (2) unfunded positions from LNR172, Pos. #118680 and LNR 407 Pos. #13332 to LNR906	A	1.00		-	1.00		-	(1.00)	-	-	(1.00)	-	-	The department appreciates the transfer of one unfunded position (#118680) from LNR 172. However, due to the significant amount of federal grants received and administered by the department, we are asking for the reconsideration of Position #13332 (LNR407) to be transferred to LNR 906. This position will be performing financial reporting, analysis, and funds management. It will be doing in-depth analysis of program funds, provide the necessary advice and service vital to division heads/administrators in ensuring the federal grants are expended in full compliance of its requirements, and the general funds are utilized to the fullest. These two (2) positions are essential to keep up with the increased workload brought about by the significant increase in new program deliverables and additional compliance requirements in accounting for federal funds. These positions are critical in the timely submission of financial reports and other federal requirements so as not to jeopardize federal funding.	HB200, HD1 transferred one (1) position from LNR172, Seq #30-001 and one (1) from LNR407, Seq #30-001. The funding for these two (2) positions came from LNR404 , Seq #30-001. There is no fiscal implication on the position transfer. Funding will come from the amount reduced from LNR404 - Seq #30-001 (transfer was for the full amount of funding of the two (2) positions).
		Transfer funds from Personal Services LNR404 to LNR906 to fund two (2) unfunded positions	A			55,200			55,200	-	-	(55,200)	-	-	(55,200)		
LNR906/AA	60-001	Remove Trust Fund ceiling	T							-	-	1,277	-	-	1,277		
LNR906/AA	61-001	Reduction of Other Current Expenses	A			(17,000)			(17,000)	-	-	(8,500)	-	-	-		
LNR906/AA	62-001	Reduction of one (1) land-based restoration position, Natural Resources Specialist III, Position #103110 and associated cost	A			(37,319)			(37,319)	-	1.00	(13,202)	-	1.00	58,056		
LNR906/AA	63-001	Reduction of Other Current Expenses	A			(15,748)			(15,748)	-	-	(7,874)	-	-	-		
LNR906/AA	64-001	Reduction of one (1) ocean management position, Ocean Resource Specialist II, Position #113036 and associated cost	A			(37,318)			(37,318)	-	1.00	(8,918)	-	1.00	50,452		
LNR906/AA	65-001	Reduce 1 permanent and 2 temporary positions (unfunded positions).	A	(1.00)	(2.00)		(1.00)	(2.00)		-	-	-	-	-	-	<b>Position #11777, Information Technology Band B:</b> DLNR requests the restoration of this position. The impact is the lengthy process to re-establish the Information Technology Services IV (ITS IV) position when funding becomes available. This IT services position is dedicated to provide support for the Water Resource Commission's Information Management System (WRIMS) Application, local area network, including the telework environment. CWRM is currently being serviced by another IT position that is assigned to the Bureau of Conveyances division. Further delay to re-establish this IT position will severely impact the ability for IT to service other divisions should unexpected or emergency situations arise. We intend to fill this position when fiscally possible.	
LNR906/AA	70-001	Funding for Position #41587, Human Resources Assistant V through change in MOF from A to B (funding from SLDF) Salary \$36,732, Fringe Benefit \$18,733	A			36,732			36,732	1.00	-	36,732	1.00	-	36,732		
		Funding for Position #41587, Human Resources Assistant V through change in MOF from A to B (funding from SLDF) Salary \$36,732, Fringe Benefit \$18,733	B			-			-	(1.00)	-	(55,465)	(1.00)	-	(55,465)		

Department of Land and Natural Resources  
HB200, HD1 Impact Statement

PROG ID/ORG	HD1 SEQ NO.	DESCRIPTION	MOF	HB200, HD1						HD1 ADJUSTMENTS TO EXECUTIVE REQUEST						IMPACT OF ADJUSTMENTS	ALTERNATIVE REDUCTIONS(FOR ANY REDUCTION YOU OPPOSE)
				FY 22			FY 23			FY 22			FY 23				
				FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT	FTE (P)	FTE (T)	\$ AMOUNT		
LNR906/AA	1100-001 House Adj.	Reduce 3 permanent positions and funds (#121502HR Specialist (B -1.00 FTE), #2961 Account Clerk (A -1.00 FTE), #120761 HR Specialist (A -.12 / B-.88)	A	(1.12)		(48,436)	(1.12)		(48,436)	(1.12)	-	(48,436)	(1.12)	-	(48,436)	<p><b>Position #121502 Human Resources Specialist V:</b> Position is filled 02/1/21. Position is the Recruitment and Position Management supervisor. However, both positions under it are recently vacant, leaving this position to handle all recruitment and position classification actions for the entire department. A reduction of this position will cripple the department's ability to take action on its positions, including any recruitment efforts. <b>Position #2961 Account Clerk V.</b> Position is filled 03/15/21. This position is vital to maintain the operations of the Department. This is the Payroll Section supervisor and the lead payroll staff and one (1) of only two (2) positions responsible for the rprocessing of payroll for 1,000+ employees. Overseeing the processing of payroll changes, ensuring compliance with relevant laws and internal policies and performing calculations with payroll adjustments are just amont the duties of this position. The Department is currently struggling in meeting various payroll deadlines. Eliminating this critical position will greatly affect the Department's capability in keeping up and adhering to payroll rules and regulations. <b>Position #120761 Human Resources Specialist IV:</b> Position is filled 03/15/21. Position is the department's Safety Specialist handling workers comp claims review and processing, drug and alcohol testing program, COVID matters, etc. A reduction of this position will result in the Employer being unable to meet time-sensitive deadlines and obligations related to injured workers' claims, drug and alcohol testing requirements, etc.</p>	
			B	(1.88)		(128,060)	(1.88)		(128,060)	(1.88)	-	(128,060)	(1.88)	-	(128,060)		
LNR906/AA	1120-001 House Adj.	Reduce funds for personal services (Payroll Adjustment)	B			(266,501)			(266,501)	-	-	(266,501)	-	-	(266,501)		
LNR906/AA	1120-001 House Adj.	Reduce funds for personal services (Payroll Adjustment)	N			(211,866)			(211,866)	-	-	(211,866)	-	-	(211,866)		

Impact Statements for HB200 HD1 House Adjustments								
<u>Prog ID</u>	<u>Position Number</u>	<u>Position Title</u>	<u>Perm Temp (P/T)</u>	<u>FTE</u>	<u>MOF</u>	<u>Budgeted Amount</u>	<u>Department Position</u>	<u>Impact Statement</u>
<b>Addition:</b>								
LNR801	None	ENVIRONMENTAL HEALTH SPECIALIST IV	P	1.00	B	83,352	Support	Governor's request was for a new position that would be a 6-month delayed hire for FY22. House amended to make the position fully funded for FY22.
<b>Reduction:</b>								
LNR801	38648	BOAT&OCEAN RECR HRBR AGNT II	P	1.00	B	38,220	Oppose	Loss of the Maalaea Small Boat Harbor Boating and Ocean Recreation Harbor Agent (BORHA) would leave the largest boating facility on Maui with only two BORHA's. The section also oversees the Kihei Ramp and Kahului Ramp and has oversight over a significant amount of commercial activity at all three locations.
LNR801	48183	GENERAL LABORER I	P	1.00	B	44,460	Oppose	Only General Laborer (GL) on the island of Lanai. Failure to properly maintain the facilities increases the risk that general and boating public will suffer injuries or infections on state property.
LNR801	48943	RECREATIONAL HARBOR MANAGER I	P	1.00	B	72,528	Oppose	The position is the Boating and Ocean Recreation Manager (BORM) for the Kauai District. The position is responsible oversight over the Boating and Ocean Recreation program on the island of Kauai. Eliminating the position would leave the district without a BORM. The position oversees four BORHA's who oversee the activities of the Kauai Small Boat Harbors, ramps, and state ocean waters. The BORM is responsible for overseeing the repairs and maintenance of the ramps, harbors, and grounds of the district.
LNR801	34702	ACCOUNT CLERK II	P	1.00	B	34,020	Oppose	Elimination of the position would remove the position that accounts for receipts provided by commercial operators for the Hawaii District. The position also provides record keeping for the commercial payments to ensure that all commercial operators are in compliance with their Commercial Use Permits (CUP).
LNR801	46609	OFFICE ASSISTANT III	P	1.00	B	30,240	Oppose	Position recruitment in process.
LNR801	121293	OFFICE ASSISTANT III	P	1.00	B	34,020	Oppose	Provides Clerical Support to the Oahu District office. The Oahu District has 60% of all permits in DOBOR. Elimination of the position would impact the ability of the office to process marine events permits for the island of Oahu.
LNR801	121662	GENERAL LABORER II	P	1.00	B	44,376	Oppose	Loss of position would limit the ability of the Kauai District to repair, maintain, and clean the facilities and grounds of the ramps and small boat harbors on Kauai. Failure to properly maintain the facilities increases the risk that general and boating public will suffer injuries or infections on state property.



LNR801	8668	BOAT&OCEAN RECR HRBR AGNT II	P	1.00	B	38,220	Oppose	The Keehi section has oversight over the Keehi Small Boat Harbor. The section oversees the Keehi Small Boat Harbor, Sand Island Ramp, Keehi ORMA, and the commercial activities of the South Shore of Oahu. The harbor is the second largest in the state and is one of two harbors that allows live aboards. It normally employs three BORHA's. Removal of the position would eliminate oversight for the second largest harbor facility in the state. This would effect the oversight over permits and activities for the Keehi Small Boat Harbor, Sand Island Ramp, and the waters of Keehi Lagoon and the South Shore of Oahu.
LNR801	28791	OFFICE ASSISTANT III	P	1.00	B	30,240	Oppose	Removal of the position would eliminate clerical support for the second largest harbor facility in the state. This would effect the processing of payments and slow the issuing of use permits for the Keehi Small Boat Harbor, Sand Island Ramp, and the waters of Keehi Lagoon and the South Shore of Oahu.
LNR801	120396	GENERAL LABORER II	P	1.00	B	44,376	Oppose	Loss of position would limit the ability of the Kauai District to repair, maintain, and clean the facilities and grounds of the ramps and small boat harbors on Kauai. Failure to properly maintain the facilities increases the risk that general and boating public will suffer injuries or infections on state property.
LNR801	48178	OFFICE ASSISTANT V	P	1.00	B	54,432	Oppose	Elimination of the position would leave the Hawaii District office without any administrative support to maintain leave records and process purchase orders and other personnel documents.
LNR801	21387	GENERAL LABORER II	P	1.00	B	44,376	Oppose	Loss would leave the Haleiwa Small Boat harbor without a General Laborer. This would limit the ability repair, maintain, and clean the facilities and grounds of the Haleiwa Small Boat Harbor. Failure to properly maintain the facilities increases the risk that general and boating public will suffer injuries or infections on state property.
LNR801	26767	GENERAL LABORER II	P	1.00	B	44,376	Oppose	Hawaii General Laborer in Hilo. Eliminating this position would eliminate the only GL on the Hilo side of Hawaii. Failure to properly maintain the Hilo facilities increases the risk that general and boating public will suffer injuries or infections on state property.
LNR801	119001	OFFICE ASSISTANT III	P	1.00	B	30,240	Oppose	Removal of the position would eliminate clerical support for the second largest harbor facility in the state. This will delay the processing of permits and payments to the division.
LNR801	46759	RECREATIONAL HARBOR MANAGER I	P	1.00	B	69,732	Oppose	Position was filled in February 2021.
LNR801	117747	GENERAL LABORER II	P	1.00	B	44,460	Oppose	Loss would impact the maintenance of the Lahaina Small Boat harbor. This facility is also a cruise ship port. Failure to properly maintain the facilities increases the risk that general and boating public will suffer injuries or infections on state property.
LNR801	26307	GENERAL LABORER II	P	1.00	B	44,376	Oppose	Loss would impact the maintenance of the Lahaina Small Boat harbor. This facility is also a cruise ship port. Failure to properly maintain the facilities increases the risk that general and boating public will suffer injuries or infections on state property.

LNR801	117735	GENERAL PROFESSIONAL IV	P	1.00	B	52,956	Oppose	Position was filled in January 2021.
LNR801	121561	GENERAL LABORER II	P	1.00	B	44,376	Oppose	Hawaii General Laborer for the facilities of Honokahou, Kailua-Kona, Keahou, and North and South Kawaihae. Failure to properly maintain the facilities increases the risk that general and boating public will suffer injuries or infections on state property.
LNR801	9562	BOAT&OCEAN RECR HRBR AGNT IV	P	1.00	B	56,532	Oppose	Elimination of the position would eliminate a position that supervises two harbor agents and two office assistants and oversees the third largest harbor in the state as well as the small boat harbors of North and South Kawaihae.
LNR801	121939	PROPERTY MANAGER IV	P	1.00	B	55,092	Oppose	Position would lease revenue generating property for DOBOR. Loss of the position would reduce the revenue generating capacity of the division.
LNR801	27192	BOAT&OCEAN RECR HRBR AGNT III	P	1.00	B	48,348	Oppose	Position oversees the largest harbor facility on Kauai. An offer to fill the position has been made and accepted. Awaiting completion of the appropriate documents.
LNR801	118308	BUILDING MAINTENANCE SUPVR I	P	1.00	B	63,396	Oppose	Hawaii maintenance supervisor that oversees all maintenance staff on the island of Hawaii. Develops and implements a maintenance program for the Hawaii District. Failure to properly maintain the facilities on the island of Hawaii increases the risk that general and boating public will suffer injuries or infections on state property.
LNR801	118114	GENERAL LABORER II	P	1.00	B	44,460	Oppose	Hawaii General Laborer for the facilities of Honokahou, Kailua-Kona, Keahou, and North and South Kawaihae. Failure to properly maintain the facilities increases the risk that general and boating public will suffer injuries or infections on state property.
<p>We are not providing any alternative reductions because LNR801 is specially funded and has the capability to fund all 24 of the positions cut in HB200 HD1. Cutting these 24 positions would not have any impact on general fund revenue. At least three positions have been filled full-time.</p>								

**DEPARTMENT OF LAND AND NATURAL RESOURCES**  
**IMPACT STATEMENTS ON HOUSE VACANCY REDUCTION (State Parks)**

<u>Prog ID</u>	<u>Position Number</u>	<u>Position Title</u>	<u>Perm Temp (P/T)</u>	<u>FTE</u>	<u>MOF</u>	<u>Budgeted Amount</u>	<u>Impact Statement</u>
LNR806	117750	EDUCATIONAL ASSISTANT II	P	1.00	A	30,240	Hawai'i - Lapakahi / This position has been redescribed and is now a Park Interpretive Technician that was in the start of recruitment. The change was to broaden the scope of responsibility to cover more west side Hawaii parks while assisting the public at Lapakahi.
LNR806	121302	GENERAL LABORER I	P	1.00	A	43,164	Kaua'i - Wailua - East Side / This position is essential in maintaining and servicing parks on heavily patronized and large and rugged East side park units.
LNR806	118777	PARK CARETAKER II	P	1.00	A	46,152	Kaua'i - Ha'ena - East Side / This position is essential in maintaining and servicing parks on heavily patronized and large and rugged East side park units.
LNR806	22336	PARK CARETAKER II	P	1.00	A	46,152	Kaua'i - Wailua - East Side / This position is essential in maintaining and servicing parks on heavily patronized and large and rugged East side park units.
LNR806	117778	PARK CARETAKER II	P	1.00	A	46,152	Kaua'i - West Side / This position maintains and services park unit/locations on the West side which include Koke'e, Kalalau, Waimea Canyon and Waimea Pier, Polihale, Russian Fort Elizabeth/Pa'ula'ula
LNR806	22173	OFFICE ASSISTANT III	P	1.00	A	34,020	Oahu - Parks Admin / This position assists the public, responds to emails and telephone calls to the main State Parks line, and processes Oahu special use permits as well as Ka'ena Point permits.
LNR806	52934	PARK INTERPRETIVE CTR COORD	P	1.00	A	69,732	Oahu - Diamond Head State Monument / This position is crucial and very essential in overseeing activities at Diamond Head SM including supervising the Park Interpretive Technician and monitoring the parking situation, visitor experience and partners such as DOD and Hawaii Emergency Management within the crater.
LNR806	122829	GENERAL LABORER	P	1.00	A	38,928	Oahu - Ka'ena Point (Wai'anae side) / This position is responsible for the remote Ka'ena Point - Keawa'ula and Makua sections. Currently there is only 1 position to cover this large area so during vacation or sick leave there is no daily coverage.

Prog ID	Prog ID Priority	Dept- Wide Priority	Senate District	Rep. District	Project Title	MOF	FY22 \$	FY23 \$
LNR141	1	0	-	-	***CAPITAL IMPROVEMENTS PROGRAM STAFF COSTS, STATEWIDE	C	1,200,000	1,200,000
LNR407	1	1	-	-	WATERSHED PROTECTION AND INITIATIVES, STATEWIDE	C	4,000,000	4,000,000
LNR806	1	2	-	-	STATE PARKS INFRASTRUCTURE AND PARK IMPROVEMENTS, LUMP SUM, STATEWIDE	C	5,500,000	5,500,000
LNR806	1	2	-	-	STATE PARKS INFRASTRUCTURE AND PARK IMPROVEMENTS, LUMP SUM, STATEWIDE	N	500,000	500,000
LNR141	2	3	-	-	ROCKFALL AND FLOOD MITIGATION, STATEWIDE	C	2,000,000	2,000,000
LNR153	1	4	14	29	ANUENUE FISHERIES RESEARCH CENTER, OAHU	C	350,000	-
LNR801	1	5	23	47	KAHANA BAY BOAT RAMP AND LOADING DOCK, KANEOHE, OAHU	C	75,000	500,000
LNR801	1	5	23	47	KAHANA BAY BOAT RAMP AND LOADING DOCK, KANEOHE, OAHU	N	225,000	1,500,000
LNR101	1	7	12	22	WAIKIKI MASTER PLAN IMPROVEMENTS, OAHU	C	3,150,000	-
LNR101	2	25	1	2	HAWAII DISTRICT LAND OFFICE RENOVATION, HAWAII	B	3,000,000	-
LNR101	3	26	3	5	HALOA AINA CONSERVATION EASEMENT ACQUISITION, HAWAII	B	1,300,000	-
LNR101	4	27	3	5	HOOMAU FOREST CONSERVATION EASEMENT ACQUISITION, HAWAII	B	100,000	-
LNR101	5	28	4	1	HAWAII KOA FOREST ACQUISITION (MAKAHANALOA), HAWAII	B	2,000,000	-
					Subtotals by MOF	B	6,400,000	-
						C	16,275,000	13,200,000
						N	725,000	2,000,000
					Total - All MOF		23,400,000	15,200,000

\*\*\*These funds are requested if the corresponding Program Review proposal to convert 8.50 FTE from LNR141 general funds is approved.

Prog ID	Dept- Wide Priority	Project Title	FB21-23 EXECUTIVE REQUEST			HB200 HD1			HB200 HD1 Adjustment to Exec Rqst			DLNR RESPONSE - IMPACT/COMMENTS ON HB200 HD1 ADJUSTMENTS The Department is appreciative of projects added by House Bill 200, House Draft 1, provided their inclusion does not impact on priorities as indicated in the Executive CIP Budget.	
			MOF	FY22 \$	FY23 \$	Description for HD1 Add-ons	MOF	FY22 \$	FY23 \$	MOF	FY22 \$		FY23 \$
LNR101	7	WAIKIKI MASTER PLAN IMPROVEMENTS, OAHU	C	3,150,000	-		C	3,150,000	-		-	-	We intend to proceed with Phase I of the Waikiki Beach Improvements focusing on Kuhio Beach. Our consultant conducted a Rough Order of Magnitude (ROM) of construction costs for improvements at Kuhio Beach which came out much higher than initially anticipated. The figure is between \$15M-\$20M. ROMS generally overshoot actual projects construction costs because they are "conservative" on the high side. If we receive the supplemental funds of \$3.15M we will only have a total of \$12M including the prior appropriation. Thus, it is recommended that we secure a total of \$15M for the Kuhio Beach Improvements project - e.g., \$6,150,000 for FY '22 - an increase of \$3m to the current \$3.15m.
LNR101	25	HAWAII DISTRICT LAND OFFICE RENOVATION, HAWAII	B	3,000,000	-			-	-	B	(3,000,000)	-	Land Division procured an architect to plan the refurbishment of an existing commercial building on State land in Hilo to use as the new Hawaii District Land Office. The current office space available to the Hawaii District staff in the State Office Building in Hilo is inadequate for its needs. The number of Hawaii District personnel has expanded to currently have the most staff members of any district land office. The existing office space is shared with three other divisions of the Department and the combined workstation and file storage needs of the four divisions exceed the capacity of the space. Land Division approached the Department of Accounting and General Services to inquire as to whether additional space in a State facility was available, and the response was negative. The hotel/resort, commercial and industrial leases the Hawaii District manages on Banyan Drive and in the Kanoelehua Industrial Area all go to support the SLDF. Also, of all the Land Division districts, Hawaii District is responsible for the management of the largest unencumbered land area. Providing the Hawaii District staff with an office of appropriate size will facilitate the management of existing leases and issuance of new ones. Plans and specifications for renovation of an existing structure have been substantially completed, so deferral or abandonment of the project would result in no return on those expenditures. Additionally, the lack of needed additional space would impact the Hawaii District's ability to effectively resolve priority issues facing the division.
LNR101	26	HALOA AINA CONSERVATION EASEMENT ACQUISITION, HAWAII	B	1,300,000	-			-	-	B	(1,300,000)	-	DLNR may not be able to close this conservation easement protecting over 2800 acres of working forest lands, including lands important for koa and iliahi/sandalwood management, and may potentially lose \$3million in federal funds awarded for the project.
LNR101	27	HOOMAU FOREST CONSERVATION EASEMENT ACQUISITION, HAWAII	B	100,000	-			-	-	B	(100,000)	-	This acquisition would provide protection for Hoomau Ranch, which lies within a region of South Kona that includes several important large set-asides for ecosystem protection: South Kona Forest Reserve, Kipahoehoe and Manuka Natural Area Reserves, The Nature Conservancy's Kona Hema Preserve, and Hawai'i Volcanoes National Park. Collectively, these lands retain enough biodiversity to ensure ecosystem recovery and prevent biodiversity losses that normally occur in volcanically active regions.

Prog ID	Dept- Wide Priority	Project Title	FB21-23 EXECUTIVE REQUEST			HB200 HD1				HB200 HD1 Adjustment to Exec Rqst			DLNR RESPONSE - IMPACT/COMMENTS ON HB200 HD1 ADJUSTMENTS The Department is appreciative of projects added by House Bill 200, House Draft 1, provided their inclusion does not impact on priorities as indicated in the Executive CIP Budget.	
			MOF	FY22 \$	FY23 \$	Description for HD1 Add-ons	MOF	FY22 \$	FY23 \$	MOF	FY22 \$	FY23 \$		
LNR101	28	HAWAII KOA FOREST ACQUISITION (MAKAHANALOA), HAWAII	B	2,000,000	-									DLNR will not be able to complete the acquisition of over 13,000 acres of important watershed forest and will potentially lose over \$6 million of federal and private donated funds for the project. This project is ready to close and needs to be prioritized ahead of other DLNR acquisition projects, including Na Wai Eha We support the acquisition of the Hawaii Koa Forest to protect 13,000 acres of pretty pristine native forest and watershed with 4 different accesses for the public directly makai of Hakalau Forest National Wildlife Refuge. It will provide a contiguous stretch of protected native watershed forest from Volcano to Honomu including Olaa FR, Puu Makaala NAR, Waiakea FR, Upper Waiakea FR, 1942 Waiakea NAR, Hilo Restricted Watershed, Hakalau Forest National Wildlife Refuge and Hilo FR.
LNR101	HD1 ADD	NA WAI EHA LAND ACQUISITION, MAUI				LAND ACQUISITION OF 10,000 ACRES IN WEST MAUI TO PROTECT IMPORTANT FORESTED WATERSHED, NATIVE FOREST AND THE WATER RESOURCES THEY PROVIDE; AND ALL PROJECT RELATED COSTS; PROVIDED THAT THE COUNTY OF MAUI MAKES A GOOD FAITH EFFORT TO SUPPORT THE PROJECT.	B	2,000,000		B	2,000,000	-	This funding will add necessary funding to acquire the Na Wai Eha; however, Hawaii Koa Forest acquisition is a higher priority and at risk of losing federal and private funding without the state match requirement and should be prioritized first.	
LNR101	HD1 ADD	NA WAI EHA LAND ACQUISITION, MAUI				USDOI FISH AND WILDLIFE - LAND ACQUISITION OF 10,000 ACRES IN WEST MAUI TO PROTECT IMPORTANT FORESTED WATERSHED, NATIVE FOREST AND THE WATER RESOURCES THEY PROVIDE; AND ALL PROJECT RELATED COSTS; PROVIDED THAT THE COUNTY OF MAUI MAKES A GOOD FAITH EFFORT TO SUPPORT THE PROJECT.	N	2,600,000		N	2,600,000	-	Not awarded yet	
LNR101	HD1 ADD	NA WAI EHA LAND ACQUISITION, MAUI				USDA FS - LAND ACQUISITION OF 10,000 ACRES IN WEST MAUI TO PROTECT IMPORTANT FORESTED WATERSHED, NATIVE FOREST AND THE WATER RESOURCES THEY PROVIDE; AND ALL PROJECT RELATED COSTS; PROVIDED THAT THE COUNTY OF MAUI MAKES A GOOD FAITH EFFORT TO SUPPORT THE PROJECT.	N	3,000,000		N	3,000,000	-	Awarded 2021 by the U.S. Forest Service	
LNR101	HD1 ADD	NA WAI EHA LAND ACQUISITION, MAUI				COUNTY OF MAUI - LAND ACQUISITION OF 10,000 ACRES IN WEST MAUI TO PROTECT IMPORTANT FORESTED WATERSHED, NATIVE FOREST AND THE WATER RESOURCES THEY PROVIDE; AND ALL PROJECT RELATED COSTS; PROVIDED THAT THE COUNTY OF MAUI MAKES A GOOD FAITH EFFORT TO SUPPORT THE PROJECT.	S	1,700,000		S	1,700,000	-	Not awarded yet	
LNR141	0	CAPITAL IMPROVEMENTS PROGRAM STAFF COSTS, STATEWIDE	C	1,200,000	1,200,000					C	(1,200,000)	(1,200,000)	This funding is not needed if the proposed program review conversion of 8.50 FTE LNR141 general funded position to GO bonds is not approved and enacted.	
LNR141	3	ROCKFALL AND FLOOD MITIGATION, STATEWIDE	C	2,000,000	2,000,000					C	2,000,000	2,000,000		
LNR141	HD1 ADD	KALAUHAHAHA FISHPOND (LUCAS SPRING), OAHU				PLANS, DESIGN, AND CONSTRUCTION TO RESTORE FRESH ARTESIAN WATER BACK TO THE FISHPOND AND RELATEDWORK; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.	C	800,000		C	800,000	-	Correct spelling is Kalauhaha. These funds would enable the program to continue its efforts to restore water flow (which was disrupted when DOT widened Kalaniana'ole Hwy) to the fishpond. Updated cost estimates to restore the water flow, including permitting and design costs, is \$1m.	
LNR153	4	ANUENUE FISHERIES RESEARCH CENTER, OAHU	C	350,000	-					C	350,000		Funds would be to design and construct a large photovoltaic system and the Anuenue Fisheries Research Center to reduce annual electrical cost by 40-50% or nearly \$50,000.	

Prog ID	Dept- Wide Priority	Project Title	FB21-23 EXECUTIVE REQUEST			HB200 HD1			HB200 HD1 Adjustment to Exec Rqst			DLNR RESPONSE - IMPACT/COMMENTS ON HB200 HD1 ADJUSTMENTS The Department is appreciative of projects added by House Bill 200, House Draft 1, provided their inclusion does not impact on priorities as indicated in the Executive CIP Budget.	
			MOF	FY22 \$	FY23 \$	Description for HD1 Add-ons	MOF	FY22 \$	FY23 \$	MOF	FY22 \$		FY23 \$
LNR172	HD1 ADD	PALAMANUI FOREST CONSERVATION, HAWAII				PLANS, DESIGN AND CONSTRUCTION FOR PROTECTION AND FENCING FOR ENDANGERED LOWLAND DRY FOREST ADJACENT TO THE HAWAII COMMUNITY COLLEGE PALANAMUI CAMPUS; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.	C	60,000		C	60,000	-	The Department of Land and Natural Resources is in full support of this capital improvement investment. Hawaiian dry forests are among the most endangered ecosystem types in the world. Palamanui dry forest is a cooperative educational forest restoration project between DLNR and the University of Hawaii. The land it is dominated by lama (Diospyros sandwicensis), alahe'e (Psydrax odorata), and sandalwood (Santalum paniculatum), is critically endangered by grazing goats, and needs immediate protection and management.
LNR402	HD1 ADD	KAWAINUI WETLANDS, OAHU				CONSTRUCTION FOR INSTALLATION OF WATER MANAGEMENT INFRASTRUCTURE FOR WILDLIFE PONDS AND CONTOUR STREAM BANKS AND OVERFLOW CHANNELS TO MANAGE FLOOD WATER; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.	C	1,500,000		C	1,500,000	-	The Department supports this request. This project will improve infrastructure installed by the ACOE for waterbird mitigation related to construction of the flood control levee protecting Kailua town. Kawainui Marsh is a Ramsar designated wetland and critical for recovery of listed waterbirds.
LNR407	1	WATERSHED PROTECTION AND INITIATIVES, STATEWIDE	C	4,000,000	4,000,000			-	-	C	(4,000,000)	(4,000,000)	The FY22 request of \$930,000 for the South Kona Forest, and all FY23 items were eliminated. The South Kona forest line item is particularly urgent because Hawai'i Island has the main Rapid 'Ōhi'a Death outbreak, and fencing and ungulate removal is the main landscape-level strategy to help forests withstand this disease. In some sites, unfenced forests have 40-115 times more ROD-suspected mortality than adjacent fenced forests. A newly released study on Ōhi'a found that seedlings were three times more likely to survive if fenced. The FY23 requests include additional urgent fencing needs in ROD-vulnerable forests of Ka'u (\$1.6m) and Hilo (\$900k). Additional FY23 requests that were eliminated were for East Maui (\$300k), Molokai (\$700k), and Ko'olau, O'ahu (\$500k). Fencing these forests is high-impact way to sequester carbon emissions to reach Hawaii's carbon neutrality goals in 2045 (Act 15, SLH 2018). These forest protection projects stimulate the economy - since 2013, State funds have been matched by over \$39m in non-State sources and funds primarily support local jobs. Protecting these forests also helps increase resiliency to climate changes as these lands help secure water supplies, and buffer against flooding and erosion during storms.
LNR407	HD1 ADD	EAST MAUI FOREST, MAUI				PLANS AND CONSTRUCTION OF FENCES TO PROTECT AND RESTORE FORESTED WATERSHEDS AND OTHER WATER SUPPLIES, STATEWIDE.	C	480,000		C	480,000	-	The Department supports this request. This project will be particularly important for sequestering carbon as the forest is able to re-grow after being protected from hooved animals.
LNR407	HD1 ADD	WEST MAUI FOREST, MAUI				PLANS AND CONSTRUCTION OF FENCES TO PROTECT AND RESTORE FORESTED WATERSHEDS AND OTHER WATER SUPPLIES, STATEWIDE.	C	435,000		C	435,000	-	The Department supports this request. This project secures the main drinking water source for Maui. Climate change is anticipated to limit these water supplies, so protecting the source is critical for Maui's future.
LNR407	HD1 ADD	ALAKAI FOREST, KAUAI				PLANS AND CONSTRUCTION OF FENCES TO PROTECT AND RESTORE FORESTED WATERSHEDS AND OTHER WATER SUPPLIES, STATEWIDE.	C	1,600,000		C	1,600,000	-	The Department supports this request. This project secures the main drinking water source for Kaua'i, and will also protect a very high concentration of rare species of native plants and birds.

Prog ID	Dept- Wide Priority	Project Title	FB21-23 EXECUTIVE REQUEST			HB200 HD1			HB200 HD1 Adjustment to Exec Rqst			DLNR RESPONSE - IMPACT/COMMENTS ON HB200 HD1 ADJUSTMENTS The Department is appreciative of projects added by House Bill 200, House Draft 1, provided their inclusion does not impact on priorities as indicated in the Executive CIP Budget.	
			MOF	FY22 \$	FY23 \$	Description for HD1 Add-ons	MOF	FY22 \$	FY23 \$	MOF	FY22 \$		FY23 \$
LNR407	HD1 ADD	NA PALI KONA FOREST, KAUAI				PLANS AND CONSTRUCTION OF FENCES TO PROTECT AND RESTORE FORESTED WATERSHEDS AND OTHER WATER SUPPLIES, STATEWIDE.	C	555,000		C	555,000	-	The Department supports this request. This project is near the first Rapid 'Ōhi'a Death outbreak in northwestern Kaua'i. Fencing and ungulate removal is the main landscape-level strategy to help forests withstand this disease. This also will protect an area with one of the highest concentrations of rare plants in the world.
LNR801	5	KAHANA BAY BOAT RAMP AND LOADING DOCK, KANEOHE, OAHU	C	75,000	500,000		C	75,000	500,000		-	-	
LNR801	5	KAHANA BAY BOAT RAMP AND LOADING DOCK, KANEOHE, OAHU	N	225,000	1,500,000		N	225,000	1,500,000		-	-	
LNR801	HD1 ADD	KAHANA BOAT RAMP, OAHU				DESIGN AND CONSTRUCTION FOR IMPROVEMENTS FOR BOAT RAMP, LOADING DOCK, AND REVETMENTS; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.	C	650,000		C	650,000	-	DOBOR supports this request. This request will provide funding for new asphalt and concrete pavement and repair the rock revetment that have been damaged due to wave erosion of the facility.
LNR801	HD1 ADD	KAWAIHAE NORTH SMALL BOAT HARBOR, HAWAII				DESIGN FOR IMPROVEMENT TO HARBOR DOCK, BREAK WALL AND RELATED IMPROVEMENTS.	C	1,600,000		C	1,600,000	-	DOBOR requests these funds be designated for construction rather than design as funds for design and permitting have already been allocated. The proposed funding would only allow for repair to the existing breach in the harbor breakwater. An estimated additional \$4.4-million is needed to raise the elevation of the breakwater to protect the harbor from large ocean swells that continue to damage and overtop the existing breakwater.
LNR804	HD1 ADD	KAIWA RIDGE TRAIL, OAHU				CONSTRUCTION FOR RESTORATION OF HIKING TRAIL AND INSTALLATION OF HARDENED TREAD SURFACE; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.	C	900,000		C	900,000	-	The Department supports this request. This project will enable implementation of previous CIP planned improvements that will address safety and environmental concerns related to over use of the trail that have been a community concern for a long time.
LNR806	2	STATE PARKS INFRASTRUCTURE AND PARK IMPROVEMENTS, LUMP SUM, STATEWIDE	C	5,500,000	5,500,000			-	-	C	(5,500,000)	(5,500,000)	Disagree. The deletion of this lump sum request will defer on-going and shovel ready projects intended to ensure public health and safety. The proposed projects have been planned by State Parks for several years and its deferral will increase the number of deferred maintenance improvements as well as increase its cost through further deferral. Request retaining the requested funding of \$5,500,000 for FY 22 and 23 respectively. Also, this project is intended to have a federal fund match.
LNR806	2	STATE PARKS INFRASTRUCTURE AND PARK IMPROVEMENTS, LUMP SUM, STATEWIDE	N	500,000	500,000			-	-	N	(500,000)	(500,000)	Disagree. This is the federal match for State Parks infrastructure and Park improvements, Lump Sum, Statewide.
LNR806	HD1 ADD	MALAEKAHANA SRA, OAHU				PLANS, DESIGN AND CONSTRUCTION OF STATE PARKS INFRASTRUCTRE AND PARKS IMPROVEMENTS AND RELATED IMPROVEMENTS, STATEWIDE. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID REIMBURSMENT AND/OR FINANCING.	C	1,500,000		C	1,500,000	-	Support. This project is included in State Parks current and 6-yr CIP plan. Recommend revising the description to: "Plans, design and construction of improvements in the Kalanai and Kahuku park sections and related improvements. This project is deemed necessary to qualify for federal aid reimbursement and/or financing."
LNR806	HD1 ADD	MALAEKAHANA SRA, OAHU				PLANS, DESIGN AND CONSTRUCTION OF STATE PARKS INFRASTRUCTRE AND PARKS IMPROVEMENTS AND RELATED IMPROVEMENTS, STATEWIDE. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID REIMBURSMENT AND/OR FINANCING.	N	500,000		N	500,000	-	Support. This is the federal match for Malaekahana SRA, Oahu.



Prog ID	Dept- Wide Priority	Project Title	FB21-23 EXECUTIVE REQUEST			HB200 HD1			HB200 HD1 Adjustment to Exec Rqst			DLNR RESPONSE - IMPACT/COMMENTS ON HB200 HD1 ADJUSTMENTS The Department is appreciative of projects added by House Bill 200, House Draft 1, provided their inclusion does not impact on priorities as indicated in the Executive CIP Budget.			
			MOF	FY22 \$	FY23 \$	Description for HD1 Add-ons	MOF	FY22 \$	FY23 \$	MOF	FY22 \$		FY23 \$		
LNR806	HD1 ADD	HULIHEE PALACE SM, HAWAII							C	800,000		C	800,000	-	Support. This project is included in State Parks current and 6-yr CIP plan and shovel ready. Recommend revising the description to: "Plans, design, and construction of improvements to interior, exterior and palace grounds and related improvements."
LNR806	HD1 ADD	IOLANI PALACE SM, OAHU							C	200,000		C	200,000	-	Support. This project is included in State Parks current and 6-yr CIP plan. Recommend increasing funding to \$800,000 for FY 22 and revise the description to: "Plans, design and construction of palace improvements and structural renovation; and palace grounds improvements and related improvements."
LNR806	HD1 ADD	KOKEE/WAIMEA CANYON SP COMPLEX, KAUAI							C	1,500,000		C	1,500,000	-	Support. This project is included in State Parks current and 6-yr CIP plan. Recommend revising the description to: "Plans, design, and construction of roadway, parking and paving improvements and related improvements."
LNR806	HD1 ADD	HAPUNA BEACH SRA, HAWAII							C	1,000,000		C	1,000,000	-	Support. This project is included in State Parks current and 6-yr CIP plan. Recommend revising the description to: "Plans, design, and construction of park infrastructure system improvements and related improvements."
LNR806	HD1 ADD	KAENA POINT STATE PARK, OAHU							C	2,150,000		C	2,150,000	-	Support. This project is included in State Parks current and 6-yr CIP plan.
LNR806	HD1 ADD	KOKEE/WAIMEA CANYON STATE PARK COMPLEX, KAUAI							C	1,000,000		C	1,000,000	-	Support. This project is included in State Parks current and 6-yr CIP plan. Recommend revising the description to: "Plans, design and construction of park facility, lookout, water system and related improvements."
LNR806	HD1 ADD	PALAAU STATE PARK, MOLOKAI							C	1,300,000		C	1,300,000	-	Support. This project is included in State Parks current and 6-yr CIP plan and shovel ready. Recommend revising the description to: "Plans, design and construction of park facility, lookout, water system, comfort station, parking, roadway and related improvements."
LNR806	HD1 ADD	POLIHALE STATE PARK, KAUAI							C	1,350,000		C	1,350,000	-	Support. This project is included in State Parks current and 6-yr CIP plan. Recommend revising the description to: "Plans, design, and construction of cultural, environmental, recreational resource management, facility and infrastructure systems, roadway and parking improvements, and related improvements."
Subtotals by MOF			B	6,400,000	-	B	2,000,000	-	B	(4,400,000)	-	B	(4,400,000)	-	
			C	16,275,000	13,200,000	C	24,955,000	2,500,000	C	8,680,000	(10,700,000)	C	8,680,000	(10,700,000)	
			N	725,000	2,000,000	N	6,325,000	1,500,000	N	5,600,000	(500,000)	N	5,600,000	(500,000)	
			S			S	1,700,000	-	S	1,700,000	-	S	1,700,000	-	
Total - All MOF				23,400,000	15,200,000		34,980,000	4,000,000		11,580,000	(11,200,000)		11,580,000	(11,200,000)	

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**  
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TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER  
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON FINANCE

MARCH 29, 2021

9:00A.M.

VIA VIDEOCONFERENCE

HOUSE BILL NO. 200, HD1  
RELATING TO THE STATE BUDGET

Chairperson Dela Cruz and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 200, H.D. 1. This bill appropriates funds for the operating and capital improvement budget for the Fiscal Biennium 21-23. The Department of Agriculture ("Department") respectfully opposes certain items of the measure that relate to AGR, and offers the following comments on the House draft budget.

The Department appreciates and expresses its gratitude for the Legislature's efforts to address the dire economic challenges facing the State, however, has serious concerns regarding the proposed budgetary changes. A major concern with HB 200, HD1 is the reduction of large portions of the Department's special fund budget with only limited amounts being replaced with general funds. These special fund reductions coupled with the loss of general funds severely reduces the Department's ability to serve the industry and general public. The House draft also deletes 53 positions of various means of financing. These position reductions will also have a major negative impact on department operations.

We respectfully request that items contained in the Executive budget request be considered. The items included in the Executive budget will allow the Department to



provide critical and core services to the industry and general public. Some of the impacts of greatest concern are noted below.

The elimination of \$800,000 earmarked for implementing a much needed and legally mandated pesticides disposal program to provide an avenue for the safe and legal disposal of unwanted or unneeded pesticides products. Those funds were paid to the State by a private entity to settle a discrimination and environmental liability case as a condition to settlement and failure to apply those funds as earmarked may undermine the settlement.

The transfer of 22 positions in the Plant Quarantine and Pesticides Branches from general funds to special and revolving funds to reduce the Department's general fund appropriation while not concurrently providing sufficient replacement funds to maintaining current staffing levels will leave our animal quarantine program short-staffed and incapable of fulfilling its obligation to screen incoming pets and other animals for threats to the State. Inadequate staff at the Airport animal Quarantine Holding Facility (AAQHF) results in shift closures. In turn, this results in airlines having to safeguard and confine animals until they can deliver them to the AAQHF. This increases the risk for disease and parasite spread in addition to animal escapes.

The USDA Agricultural Marketing Service ("AMS") currently oversees 10 grants that are administered via the State Departments of Agriculture -- the Farm Bill assigns funding to the State Departments of Agriculture only. In the case of Hawaii, these programs are assigned to and administered by the Department's Market Development Branch ("MDB") positions being transferred to the Department of Economic Development and Tourism ("DBEDT"). DBEDT receives funding from the US Department of Commerce and the Small Business Administration to administer programs for business and economic development. The programs, activities and funding for the Department and DBEDT are treated and administered separately at the federal level and combining our state programs would adversely affect the State's eligibility to receive federal funding for agriculture. Moreover, the AMS will be increasing the number of grant programs to twelve in this federal fiscal year. Retaining the positions will allow the Department to continue applying for and managing federal grant awards. Two upcoming grant opportunities that may be jeopardized by the

proposed transfer are the Specialty Crop and the Micro-grant are block grants, which while not competitive, do require the Department to submit an application and provide justification that it is eligible and can successfully administer the grants. The dollar amount awarded for FFY20 was \$3 million, FFY21 \$2.6 million and estimated to be \$3 million in FY22.

The elimination of the permanent livestock inspector II position from the Department's Quality Assurance Division ("QAD") will result in the loss the only Livestock Inspector position dedicated for livestock and poultry the for Oahu and Kauai. Losing this and other Livestock Inspector positions will place approximately \$150,000 of federal cooperative agreement funds at risk when disease surveillance and animal traceability requirements under these cooperative agreements are not met.

In the capital improvements program budget, funds are being requested to repair and improve irrigation systems and other infrastructure to ensure that our farmers have a source of reliable and affordable water to facilitate increased food production within the State. Other requests will address critical repairs and improvements to departmental facilities.

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

**HB-200-HD-1**

Submitted on: 3/28/2021 8:37:36 AM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Robert K. Masuda	Testifying for DLNR	Comments	No

Comments:

I am available for questions. Please allow me Zoom access. Thank you.

DEPARTMENT OF THE PROSECUTING ATTORNEY  
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**THE HONORABLE DONOVAN M. DELA CRUZ, CHAIR**  
**SENATE COMMITTEE ON WAYS AND MEANS**  
**Thirty-First State Legislature**  
**Regular Session of 2021**  
**State of Hawai`i**

March 29, 2021

**RE: H.B. 200, H.D. 1; RELATING TO THE STATE BUDGET.**

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Senate Committee on Ways and Means, the Department of the Prosecuting Attorney of the City and County of Honolulu ("Department") submits the following testimony in support for H.B. 200, H.D. 1.

The purpose of H.B. 200, H.D. 1 is to appropriate funds for the Executive Branch's operating and capital improvement costs for fiscal biennium 2021-2023. The Department recognizes the economic environment that Hawaii is faced with due to COVID-19, however would humbly request the committee consider amending H.B. 200, H.D. 1 by allocating general funds to the the following programs.

**Victim/Witness Assistance Program (Budget Worksheets pg. 206, seq # 64-001):**

Since 1983, the Legislature has provided support for the Victim/Witness Assistance Program. In 1986, the Legislature enacted section 28-111, Hawaii Revised Statutes (H.R.S.), which established the Victim/Witness Assistance Program on a statewide basis, with each county administering its own program. The Honolulu Department of the Prosecuting Attorney's Victim/Witness Assistance Program provides information, assistance, and support services to the victims and witnesses of crimes committed in Hawaii.

The mission of the Prosecuting Attorney of the City and County of Honolulu is to seek justice, which must be equally available to both victims and defendants. Legislators had this in mind when they created Chapter 801D, Hawaii Revised Statutes (H.R.S.), Rights of Victims and Witnesses in Criminal Proceedings. Elimination or a significant reduction in funds allocated for this State-created program would severely handicap crime victims' right to information and leave victims and witnesses little to no assistance through the judicial process, which are key functions of this program and the very cornerstones of Chapter 801D, H.R.S.

The Department further notes that the City & County of Honolulu now pays far more proportionately (over \$1,000,000) for its Victim/Witness Assistance Program than State law requires. Section 28-111, H.R.S. requires counties to match 25 percent of the program funding. Due to the State's past funding reductions, Honolulu now provides far more than the required amount. By paying for the largest percentage of the program costs, Honolulu has already proven its commitment to helping victims but requires some help from the State to meet its commitments to victims and witnesses.

The Department currently needs to replace \$594,754.00 for fiscal biennium 2021-2023 for its Victim/Witness Assistance Program. This funding partially funds four Victim/Witness Advocates and fully funds two clerical support staff members for the program. Without these funds, these positions will be lost.

**Career Criminal Prosecution Program (Budget Worksheets pg. 206, seq # 64-001):**

The Career Criminal Prosecution Program, codified as Sections 845-1 through -3, H.R.S., was created in 1979 because a disproportionate number of serious crimes are committed by a relatively small number of multiple- and repeat-felony offenders, commonly known as "career criminals." The Honolulu Department of the Prosecuting Attorney's Career Criminal Prosecution Program was originally funded annually by the State. By their nature, CCP cases are often labor intensive and require experienced and well-trained deputy prosecutors. Since fiscal year 2007-2008, funding for the CCP program generally has been reduced, which has resulted in positions being held vacant.

The requested funding is greatly needed to continue operating the Department's Career Criminal Prosecution unit at its current capacity and caseload, essentially maintaining positions that are currently filled. Money spent on this unit is an efficient use of resources, as it provides citizens with swift and effective justice, reducing heavy caseloads and long court delays. Continued funding for this program will provide the Department with the tools necessary to protect our public from career criminals.

The Department currently needs to replace \$1,045,376.00 for fiscal biennium 2021-2023 for its Career Criminal Prosecution Program. This funding fully funds two Deputy Prosecuting Attorneys, two paralegals, and one clerical support staff member for the program. Without these funds these positions will be lost.

**Crime Victim Compensation Commission (Budget Worksheets pg. 1396-1398):**

The Crime Victim Compensation Commission ("the Commission") serves an important role in assisting the victims of violent crimes with medical costs, counseling costs, lost wages, and funeral and burial expenses that are not covered by other sources. Shutting down the Commission would be an immense loss for the victims we encounter on a daily basis, many of whom have sudden expenses that are the direct result of criminal activity and who have no extra income to deal with these unexpected expenses.

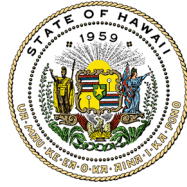
Currently the Commission is funded via the Criminal Injuries Compensation Special Fund which was created by the legislature in 1998. Since 2003, the Commission has been solely funded by the crime victim compensation fee that is attached to the adjudication of criminal cases and matching federal Victims of Crime Act (VOCA) funds. However, due to the COVID-19 pandemic the Commission has seen its normal revenue stream reduced and will likely need to shut down within the year if general funds are not allocated. **It is important to note that VOCA funds are entirely based on reimbursing the participating state for a percentage of what the state funds**

**paid out for victim compensation. Thus, if this program is not properly funded, it will not be offset or funded through federal allocations.**

For the foregoing reasons, the Department of the Prosecuting Attorney of the City and County of Honolulu supports the passage of H.B. 200, H.D.1 with funds appropriated to the Victim/Witness Assistance Program, Career Criminal Prosecution Program, and Crime Victim Compensation Commission, which will provide the funding needed to provide these important state-mandated services to our community. Thank you for the opportunity to testify on this matter.



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**  
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TESTIMONY ON HOUSE BILL 200 HD1  
A BILL RELATING TO THE STATE BUDGET

PRESENTATION TO  
THE COMMITTEE ON WAYS AND MEANS

BY

MAJOR GENERAL KENNETH S. HARA  
ADJUTANT GENERAL, HOMELAND SECURITY ADVISOR  
AND DIRECTOR OF THE HAWAII EMERGENCY MANAGEMENT AGENCY

MARCH 27, 2021

Chair Donovan M. Dela Cruz, and Vice Chair Gilbert S.C. Keith-Agaran, and Members of the Committee.

I am Major General Kenneth S. Hara, State Adjutant General, Homeland Security Advisor, and the Director of the Hawaii Emergency Management Agency. I am testifying in strong **OPPOSITION** to HB200 HD1.

This bill decrements the Department of Defense by 26.7% of its general funds, to include the entire Major Disaster Fund. The measure also abolishes multiple leadership and supervisory positions, to include, but not limited to, the Fusion Center Director, the Community Programs Director, the Supervisor for the department's state maintenance Trades Section, and the Supervisor for Ground Maintenance on the Island of Hawaii.

The measure also abolishes positions that are single points of failure, such as the department's only IT Helpdesk Technician, the only Accountant for the Office of Homeland Security, and the only Purchasing Technician responsible to execute \$8M in federal funds for the Air National Guard.

HB200 HD1, as stands, sets the department up for failure and it will be difficult for the department to meet its mission.

A detailed analysis of the impact of HB200 HD1 is attached.

Thank you for the opportunity to testify on HB200 HD1. If you have any questions or need additional information to our response, please contact our Administrative Services Officer, Colonel (ret) Rusty Spray, at (808) 330-7744 or at [rusty.spray@hawaii.gov](mailto:rusty.spray@hawaii.gov).

SEQ Number	Item	Impact and Justification
17-002	Position #110436	Non Concur. This position is 100% federally funded and primarily assists in the Planning and Programming process for development, maintenance and sustainment and for preparation of associated documentation and data for master planning requirements of one hundred and twenty four Hawaii Army National Guard facilities that are 100% maintained by the Army National Guard, not DAGS. This salary amount was based off of the position description and 2021 pay scale. This position has not been able to fill due to the low budgeted salary amount that is not commensurate with the required education, experience and job responsibilities.
17-002	Position #9546	Position Does not exist?
19-103	Trade off Transfer	Non-Concur HOUSE took the identified trade off transfer funds but did not fund the trade off positions in SEQ#19-104. there are three personnel that will need to be RIF. All positions are occupied
19-104	ACCOUNT CLERK II #48748	NON-Concur : PERSONAL SERVICES FOR (1) ACCOUNT CLERK II (#48748; 8,864) filled with Angela Liu. This is a 75% Federally funded position. This position is the only voucher clerk assigned to pay Army and Air Guard Bills. This position is also providing purchasing support to the Air National Guard as their position is currently vacant and also scheduled to be abolished.
19-104	PROGRAM SPECIALIST V #120608	Non-Concur. Position filled with Kristine Crabbe. RIF required. Responsible for GIA, investigations, tort claims, Memorandums of Agreement and a myriad of other tasks assigned by the ASO to include all Covid 19 agreements between departments that DOD is responsible to pay bills on behalf of. Without this position the department would need to pass some of these functions to DAGS and BUF as we will no longer have the expertise nor able to TA (temporarily assign) someone to do the function.
19-104	INFO SPECIALIST BAND B #122295	Position filled with Evan Law. RIF required. Only position to network the entire department to include off-site locations and telework automation. without this position, the department would not be able to maintain digital communications in a timely manner. this will affect everything from payroll, vouchering, and disaster response. The person also responds to all the blue collar workers throughout the state that are routinely locked out of their computers. There will be no help desk for the department.
19-113	JANITOR II #118696	Non Concur. PERSONAL SERVICES FOR (1) JANITOR II (#118696; -10,599) was funded at 50%. There was another janitor position (#118684) funded at 50%. The intent was to abolish one position and move the funding to the other so we could have ONE janitor vice two janitors that was funded at 50%. This was more of cleaning up the budget details vice abolishing the position all together.
19-115	TRADE-OFF FUNDS	Non-Concur HOUSE took the identified trade off transfer funds but did not fund for the trade off positions in SEQ#19-116.
19-116	Position #121908	Non concur. Positions is 75% federally funded. General Laborer I is required to provide facility custodial services in the common areas on Hickam AFB, especially amid the COVID-19 environment. These services are not easily contracted out due to the nature of security at Hickam Air force Base
19-116	Position #121910	Non-Concur. Purchasing Technician I is a critical position required for the purchasing, accounting and processing of invoices and payments of the approximate \$8 million for the Air National Guard MCA. this function is currently being supported by the state fiscal office. This additional workload on the state fiscal office is not sustainable. In addition, the position that is supporting this function (PERSONAL SERVICES FOR (1) ACCOUNT CLERK II (#48748) is also abolished in HB200. so in essence, there will be no one to do purchasing for the Air National Guard. Sustainment and spending of \$8M federal dollars will be jeopardized.
19-117	Trade off OCE for Positions in SEQ #19-118	Non Concur. HOUSE took trade off but did not restore positions requested.
19-118	Trade off Transfer	NON CONCUR. A majority of these positions are project positions assigned to the 2018-2019 LAVA Disaster. There are \$150M worth of projects that are still open. Without these positions, the projects will take longer to complete or will not be completed at all.
19-121	Trade off Transfer	Non Concur. HOUSE took trade off but did not restore positions requested. Burial Maintenance Position

19-122	Trade off Transfer related to SEQ # 19-121	NON Concur: DOD Traded off OCE to fund this burial maintenance position. Impact the departments ability to bury Veterans. Maintenance position assigned to the Hawaii State Veterans Cemetery in Kaneohe and is responsible to prepare burial plots, niches to receive urns in the columbarium and perform grounds maintenance to ensure planned interment/inurnment schedules are met and the necessary work is accomplished to open and close burial sites safely and within established VA timelines. Removing this position will ultimately create severe mission impact and potential work stoppage of internments/inurnments as the preparatory work will not be accomplished to meet federal interment guidelines and regulations.
60-001	REDUCE FUNDS FOR AMELIORATION OF PHYSICAL DISASTERS (DEF110/AC).	Non Concur. The PRR is penalizing the air national guard well above the 20% identified by the department. The Request was for \$120,596 in personnel and \$159,816 in Other current expenses for a total of \$280,412. the Air Guard was already reduced in HB200 personnel by 19-116 and 19-124 plus the OCE in SEQ 60-001. this is nearly a 35% reduction, well above the PRR target. compound this with the positions on hiring freeze. we are jeopardizing our mission, our federal funding and the safety of our personnel.
65-001		Non Concur. Reduces two 75% Federally Funded Positions in the Hawaii Air National Guard in addition to the reductions in SEQ #60-001.
67-001	FOR AMELIORATION OF PHYSICAL DISASTERS (DEF110/AA)	Non Concur. Part of Program Reduction Review. Takes additional Funding above and beyond the funding identified for DEF110AA for trade off transfer in SEQ 19-103 in the amount of \$158,519. This penalizes the program more than twice the amount identified for program reduction.
70-001	Change MOF	Non Concur. The EMPG grant funding rules are in transition. FEMA guidance is that the grant will not be used for routine personnel funding and utility costs. In response to this emerging guidance, HIEMA identified five leadership positions to transition and represent the State's commitment to Emergency Management. Not funding these position places the EMPG grant in jeopardy.
1001-001	Abolishes COMMUNITY PROGRAMS COORD	NON CONCUR. This position is vital in representing the Department of Defense as a community based organization. The position is responsible for HAWAII HAZARDS AWARENESS AND RESILIENCE PROGRAM (HHARP), manages the Youth Challenge Program, STARBASE Hawaii, member of the Hawaii Interagency Council on Homelessness, the Joint Venture Education Forum, the Voluntary Organizations Active in Disaster (VOAD) and Hawaii State Approving Agency for the GI Bill, and military case lot sales for the outer islands.
1002-001		Non-Concur. There are 9 positions missing from the transfer from DEF110AB/AC to the new program ID DEF116 Hawaii Army and Air National Guard.
1004-001	House Adjustment Reduces MDF by \$500K	Non Concur. Removing \$500K of the Major Disaster Fund denies the Department of Defense to meet mission requirements. This \$500K supports Water Purification Training, Quick Reaction Force Training and denies HIEMA the ability to recruit and train Reserve Corp Personnel. This decision is setting the department up for failure.
1006-001	Reduces Major Disaster Fund by \$4.5M	Non Concur. Removing \$4.5M of the Major Disaster Funding denies the Department of Defense the ability to respond to disasters until a funding solution is identified. Furthermore, the Program Reduction Review, abolished positions, along with this reduction, reduces DOD by ~35%. If this stands, DOD will need to re-organize to determine which missions will need to be curtailed or eliminated completely.
1100-001	Position #9545	Non-Concur. This is the Supervisor of five personnel and over 450 Acres. This position (vacant due to hiring freeze) is responsible for supervision and ground maintenance at Keaukaha Military Reserve installation, Kealakekua Armory-Kona, Keeau Armory, and Volcano Cabin on the Island of Hawaii (supporting the Hawaii Army National Guard, Youth Challenge Academy, and the State Department of Defense). If the position is abolished, there will be no supervisor for the general laborers for this location. In addition, overtime is required to fulfill this working supervisors duties. Currently, the position is under hiring freeze and subordinates are temporarily assigned to the position. Overtime funding is not in the budget and the additional requirements placed on the remaining crew is unsustainable.

1100-001	Position #12841	Non Concur. This is a critical maintenance supervisory position (vacant for just four months) responsible for the Trades section, which supervises, coordinates, and schedules work assignments for Oahu Trades Unit which consists of (1) Electrician, (1) Plumber, (1) A/C Mechanic, (1) Carpenter, (4) Building Maintenance Worker I and (2) Building Maintenance Helper. In addition, this position (1) coordinates emergencies and work orders for the department; (2) supervises, coordinates and schedules work assignments for the Hawaii Island State Maintenance Unit; and (3) serve as the acting General Maintenance & Services Supervisor II (GMSS II) when the GMSS II is on leave, which supervises the Trades Section, General Labor Units, and Custodial Units at Fort Ruger, Kalaeloa, Hawaii State Veterans Cemetery, Waimanalo, and Hawaii Island sites. If this position is abolished, there will be no supervision for the Trades Section or back-up support for the Maintenance Branch. The position is vacant due to retirement and unable to fill externally due to State's hiring freeze. The position is temporary assigned to a Building Maintenance Worker I that does not have the requisite skill set to perform at this position.
1100-001	Position # 7956	NON Concur. Position filled with Cabase, Belen K. RIF Required. Only accountant assigned to Office of Homeland Security. OHS will need to perform this function without the requisite skill set impacting future DOJ and OHS grants.
1101-001	Position #9549	Non Concur: Loss of this position would impact the departments ability to meet collective bargaining requirements. Position is currently filled with 89 day hire to assist the department with collective bargaining retroactive payments. Retro payments are broken down into 12 categories, mostly fringe and other payments such as temporary assignments and overtime. These payments are calculated manually and the throughput is about 5 personnel per day. Position was part of a reorganization and not filled due to hiring freeze.
1102-001	Position #122951	NON CONCUR. Position has only been vacant for three months and takes a minimum of six months to go through the states hiring process. Currently, the HIANG has only 1 assigned State electrician. For life safety purposes, 2 electricians are required for majority of repair jobs. The 2nd electrician position is currently expected to be in-place in the next 60 days. Electrical skills needed to maintain & repair state-of-art Air National Guard facilities and electrical systems in support of INDOPACOM/PACAF & State flying missions. Daily work capabilities & redundancy severely limited with only one current electrician on hand. Alternative is contracted personnel; however, there is no funding to support and limited to the contractors ability to respond.
1003-001	Position #8701	Non-Concur. There will be no PIO to provide provide timely and proper communication to the public. Given the important role HI-EMA plays in the state's coordination to and recovery from emergencies and disasters, this position is one of the most critical to retain and fill. HI-EMA had a governor's request as well as legislation pending to exempt and fill this position. The governor recommended waiting for the legislation. As such, if approved, the position will be exempted from civil service and filled. If legislation is not approved, we will recruit to fill via traditional service methods.
1003-001	Position #36408	Non-Concur. This position was held vacant due to the \$1.265 million cut in personnel funding for HI-EMA in ACT 9. It is a critical position needed to support statewide Emergency Siren and Emergency Communication operations. Personnel are currently working overtime to fill this void. Overtime is unsustainable pace for the remaining work force.
1003-001	Position #122282	Non-Concur. The LAVA disaster has many years remaining on this project to include \$150M open projects. The Position is filled with hourly employee Larry Kanda since 1/17/2017 on an almost full time basis. Larry has led the Mitigation Program and is transitioning his responsibilities to the new State Hazard Mitigation Officer, Theresa Woznick. This position is critical and required to perform the duties required to fulfill the Pre-Disaster and Hazard Mitigation grants and obtain FEMA federal reimbursement to the state of Hawaii.
1003-001	Position #122958	Non-Concur. This position is required to do the programmatic accounting for the LAVA Disaster (DR4366). This disaster has approximately \$150 million worth of projects remaining. Without this accountant, the projects will take longer to complete and will be addressed as an additional duty to remaining accountants.
1003-001	Position #117807	Non-Concur. This position was held vacant due to the \$1.265 million cut in personnel funding for HI-EMA in ACT9. It is a critical position needed to support 24/7 operations in State Warning Point.
1003-001	Position #122960	Non-Concur. Position filled with Dawn Shinsato. This position is required to do the office administration work for DR4366 (LAVA). This disaster has approximately \$150 million worth of projects.
1120-001	Reduces DEF110AA	Non-Concur. Reduces DEF110AA by an additional \$214,927 as an adjustment related to SEQ#19-120. HOUSE already took the trade offs so we are being penalized twice.

61-001

REDUCE (2) PERMANENT  
POSITIONS FOR SERVICES TO  
VETERANS (DEF112/VA).

GM#5 request to restore these two OVS positions.



Hawai'i Convention Center  
1801 Kalākāua Avenue, Honolulu, Hawai'i 96815  
**kelepona** tel 808 973 2255  
**kelepa'i** fax 808 973 2253  
**kahua pa'a** web [hawaii-tourism-authority.org](http://hawaii-tourism-authority.org)

**David Y. Ige**  
*Governor*

**John De Fries**  
*President and Chief Executive Officer*

Statement of  
**JOHN DE FRIES**

Hawai'i Tourism Authority  
before the  
**SENATE COMMITTEE ON WAYS AND MEANS**

Monday, March 29, 2021  
9:00 AM  
State Capitol  
via videoconference

In consideration of  
**HOUSE BILL NO. 200, HD1**  
**RELATING TO THE STATE BUDGET**

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Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee on Ways and Means: the Hawai'i Tourism Authority (HTA) **strongly opposes** HB200, HD1, which appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2021-2022 and 2022-2023.

This proposal could not come at a worse time. Tourism is just starting to recover. HB200, HD1 would appropriate limited federal funds (American Recovery Plan) to HTA for only one year of the biennium, which means it would eliminate all HTA funding and all HTA staff positions beginning in FY23.

This bill proposes to substantially reduce the overall appropriation ceiling for HTA's Tourism Special Fund (TSF) and Convention Center Enterprise Special Fund (CCESF) from \$141 million to \$71.4 million. The \$71.4 million is proposed to be split with \$60.45 million for the TSF and \$11 million for the CCESF. The measure shifts HTA's means of financing from special funds to federal funds, which are not guaranteed and may require additional work for an already skeleton crew. HTA implemented a hiring freeze, ahead of the governor's official directive, and we now have six vacant positions, which amounts to a 19% vacancy rate.

If HTA is no longer funded and in existence, brand messaging would be left up to the visitor industry with no oversight or direction from the state. All of HTA's support for programs that protect our natural resources, perpetuate the Hawaiian culture, and help the community would be

March 29, 2021

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eliminated. Visitor assistance programs, such as the Visitor Aloha Society of Hawai'i, would be greatly impacted since they heavily rely on HTA funding. In addition, HTA's Tourism Research Division would be eliminated, and that would be devastating for many businesses and organizations that rely on the team's invaluable research and data.

HTA has a significant task ahead in driving the economic recovery from the COVID-19 pandemic through the rebuilding of the tourism industry. HTA helped to generate \$2.07 billion in state tax revenues in 2019. HTA's expenditure of funds resulted in an approximately \$26-to-\$1 return on investment that year.

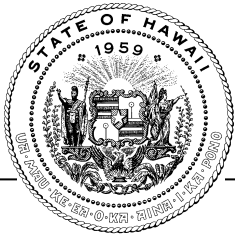
The return on investment on our efforts, in partnership with industry, is tied to the ability to be nimble and flexible in our budget and activities through a sufficiently funded budget. The time for us to heavily invest into our source markets is rapidly approaching and it is important to be armed with the capital for those efforts.

HB200, HD1 would also significantly reduce the appropriation ceiling for the Hawai'i Convention Center's (HCC) Convention Center Enterprise Special Fund from \$54 million to \$11 million in FY22 and would eliminate funding in FY23. That means there would be no funds to operate or manage the HCC starting July 1, 2022 – meaning no money to pay for utilities, supplies, security, facilities labor, housekeeping, Information Technology services, engineering labor, and internet services. Without those services, the HCC would not be able to hold meetings, conventions or other events, which would be detrimental to the rebuilding of Hawai'i's economy.

The Meetings, Conventions and Incentives (MCI) market is an important component of marketing Hawai'i. In 2019, the MCI market spent \$904.7 million in Hawai'i. HCC is in the process of executing contracts that could bring thousands of people and millions of dollars to Hawai'i, and additionally provide much needed job security for Hawai'i's residents. Therefore, it is important to have the ability to continue these efforts to engage with potential clients to lay the foundation for the future of Hawai'i's economy.

Every dollar allocated to HTA and the HCC is critical to successfully carry out our mission and to strategically market Hawai'i as the preferred tourism destination. HTA serves as the catalyst for Hawai'i's visitor industry and must continue to be funded by the state at full funding, which means \$79 million a year for HTA and \$16.5 million a year for the HCC through the Transient Accommodations Tax.

It is for these reasons we **strongly oppose** HB200, HD1. I am available to answer questions.



# OFFICE OF PLANNING STATE OF HAWAII

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DAVID Y. IGE  
GOVERNOR

MARY ALICE EVANS  
DIRECTOR  
OFFICE OF PLANNING

Statement of  
**MARY ALICE EVANS**  
Director, Office of Planning  
before the  
**SENATE COMMITTEE ON WAYS AND MEANS**  
Monday, March 29, 2021  
9:00 am  
in consideration of  
**HB 200, HD 1**  
**RELATING TO THE STATE BUDGET.**

**LATE**

Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Senate Committee on Ways and Means:

The Office of Planning (OP) **supports the intent** of HB 200, **appreciates amendments** made in the HD 1, and **offers comments**.

HB 200, HD1, consolidates various government land use and environmental policy functions of different agencies into the Office of Planning and carries over reductions from the Governor's budget request and reduction of a critical existing position, the Transit-Oriented Development Program Manager. This position is filled on a TA basis due to the Covid hiring freeze.

OP respectfully requests that the TOD Program Manager position and funds be restored, as OP's workload to enable development of state lands around transit stations and hubs is growing.

The HD1 transfers the LUC budget (BED 103) into the Office of Planning (BED 144). This transfer, combined with HB 1149, consolidates the LUC with OP, but retains the LUC's autonomy and structure. HB 1149 provides for a policy firewall between the LUC and OP, however a fiscal firewall is also needed. OP respectfully requests that funds and positions for the LUC be transferred back to BED 103. OP has the capacity to provide accounting support for additional Program IDs.

The HD1 also transfers the Office of Environmental Quality Control (OEQC) from the Department of Health (HTH 850) to OP. This consolidation seems beneficial to both agencies, but the implementing bill, HB 1318, HD1, was not heard in the Senate subject matter committees. Language from HB 1318 could be added to HB 1149 if the bill is heard by WAM, if the Senate is so inclined.

The HD1 also transfers the Land Survey Division from DAGS (AGS 211/HA) to OP. This transfer does not have an enabling bill to support discussion.

The Office of Planning *thanks* the Legislature for recently passing [Act 45, SLH 2020](#), and is actively working on the sustainable development and climate adaptation of the state to meet the needs of the present without compromising the ability of future generations of Hawai'i to meet their own needs. Mahalo for the opportunity provide testimony on HB 200, HD1.



March 26, 2021

**LATE**

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

FROM: Deborah K. Miyao  
Retired State of Hawaii Department of Education Educational Specialist for Adult Education and the Acting Adult Basic Education State Director

RE: H.B. 200, HD1  
Hearing: Monday, March 29, 2021, 9 AM, Conference Room 211 & Videoconferencing

POSITION: STRONG OPPOSITION with Amendments

Good Morning Senator Dela Cruz, Senator Keith-Agaran, and Members of the Committee on Ways and Means. I am Deborah K. Miyao, a retired State of Hawaii Department of Education Educational Specialist in Adult Education and the Acting Adult Basic Education State Director. I strongly oppose the amendments to HB200 HD 1 specific to LBR 135 within the Department of Labor and Industrial Relations. I humbly request for the restoration of Hawaii's Workforce Development Council (WDC) LBR 135 into the State Budget as originally proposed in HB 200.

The federal Workforce Innovation and Opportunity Act of 2014 (WIOA) mandates that a State Plan must be developed with the assistance of the WDC as required by sec. 101 (d). of WIOA. Hawaii's WDC is actively and responsibly overseeing the development, implementation, and coordination of WIOA with the required core partners and essential stakeholders. Additionally, the WDC establishes strong partnerships across core programs, economic development, education, and other programs to develop sector strategies and other aligned services geared to servicing local businesses.

As a WIOA core partner, the State of Hawaii Department of Education adult education program serves adults who are 16 years of age or older, out of school, and lack a high school diploma or basic skills. The WDC provides a wealth of educational and training services that lead to career pathways opportunities for the adult education adult learners.

Your consideration to restore WDC LBR 135 into the State Budget as originally proposed in HB 200 is critical for future funding and successful workforce initiatives.

Thank you for this opportunity to submit testimony.



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
Senate Committee on Ways and Means  
March 29, 2021 at 9:00 a.m.

by  
Kalbert K. Young  
Vice President for Budget and Finance/Chief Financial Officer  
and  
Michael Ng  
Director, University Budget Office  
University of Hawai'i System

### HB 200 HD1 – RELATING TO THE STATE BUDGET

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

Thank you for the opportunity to present testimony today on House Bill (HB) 200 House Draft (HD) 1, Relating to the State Budget, which appropriates funds for the operating and capital improvement budget of the Executive branch for fiscal years (FY) 2021-2022 and 2022-2023.

The University of Hawai'i (UH) **supports** this bill and respectfully requests the **restoration of funding** for Athletics that is part of the current UH operating budget and had previously been part of the State Budget.

The biennium budget proposal approved by the Board of Regents (BOR) recognizes the financial condition of the State and does not include any requests for additional general fund appropriations. The BOR request only the restoration of general fund support for the Athletics programs at Mānoa and Hilo and the Hawai'i Promise Program at the Community Colleges. Although these items were in previous base budgets of the Executive Branch and are in the current UH budget, they are not in the current FY21 State operating budget because this money was instead appropriated to UH for FY21 through a separate appropriation act. More detailed comments are below, noting that while the Hawai'i Promise Program for the Community Colleges is funded with federal American Rescue Plan Act funds in HB 200 HD1, Athletics faces a \$4.0 million reduction from current appropriations.

The HD1 of the budget made considerable changes to UH's budget and those changes and a brief statement of the impacts are provided below:

General Fund Reductions Partially Offset with American Rescue Plan Funds

*UOH100 Seq. 60-001, UOH110 Seq. 60-001, UOH210 Seq. 60-001, UOH700 Seq. 60-001, UOH800 Seq. 60-001, UOH900 Seq. 31-001, UOH900 Seq. 60-001*

The House kept the general fund reductions from the Executive Budget request but offset those with American Rescue Plan Funds (“V-Funds”). It appears that the House provided V-Funds in an amount that would cover 80% of the general fund reductions proposed in the Executive Budget for each program ID. While we are never happy to see any reduction to our base budget, we understand the financial constraints and accept that UH, like the rest of State government, must make do with less while Hawai‘i’s economic recovery is still in progress.

We appreciate the support by the House to limit the reductions to the UH budget from those proposed in the Executive Budget, but have a few concerns. The first is that it is unclear whether or not these V-Funds would count as State support for the Maintenance of Effort provision in Section 2004 of the American Rescue Plan:

**SEC. 2004. MAINTENANCE OF EFFORT AND MAINTENANCE OF EQUITY.**

*(a) STATE MAINTENANCE OF EFFORT.—*

*(1) IN GENERAL.—As a condition of receiving funds under section 2001, a State shall maintain support for elementary and secondary education, and for higher education (which shall include State funding to institutions of higher education and State need-based financial aid, and shall not include support for capital projects or for research and development or tuition and fees paid by students), in each of fiscal years 2022 and 2023 at least at the proportional levels of such State’s support for elementary and secondary education and for higher education relative to such State’s overall spending, averaged over fiscal years 2017, 2018, and 2019.*

It may be entirely possible that V-Funds will count as State support. We anticipate that guidance will be forthcoming – it simply is not clear at this point in time. Because Section 2004 governs the Elementary and Secondary School Emergency Relief Fund (ESSER) and other funding for education in the three COVID relief acts, it is important to comply with the maintenance of effort provision.

Additionally, we respectfully request that fringe benefits from salaries paid for by V-Funds be paid for by the State general fund. If the intent is to offload current general fund expenditures by the departments to V-Funds, it is important to note that the fringe benefits costs associated with that payroll amount are already being picked up by the general fund. A similar provision existed in Act 162, Session Laws of Hawai‘i 2009:

SECTION 162. Provided that for the use of Federal Stabilization funds the Department of Education and the University of Hawaii shall not be required to pay

fringe benefit costs to the Department of Budget and Finance.

We again express our appreciation for the support provided by the House in limiting the damage to public higher education in Hawai'i that would be incurred by the proposed reductions in the Executive Budget and want to highlight these considerations.

#### Na Pua No'eau Transfers

*UOH100 Seq. 31-001, UOH210 Seq. 30-001, UOH700 Seq. 30-001, UOH800 Seq. 30-001*

In 2012, the Legislature provided 6.0 general funded positions and funds to institutionalize Na Pua No'eau, a program to identify gifted and talented Hawaiian youth (K-12) and to provide them with educational enrichment opportunities. By 2018, Na Pua No'eau was fully institutionalized and integrated at various UH campuses: Hilo, Mānoa, West O'ahu, Maui College, and Kaua'i Community College. These transfers would move the positions and funds from UOH900 to the respective campuses that currently run these programs, as requested in the BOR budget proposal, thereby increasing budget transparency and accountability.

#### Athletics Funding

*UOH100 Seq. 100-001 and UOH210 Seq. 100-001, and UOH210 Seq. 1001-001*

The impact of cutting \$4.0 million from the UH Athletics program budgets would be devastating to our student-athletes and athletic programs and would negatively impact student athlete enrollment and retention. As noted above, most of this is current funding that was previously in the base operating budget of the State but was subsequently provided through a separate appropriations act. This cut to athletics would be coming on top of severe impacts already being experienced by the Athletics Department as a result of the pandemic, including the cancellation and reduction in the number of team events and the COVID protocols that do not allow any fans to be in attendance. While the department has already faced significant reductions to its budget because of the pandemic (~\$8.7 million), the loss of fan-related revenues (e.g., ticket sales, concession revenues), media revenues, and NCAA and conference distributions. These revenue reductions more than offset any cost reductions (e.g., less travel), resulting in an overall negative impact from the pandemic of (~\$5.6 million). The combined impact of the loss of funding from the Legislature, layered on top of the ongoing and continuing impact of the pandemic, will require significant changes to the UH's athletic program.

Significant cuts would need to be made that would have major impacts on the student-athlete experience, competitive performance, and access for fans and the community. The following are some cuts that may be necessary in order to offset the

lost revenue. Student-athletes would be impacted by a reduction in operating costs like scholarships (cost of attendance and summer school), student supplemental meals, recruiting and team apparel and equipment. Any reduction in scholarships means that student-athletes would have less money to pay for their education and living expenses. Cutbacks in other areas, such as supplemental meals, will impact student-athlete health and wellness. Teams may also be required to reduce the number of student-athletes on their roster resulting in fewer opportunities to participate in sports at the NCAA Division I level. It might also become necessary to eliminate one or more sports.

The Hilo Athletics program currently has 12 sports and NCAA regulations require an institution to have a minimum of 10 sports to maintain NCAA status.

Reducing guarantees that fund opponents travel from the mainland to Hawai'i for non-conference games will reduce competitive opportunities and impact post-season opportunities for our teams. Reducing squad sizes for our travel to the mainland to compete will impact our competitive equity and the health and safety of student-athletes, and less student-athletes available to compete leading to increased fatigue and potentially injury. Further reductions in recruiting budgets will reduce our ability to compete for the best prospects to enroll at the UH.

The additional \$105,895 provided to UH-Hilo is a one-time lump sum and will not help restore the operating budget.

#### Transfer of UOH110 into UOH100

*UOH110 Seqs. 1000-001, 1000-002, and 1000-003 and UOH100 Seqs. 1000-001, 1000-002, and 1000-003*

The UH does not object to these transfers. This action restores the integration of JABSOM FTE and funding as part of the UH Mānoa campus, as was the case prior to the separation executed by the Legislature beginning in FY 2012.

#### Three (3) additional positions for HIMB

*UOH100 Seq. 1001-001*

The UH is greatly appreciative for the additional positions and funding in support of the UH Mānoa Hawai'i Institute of Marine Biology (HIMB). These positions will be beneficial for maintaining safe and effective research operations at the Institute and will help address important facilities and research infrastructure issues. The funding for coastal assessment will also help assess critical seawall infrastructure and identify environmentally beneficial and sustainable solutions in the face of climate change that can inform and assist the entire State.

### Additional Funding for the Cancer Center

*UOH100 Seq. 1002-001*

HB1297 HD2 eliminates the ability for the Cancer Center to use cigarette tax revenues for “research and operating expenses” (page 14, lines 14 and 15). As explicitly enabled by current law, the Cancer Center uses cigarette tax revenues in excess of its debt service obligations for operations and maintenance of its facilities. With the elimination by HB1297 HD2 of this authorization, the funding provided by this House Draft of the budget is absolutely necessary to replace with general fund the revenue that had been committed by the State for this purpose from cigarette tax revenues.

### Reduce funds for Motor Vehicles

*UOH100 Seq. 1003-001, UOH210 Seq. 1002-001*

The UH at Mānoa requires the use of motor vehicles to function in normal business activities. Many of the motor vehicle expenditures on Special Funds are purchases by Transportation Services which helps to operate fleet services supplying rental vehicles to the campus. Without the Special Fund ceiling we would not be able to purchase new vehicles for the rental program. Additionally, the Revolving Fund ceiling is necessary to provide for the purchases of vehicles for many of the research based programs like HIMB and CTAHR which often operate off campus and also may require specialized vehicles to operate on rough terrain. Because of these impacts, we respectfully request that Mānoa’s non-general fund ceilings not be reduced.

There is no impact for the reduction at UH-Hilo.

### Transfer-in of PISCES from DBEDT

*UOH210 Seq. 1000-001*

HB 200 HD 1 transfers the Pacific International Space Center for Exploration Systems (PISCES) program from DBEDT to UH Hilo along with associated general fund programming. UH is agreeable to this transfer and notes that the funding is essential if PISCES is to continue its operations and meet its core objectives of economic development, workforce development, and applied research. If the funding is not provided UH Hilo will be unable to continue the program

### Additional American Rescue Plan Funds

*UOH100 Seq. 1004-001 and UOH881 Seq. 1000-001*

The UH is appreciative of these additional resources, which will help the University of Hawai’i Economic Research Organization (UHERO) and the Aquarium.

Hawaii Promise Program  
UOH800 Seq. 100-001

Provided that these V-Funds can replace general funds with no significant impact to the UH or the State, the UH is appreciative of this funding and will continue to operate the Hawai'i Promise Program within our Community Colleges.

Additional Ceiling for Research and Training Revolving Fund (RTRF)  
UOH900 Seq. 100-001

UH programs have been actively seeking federal and private contract and grants, with many of these being awarded. In anticipation of additional RTRF funds, and to be proactive to not exceed our current ceiling, we are seeking to increase our revolving fund ceiling. The additional ceiling will allow us to continue to seek federal and private contract and grant opportunities, and use any overhead funds earned to facilitate additional research and training projects, create additional research and training grants, and to provide funds for discoveries and inventions. Without a ceiling increase, this would limit UOH900's ability to spend revolving funds that are used to further research and training for the University programs.

For the Capital Improvements Projects (CIP) section of the budget, the BOR approved a request totaling \$228.0 million for FY22 and \$232.5 million for FY23. The House Draft of the budget provided \$170.7 million for FY22 and \$204.5 million for FY23. A breakout of the projects (in millions of dollars) is listed below:

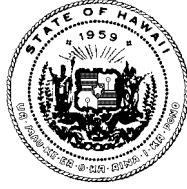
Campus	Project Title	Board		HD1	
		FY22	FY23	FY22	FY23
System	Renew, Improve, and Modernize	110.5	110.5	48.5	110.5
CCs	Capital Renewal & Deferred Maintenance	25.0	25.0	15.0	35.0
CCs	Minor CIP	25.0	25.0	15.0	35.0
Hilo	Renew, Improve, and Modernize	24.0	13.5	10.0	15.0
Mānoa	Manoa Mini Master Plan Phase 2	60.0	-	60.0	-
CCs	Honolulu CC Technology Renovations	15.0	-	15.0	-
Aquaria	Waikiki Aquarium	1.5	9.0	1.5	9.0
CCs	ADA Upgrades	14.0	14.0	-	-
UHWO	Renew, Improve, and Modernize	3.0	3.0	-	-
CCs	WinCC Agriphartmatech Bioprocessing Facility	3.0	-	3.0	-
Mānoa	Central Admin Facility with Parking	4.0	-	-	-
UHWO	Planning Projects	0.5	0.5	-	-
CCs	Kapiolani CC - Koki'o	2.5	30.0	-	-
CCs	Maui College Vocational Tech	-	2.0	-	-
Mānoa	CTAHR - Waiale'e Research Station			1.6	
Hilo	Mauna Kea Telescope Removal (Hoku Kea)			1.1	
	<b>Total</b>	<b>288.0</b>	<b>232.5</b>	<b>170.7</b>	<b>204.5</b>

While the House did not provide everything in the BOR-approved request, this amount appears to be sufficient to achieve a majority of the UH's priority projects for this biennium and make sufficient progress in addressing deferred maintenance and modernization of UH's campuses. Additionally, while the CTAHR Waiale'e Research Station and Mauna Kea Telescope Removal projects were not included in the BOR-approved request, these projects align with the UH's priorities and strategic plans and appreciate these legislative initiatives.

We understand that although there have been significant positive improvements to the State's general fund outlook in recent months – notably the American Rescue Plan and the Council on Revenues forecast – that there are still considerable challenges facing Hawai'i and we look forward to working with the Legislature to overcome those challenges in the weeks to come.

Thank you for this opportunity to testify.





**LATE**

‘O kēia ‘ōlelo hō’ike no ke  
**Komikina Kūlana Olakino o Nā Wāhine**

Testimony on behalf of the  
**Hawai‘i State Commission on the Status of  
Women**

Support HB200 HD1  
March 28, 2021

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Honorable Members:

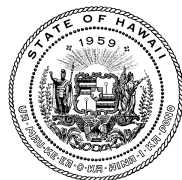
The Hawai‘i State Commission on the Status of Women supports HB200 HD1, relating to the State Budget. This is a reflection of our values and commitments, including to women’s equality. The Hawai‘i State Commission on the Status of Women is the oldest state commission dedicated to gender equity in the United States. Over the last 56 years, CSW has played an instrumental role in creating important policies to combat gender inequality in Hawaii. CSW is nationally and internationally recognized for its policy and research related to gender responsive economic planning, paid family leave and commercial sexual exploitation. In addition, budget reductions to CSW would impair the State’s ability to closely coordinate with the community on gender-related policy and programs. This would also impact the State’s effort to redirect negative consequences to gender inequality triggered by the COVID-19 crisis. For example, increased domestic violence, disproportionate job loss, mental health stressors, child care and school failures, disruptions to reproductive and maternal care, increased sexual violence and exploitation and more. CSW is also assisting the departments and agencies with gender responsive crisis approaches by creating important tools like a gender impact assessment mechanism to evaluate the impacts to men, women and gender nonconforming people.

During the pandemic, CSW convened an emergency taskforce through public-private partnerships to ensure gender-conscious crisis response. The Feminist COVID-19 Response Task Force met every week from March to October 2020 and continues to meet monthly to share information and coordinate responses in real time. The Taskforce resulted in \$250,000 to reduce the gender tech gap and provide free laptops to single mothers, sex trafficking survivors and Pacific Islander women who were struggling to remain employed, apply for jobs and benefits, and fulfill distance learning requirements. Taskforce members have also supported one another to improve maternal care to vulnerable mothers, provide free mental health services to single mothers, community-based domestic violence intervention, and more.

Accordingly, the CSW asks that the Committee ensure that we can continue our mission serving women and girls.

Sincerely,  
Khara Jabola-Carolus

DAVID Y. IGE  
GOVERNOR



DR. CHRISTINA M. KISHIMOTO  
SUPERINTENDENT

**STATE OF HAWAII**  
DEPARTMENT OF EDUCATION  
**WAIPAHU HIGH SCHOOL**  
94-1211 FARRINGTON HIGHWAY  
WAIPAHU, HAWAII 96797

**LATE**

March 28, 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

VIA: Garyn K. Tsuru, Director of Early College  
Waipahu High School

FROM: Keith Hayashi, Principal  
Waipahu High School

SUBJECT: Monday, March 29, 2021 Hearing on HB200 HD1

Chair Dela Cruz, Vice Chair Keith-Agaran and members of the Senate Committee on Ways and Means,

The Waipahu High School Early College Program would like to thank Hawai'i State Legislators, including the House Committee on Finance, the Senate Committee on Education, and the Senate Committee on Ways and Means for recognizing the importance of the Early College Program. In particular, we would like to express our sincerest appreciation for the inclusion of Early College funding as part of the EDN100 (Sequence #1000-001) budget proposal of HB200 HD1.

The Early College Program continues to be an effective tool and stabilizing force during the COVID-19 pandemic, allowing students the ability to complete their high school educational requirements while simultaneously accumulating college credits. Students get a head start with college, families save thousands of dollars in educational expenses, and the program continues to support the State of Hawai'i's 55 by 25 initiative even through these difficult times.

Thank you for the opportunity to testify.

# David Morihara

Testimony before:

**SENATE COMMITTEE ON WAYS AND MEANS**

Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair



3/29/2021

**RE: HB 200 HD1 Relating to State Budget**

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:

My name is David Morihara and I hereby submit my testimony requesting AMENDMENTS to HB 200 HD1 Relating to the State Budget

I am writing to respectfully request the restoration of the Workforce Development Council (WDC) (LBR 135) into the State Budget as originally proposed in HB 200; restoring 6 positions that were transferred out and restoring 5 positions that were eliminated. The Council is almost entirely funded with federal funds.

I have been working for the Workforce Development Council for the last 11 months of the pandemic as the Statewide Rapid Response Coordinator. Through these difficult times we have put together teams that respond to business closures and displaced workers. Most recently we have been working with the ILWU in helping the 261 displaced workers of Love's Bakery. That effort is still ongoing along with the efforts of the American Job Centers in every county with which we contract to provide these coordinated services.

While I am personally eligible for retirement, my concern is for the program which is a conduit for federal funds intended to support workers and businesses. The disruption to the programs that the WDC efficiently administers would be badly timed, just when the community needs these programs the most. Along with my core function of coordinating responses to business closures I also help oversee two federal grants for disaster and employment with funding of \$3 million. We do this as a team, working on federal grants, making sure we are monitoring and reporting back to the Employment Training Administration (ETA). These critical compliance requirements keep Hawaii eligible for continued funding from the federal government. My additional responsibilities include representing the WDC at Hawaii Emergency Support Function (ESF6) group meetings and providing support for our Military and Veteran Affairs Committee. These multiple roles and responsibilities are typical of our office.

Please reconsider the elimination of the Workforce Development Council.

Thank you for your support.

David Morihara  
morihara@outlook.com

**MICHAEL P. VICTORINO**  
Mayor

**ANDREW H. MARTIN**  
Prosecuting Attorney

**MICHAEL S. KAGAMI**  
First Deputy Prosecuting Attorney

**ROBERT D. RIVERA**  
Second Deputy Prosecuting Attorney



**DEPARTMENT OF THE PROSECUTING ATTORNEY**  
COUNTY OF MAUI  
150 SOUTH HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
PHONE (808) 270-7777 • FAX (808) 270-7625

TESTIMONY  
ON  
H.B. 200 HD1 RELATING TO  
THE STATE BUDGET

March 25, 2021

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

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

The Department of the Prosecuting Attorney, County of Maui respectfully submits the following comments concerning H.B. 200 HD1, Relating to The State Budget. Specifically, we would like to request that H.B. 200 HD1 be amended to allocate \$676,222.00 in general funds to be used to supplement the Crime Victim Compensation Commission's ("the Commission") special fund for the first year of fiscal biennium 2021-2023.

It is our understanding that the Crime Victim Compensation Commission ("the Commission") is currently funded via the Criminal Injuries Compensation Special Fund ("the Fund"), which has seen its normal revenue stream reduced due to the COVID-19 pandemic and will likely need to shut down within the year if this amount is not allocated. The Commission plays an important role in assisting the victims of violent crimes with medical costs, counseling costs, lost wages, and funeral and burial expenses that are not covered by other sources. Its shut down will be an immense loss for the victims we encounter on a daily basis, many of whom have sudden expenses that are the direct result of criminal activity and who have no extra income to deal with these unexpected expenses.

For these reasons, the Department of the Prosecuting Attorney, County of Maui requests that H.B. 200 HD1 be amended for the reasons stated above. Please feel free to contact our office at (808) 270-7777 if you have any questions or inquiries.

Thank you very much for the opportunity to provide testimony on this bill.

**Justin F. Kollar**  
Prosecuting Attorney

**Jennifer S. Winn**  
First Deputy



**Rebecca Vogt Like**  
Second Deputy

**Diana Gausepohl-White**  
Victim/Witness Program Director

**OFFICE OF THE PROSECUTING ATTORNEY**

**County of Kaua'i, State of Hawai'i**

3990 Ka'ana Street, Suite 210, Lihu'e, Hawai'i 96766  
808-241-1888 ~ FAX 808-241-1758  
Victim/Witness Program 808-241-1898 or 800-668-5734

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COMMENTS RELATING TO HOUSE BILL NO. 200, HD1  
GENERAL FUND APPROPRIATIONS  
FOR THE CRIME VICTIM COMPENSATION COMMISSION

Justin F. Kollar, Prosecuting Attorney  
Diana Gausepohl-White, Victim/Witness Program Director  
County of Kaua'i

Senate Committee on Ways and Means  
March 29, 2021, 9:00 a.m., Conference Room 211

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

Our understanding is that the latest iteration of the state budget zeroed out the general fund appropriation for the Crime Victim Compensation Commission (CVCC). This will require them to shutter operations in fairly short order and give Hawai'i the unenviable and disgraceful distinction of being the only state without a crime victim compensation program.

We implore you to restore this funding in the amount of \$676,222.00. CVCC fulfills a critically important role in helping victims and survivors of crime in Hawai'i. They are the only agency who provides direct financial reimbursement to crime victims for out of pocket expenses such as medical and therapy copays, lost wages, and burial costs.

CVCC is a nationally recognized pioneer, establishing innovative programs such as Restitution and Victim Services and serves as the lead in many collaborative projects like the Mass Violence Planning Workgroup.

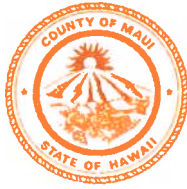
Losing the Crime Victim Compensation Commission would harm victims and create a vacuum that no one else could fill.

Thank you for your time in this matter.

Michael P. Victorino  
Mayor

Sananda K. Baz  
Managing Director


JoAnn Inamasu  
Director



**OFFICE OF ECONOMIC DEVELOPMENT**  
COUNTY OF MAUI  
2200 MAIN STREET  
ONE MAIN PLAZA, SUITE 305  
WAILUKU, MAUI, HAWAII 96793  
[www.mauicounty.gov](http://www.mauicounty.gov)

March 27, 2021

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

FROM: JoAnn Inamasu, Director 

RE: HB 200 HD1 Relating to State Budget

I am writing to respectfully request the restoration of the Workforce Development Council (LBR 135) into the State Budget as originally proposed in HB 200. This would restore 6 positions that were transferred out and restore 5 positions that were eliminated. This Council is almost entirely funded with Federal funds.

The Workforce Development Council (WDC) was established as the State Board as **required** initially under the Workforce Investment Act of 1998 (WIA) and then succeeded by the Workforce Innovation and Opportunity Act of 2014 (WIOA). The WDC is comprised of local private-sector leaders who provide industry expertise so that Hawaii's workforce development system can prepare a workforce with the skills valued by employers.

The WDC is an active board with representation from the neighbor islands and composition of the WDC is mandated to be a minimum of 51% private sector representation. The Council has eight standing committees, which meet between the quarterly Council meetings. The committees invite stakeholders statewide to participate, providing valuable perspectives from the private sector, various state and county agencies, community organizations, and service providers. These committees make program and policy recommendations. WDC staff is responsible for providing

staff services to the Council and its committees. The staff also provides WIOA subject matter expertise and serves as a resource to the members.

The WDC administers WIOA's Title I programs: Adult, Dislocated Worker, and Youth which serve disadvantaged adults, homeless individuals, individuals with disabilities, those with low levels of literacy, dislocated workers, veterans, displaced homemakers, long-term unemployed, out-of-school youth, youth exiting foster care, and formerly justice-involved individuals. The WIOA Title I programs are unique because they offer federally-funded training to enable individuals to be trained in in-demand industries to meet the needs of our local employers. Another feature of the programs is the ability to provide supportive services, to pay for books, testing costs, uniforms, tools, interview clothes, transportation, and child-care while an individual is attending training.

The programs receive approximately \$6 million annually from the USDOL Employment and Training Administration (ETA) to administer this program. Due to Hawaii's high unemployment rate, that amount will increase to approximately \$8 million for the year starting July 1, 2021. The WDC is almost entirely funded by these federal funds. Eliminating the WDC or diminishing the capability of the Council by reducing needed staffing puts those \$8 million in jeopardy.

As both a current member of the WDC and the local area Workforce Investment Board (representing Mayor Victorino) the WDC has proven to be instrumental in offering support, guidance, and technical assistance to the local areas to help ensure the success of our programs. Ultimately the beneficiaries are the participants.

The WDC has also demonstrated the ability to work with the local areas not only with the implementation of WIOA, but most recently in applying for grant funding through the USDOL ETA to benefit each County. Their innovation and forward thinking of both the job seeker and the employer along with the future work environments helps with the design and partnerships that are nurtured for the benefit of our communities.

The economic situation today requires a strong and innovative workforce development system. This is not the time to cut essential programs that assist displaced employees with training, skill development, and provides individualized



March 27, 2021  
Page 3

employment services so that they may find a job with higher wages to improve the quality of life for themselves and their families.

Thank you for this opportunity to provide testimony in support of restoring the funding of the Workforce Development Council, LBR 135 into the state budget.



## CATHOLIC CHARITIES HAWAII

### TESTIMONY IN SUPPORT OF HB 200 HD1: RELATING TO THE STATE BUDGET

- HMS 204 -- General Assistance
- HMS 224 – Homeless Core Services
- HMS 222 – State Rent Supplement Program
- HTH 904 – Executive Office on Aging - add funds for Senior Centers
- BED 160 – CIP funding for Rental Housing Revolving Fund (RHRF) + School Street Senior Housing Project

TO: Senate Committee on Ways and Means  
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i  
**Hearing: Monday, 3/29/21; 9:00 am; via videoconference**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members, Committee on Ways and Means:

Thank you for the opportunity to provide testimony **in strong support** of HB 200 SD1, on the above allocations including CIP allocations. I am Rob Van Tassell, with Catholic Charities Hawai'i. We are also a member of Partners in Care (PIC). **We strongly support:**

**HMS 204: \$5.4 million for General Assistance Program (GA):** The Department of Human Services (DHS) has seen over a 30% increase in demand due to the pandemic for its General Assistance Program. GA provides a small stipend of \$388 to disabled people with no other income. Many are waiting for Social Security Disability which is a long process and very uncertain. This funding is critical to prevent cuts in payments to these vulnerable disabled which might result in homelessness.

**HMS224: \$10.8 million to maintain Core Homeless Services:** These core services create a foundation to end homelessness by moving people rapidly back into permanent housing. These core services save money in the long run. After placement in stable housing, healthcare costs for the chronically homeless fall nearly 50% compared to pre-housing healthcare costs. The Family Assessment Centers help families with children to “graduate” to their own home in less than 90 days! Importantly, families have the opportunity to return to their trusted helpers for guidance and resources to retain this housing if a crisis occurs.

With these core services (including Rapid Rehousing, Outreach, Family Assessment Centers (Kakaako and Puna, Hawaii), Civil Legal Services and Housing First) we have **seen a significant increase in homeless individuals placed into permanent housing**. From Outreach, which builds relationships over time to find and assist homeless into housing, to Civil/Legal Services which helps to obtain vital documents so people can access housing, these core services are essential parts of a structure that we have built to end homelessness. These proven programs will be stretched even tighter as the economic crisis lingers and families face uncertain futures.

**HMS 222: \$500,000 for State Rent Supplement Program (RSP):** We need to prioritize funding that helps to keep elders and struggling families safe in their current homes in this



pandemic. The RSP provides a shallow subsidy (average \$430/month) to keep these families stable in housing. 61% of the households are elderly. Particularly for elders, Housing is Healthcare, and homelessness could have drastic impacts on their health necessitating costly medical care and possibly eventual institutionalization at a much higher cost than \$430/month.

HTH 904: **\$1.5 million (FY 22) for Senior Centers.** We strongly support this additional funding to the Executive Office on Aging for senior centers. The Age Wave is hitting Hawai'i. We need to assist the growing number of kupuna to remain healthy. Just as they need housing (below), seniors need opportunities to maintain health, social networks, and involvement in their communities. Senior centers provide these critical social, educational and recreational activities.

BED 160: **\$25 million (FY 23) for Rental Housing Revolving Fund:** We urge you to create resilience for the future by funding the creation of affordable rental units. We understand that the budget deficit has put limits on CIP funding, so we urge that the immediate and ongoing needs of our residents for affordable rentals should be a priority in allocating CIP funding. **We urge additional funding for FY 22, as the impact of the federal Rescue Plan is clarified.**

The Rental Housing Revolving Fund is the key to affordable rental production. Without this gap equity, projects would not “pencil out” to be feasible. **We are very concerned about the ALICE population** and that even more people are falling into the lower end of ALICE due to the pandemic. These are the people to whom the RHRF can give hope, stability and resilience. Funding the RHRF also creates good paying jobs in construction to boost Hawaii's economy. It is the one bright spot of the economy which overall is struggling to recover.

BED 160: **\$40 million (FY 22) for School Street Affordable Senior Housing Project (CIP):** This CIP funding will **create an exciting campus for seniors to live, learn and stay connected in our community.** The 250 units of senior housing would address the Age Wage which is hitting Hawai'i hard. Hawai'i's kupuna (aged 65+) **grew 33% from 2010 to 2018 (3.6% annually),** which is **over six times higher** than the rate of the general population. Safe and decent affordable housing becomes ever more critical as each year passes. Also, this project is shovel ready and would create an estimated 250 jobs during construction plus many others off-site, as well as hundreds of permanent jobs after completion. This job creation gives a big economic boost to our economy.

The lives of hundreds of kupuna will be affected, some of whom might face homelessness in the future. Previous to the pandemic, **studies had already projected an almost 300% increase in elderly homelessness over the next 10 years.** Now older workers are being hit hard by the pandemic and the loss of jobs. We cannot afford to stop investing in senior housing.

Hawai'i's people, communities, and especially our most vulnerable, depend on all of us during this crisis to make sure they have resources to remain housed, healthy, and resilient for the future.

Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or [bettylou.larson@catholiccharitieshawaii.org](mailto:bettylou.larson@catholiccharitieshawaii.org) if you have any questions.

# PARTNERS IN CARE

*Oahu's Continuum of Care*

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*Our mission is to eliminate homelessness through open and inclusive participation and the coordination of integrated responses.*

## TESTIMONY IN SUPPORT OF HB200: Relating to the State Budget

TO: Senate Committee on Ways and Means  
FROM: Partners In Care (PIC)  
Hearing: Monday, March 29<sup>th</sup>, 9:00am via videoconference  
Position: **Strong Support**

Chair Dela Crus, Vice Chair Keith-Agaran and Members of the Senate Committee on Ways and Means:

Partner In Care, Oahu's Continuum of Care, stands in **Strong Support of HB200: Relating to the State Budget**, on the allocations listed below:

- **HMS 204 – General Assistance;**
- **HMS 224 – Homeless Core Services;**
- **HMS 222 – State Rent Supplement Program;**
- **BED 160 – Hawai'i Housing Finance & Development Corporation (HHFDC);**

**HMS 204:** \$5.4 million for General Assistance Program (GA): General Assistance is a critical safety net for individuals who are disabled in our community. General Assistance often determines whether or not an individual falls into homelessness or not. Reduction of this already limited support will be devastating for many within our community. The process to assess eligibility for this program is strict and ensures that the neediest in our community receive some funds to assist them.

**HMS 222:** \$500,000 for State Rent Supplement Program (RSP): Housing stability is crucial to our senior population and for those living on fixed incomes. The utilization of this shallow subsidy allows seniors and others to remain in housing.

**HMS 224:** \$10.8 million to maintain Core Homeless Services: It is crucial that the social services safety net, including core homeless services, GA and other public benefits, be maintained during this very difficult economic time. The homeless service system is already overburdened and additional people joining the rolls of the homeless will not only further exacerbate the number of homeless on our streets, but it will have a very dramatic impact on future expenses for the state. Maintenance of housing is crucial to preventing people from entering homelessness.

**BED 160:** \$25 million (FY23) for Rental Housing Revolving Fund: Development of affordable housing was needed well before COVID disrupted our lives and it is even more

crucial now as we look to the future of rebuilding our economy. Thousands of Hawaii's families have been living on the precipice of homelessness for decades and it has become more and more difficult to find truly affordable housing in our community. We need to plan ahead for the greater need of housing in the coming decades. It will take time to build up our stock of housing and we must start now.

Thank you for your consideration of this measure. Please do not hesitate to contact us if you have any questions.

Aloha

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

FROM:

RE: HB 200 HD1 Relating to State Budget

POSITION: Strong Opposition with Amendments

I am writing to respectfully request the restoration of the Workforce Development Council (LBR 135) into the State Budget as originally proposed in HB 200; restoring 6 positions that were transferred out and restoring 5 positions that were eliminated. The Council is almost entirely funded with federal funds.

The Workforce Development Council (WDC) was established as the State Board as **required** under the Workforce Innovation and Opportunity Act of 2014 (WIOA). The WDC is comprised of local private-sector leaders who provide industry expertise so that Hawaii's workforce development system prepares a workforce with the skills valued by employers.

The WDC is an active board, with eight standing committees, which meet between the quarterly Council meetings. The committees invite stakeholders statewide to participate, providing valuable perspectives from the private sector, various state and county agencies, community organizations, and service providers. These committees make program and policy recommendations. WDC staff is responsible for providing staff services to the Council and its committees. The staff also provides WIOA subject matter expertise and serves as a resource to the members.

I have served on the WDC currently in my second term and been actively involved in the Employer Engagement Committee and sub committee People with Barriers to Employment. In the years that I have been involved it has really evolve as being a partnership with WDC employees and staff, private businesses and with the American Job Center. By eliminating this vital entity as we struggle to get the local economy back on track and into meaningful employment it will have a very adverse effect on the local population. This is a very short sighted decision and budget balancing while necessary should not come at the expense of this

group of people who are already struggling for the bare necessities of life. Please reconsider your decision as you have the final say on this outcome. If you need to call me for further input I can be reached at 808 754.8245.

The WDC administers WIOA's Title I programs: Adult, Dislocated Worker, and Youth which serve disadvantaged adults, homeless individuals, individuals with disabilities, those with low levels of literacy, dislocated workers, veterans, displaced homemakers, long-term unemployed, out-of-school youth, youth exiting foster care, and formerly justice-involved individuals. The WIOA Title I programs are unique because they offer federally-funded training to enable individuals to be trained in in-demand industries to meet the needs of our local employers. Another feature of the programs is the ability to provide supportive services, to pay for books, testing costs, uniforms, tools, interview clothes, transportation, and child-care while an individual is attending training.

The programs receive approximately \$6 million annually and because Hawaii's unemployment is so high, that amount will increase to approximately \$8 million for the year starting July 1, 2021. The WDC is almost entirely funded by these federal funds. Eliminating the WDC or diminishing the capability of the Council by reducing needed staffing puts those \$8 million in jeopardy.

The economic situation today requires a strong and innovative workforce development system. This is not the time to cut essential programs that assist displaced employees with training, skill development, and provides individualized employment services so that they may find a job with higher wages to improve the quality of life for themselves and their families.

Thank you for this opportunity to provide testimony in support of restoring the funding of the Workforce Development Council, LBR 135 into the state budget.



Written Statement of  
**Len Higashi**  
Acting Executive Director  
Hawaii Technology Development Corporation  
before the  
**Senate Committee On Ways and Means**  
Monday, March 29, 2021  
9:00 a.m.  
Videoconference

In consideration of  
**HB200, HD1**  
**RELATING TO THE STATE BUDGET.**

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

The Hawaii Technology Development Corporation (HTDC) **supports with requested amendments** HB200, HD1 that appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2021-2022 and 2022-2023.

With the economic disruption COVID-19 has brought to our State, HTDC remains committed to growing the economy supporting tech and manufacturing businesses. We are proud of our team's COVID response efforts which are highlighted on our website at <https://www.htdc.org/2020-in-review/>. We are hopeful that the federal American Rescue Plan Act will restore some of the programs and positions that are reduced with the budget shortfall and will continue to pursue federal grant opportunities to help fill the gap.

HD1 restored the Executive Director and Executive Secretary position in HTDC. HTDC supports this amendment as these positions are essential for operations.

HD1 transferred one permanent and five temporary positions out of HTDC into DBEDT. **HTDC requests that these positioned be restored back into HTDC.** Two of the positions are federally funded positions with contractual obligations to our Federal sponsors. The other three are essential for operations and the agency would not be able to continue without them. Furthermore, HTDC operates under a very highly leveraged model with much of the state funded staff time already obligated every year as in-kind match to our federal programs. This type of realignment poses a huge risk for HTDC with zero clear benefit. Our programs are already well aligned and operating collaboratively and efficiently with DBEDT. HTDC is seeking clarification on the intent of the realignment and is committed to working with all stakeholders in moving forward to help diversify Hawai'i's economy.

Thank you for the opportunity to offer these comments.



**HB-200-HD-1**

Submitted on: 3/26/2021 9:11:03 AM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
GARY SIMON	Testifying for Policy Advisory Board for Elder Affairs (PABEA)	Support	No

Comments:

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Honorable Members of the Senate Committee on Ways and Means:

I am Gary Simon, Vice Chair of the Policy Advisory Board for Elder Affairs (PABEA), which is an appointed board tasked with advising the Executive Office on Aging (EOA).

My testimony is not submitted on behalf of EOA, but is submitted on behalf of PABEA.

I am testifying as an individual who has worked in healthcare for over thirty years.

PABEA strongly supports the Governor's operating budget HTH 904 (HB 200 HD 1 page 29, item 25) which authorizes EOA to establish one full-time equivalent (1.0 FTE) permanent position for the Alzheimer's Disease and Related Dementia (ADRD) Services Coordinator.

In 2013, the ADRD Services Coordinator position was established statutorily and codified in HRS Section 349-3.2. EOA seeks to establish one full-time equivalent (1.0 FTE) permanent position for the Alzheimer's Disease and Related Dementia (ADRD) Services Coordinator.

In 2019, the Legislature provided funding for the ADRD Services Coordinator position. However, the legislation did not include additional language that would allow a 1.0 FTE position. Therefore, EOA is unable to establish the position, and EOA is not in compliance with its statute.

Establishing the 1.0 FTE for the ADRD Services Coordinator position will fulfill the legislative mandate in HRS Section 349-3.2.

EOA effectively will update the State Plan for Alzheimer's Disease and Related Dementias and oversee a system of services for ADRD statewide.

EOA will have a dedicated champion to ensure services are effectively coordinated for the 29,000 individuals with Alzheimer's disease and related dementias and their caregivers in our State.

We urge you to support the Governor's operating budget HTH 904 (HB 200 HD 1 page 29, item 25) which authorizes EOA to establish one full-time equivalent (1.0 FTE) permanent position for the Alzheimer's Disease and Related Dementia (ADRD) Services Coordinator.

Mahalo for the opportunity to provide this testimony.

Very sincerely,

Gary Simon

Vice Chair, Policy Advisory Board for Elder Affairs



## HAWAII LABORERS-EMPLOYERS COOPERATION AND EDUCATION TRUST

650 Iwilei Road, Suite 285 · Honolulu, HI 96817 · Phone: 808-845-3238 · Fax: 808-845-8300

March 26, 2021

To: **Senate Committee on Ways and Means**

Re: **Testimony on HB200 HD1 Relating to the State Budget**

For WAM Hearing on Monday, March 29, 2021 at 9:00 am in Conference Room 211

**Aloha Honorable Chair Dela Cruz, Vice Chair Keith-Agaran, and Committee Members,**

The **Hawaii Laborers & Employers Cooperation and Education Trust Fund** (Hawaii LECET) is a labor-management partnership established in 1992 between the 5,000 statewide members of the Hawaii Laborers Union and over 250 unionized contractor members of the General Contractors Association and the Building Industry Association. The Laborers International is the largest construction trade union in the country, and Hawaii LECET is part of a network of 38 labor-management LECET Funds in North America.

We urge the WAM Committee to restore funding for the **Hawaii Community Development Authority (HCDA)** in the state budget. As a past Chair of HCDA, I know it is a proven catalyst for economic development, providing homes for Hawaii residents, and generating significant tax revenue to support the local economy. HCDA's work in Kaka'ako and Kalaehoa is the continuation of decades of state planning to ensure smart growth for Oahu.

Without restoring adequate funding and staffing, HCDA's effect on infrastructure and guiding future solutions to Hawaii's housing needs, such as at the **New Aloha Stadium Entertainment District (NASED)** will be stymied. Without HCDA's staff expertise and its outsized effect on the local economy, much-needed new homes and construction jobs will be lost, especially during this current pandemic. The proposed funding cuts to HCDA will lead to even greater problems for our residents, economy, and local community. We humbly request your Committee amend HB200 HD1 and restore HCDA's staff and funding.

Mahalo,

*Brian Lee*

**Hawaii Laborers & Employers Cooperation  
and Education Trust Fund**



## Kaua`i Watershed Alliance

Ben A. Dyre Limited Family Partnership, Department of Hawaiian Homelands, Department of Water County of Kaua`i, DLNR – Division of Forestry and Wildlife & Land Management Division, Grove Farm Company, Inc., Jurassic Kahili Ranch, Kamehameha Schools, Kaua`i Ranch LLC, Lihu`e Land Company, McBryde Sugar Company, Ltd., National Tropical Botanical Garden, Princeville Development, LLC

*“The Mission of the Kaua`i Watershed Alliance is to PROTECT, PRESERVE and MANAGE our valuable watershed resources for the benefit of our residents, communities and all future generations through the concerted efforts of its members.”*

Testimony of The Kauai Watershed Alliance  
Supporting Funding for the Department of Land and Natural Resources  
Hb 200, HD1 & HB 54, HD1 RELATING TO THE STATE BUDGET.  
Senate Committee on WAM  
Monday, March 29, 2021, 9:00 AM, Room 211 & Video Conference

Thank you for your support for funding for watershed protection in Hawai`i. Please help us continue this important work by again! We ask you to please restore these watershed initiative CIP requests, which are under the LNR407 line item. They provide critical funding for the protective (animal exclusion) fencing that provides long-term conservation of watershed forests statewide.

The Kauai Watershed Alliance (KWA) has been actively managing portions of the mauka watershed on Kauai since 2003. The Membership makes up a diverse group, including the Dept. of Water, of public and private entities that own land within the mountainous watershed and understands the importance of protecting and preserving the forests that capture fresh water—our most precious resource.

The KWA has protected over 12,000 acres of priority designated watershed in Kauai’s mauka forests with 18.5 mi. of fencing. Additional projects are ready to be implemented as the membership’s management plan identifies additional priority watershed areas in need of protection.

The DLNR Division of Forestry and Wildlife’s (DOFAW) along with the Watershed Partnerships across the State are grateful for your past and present support. Without funding the Legislature provides, significant work and progress would not have been accomplished.

Thank you for your consideration and support.

Sincerely,

The Kauai Watershed Alliance Membership

March 26, 2021

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

FROM: Glen Kaneshige, President  
Nordic PCL Construction, Inc.

RE: HB 200 HD1 Relating to State Budget

POSITION: Strong Opposition with Amendments

I am writing to respectfully request the restoration of the Workforce Development Council (LBR 135) into the State Budget as originally proposed in HB 200; restoring 6 positions that were transferred out and restoring 5 positions that were eliminated. The Council is almost entirely funded with federal funds.

The Workforce Development Council (WDC) was established as the State Board as **required** under the Workforce Innovation and Opportunity Act of 2014 (WIOA). The WDC is comprised of local private-sector leaders who provide industry expertise so that Hawaii's workforce development system prepares a workforce with the skills valued by employers.

The WDC is an active board, with eight standing committees, which meet between the quarterly Council meetings. The committees invite stakeholders statewide to participate, providing valuable perspectives from the private sector, various state and county agencies, community organizations, and service providers. These committees make program and policy recommendations. WDC staff is responsible for providing staff services to the Council and its committees. The staff also provides WIOA subject matter expertise and serves as a resource to the members.

As a WDC board member, I serve as a member on the Executive Committee and chair for the Employer Engagement Committee which develops strategies and objectives to connect employers with the services of the American Job Center.

The WDC administers WIOA's Title I programs: Adult, Dislocated Worker, and Youth which serve disadvantaged adults, homeless individuals, individuals with disabilities, those with low levels of literacy, dislocated workers, veterans, displaced homemakers, long-term unemployed, out-of-school youth, youth exiting foster care, and formerly justice-involved individuals. The WIOA Title I programs are unique because they offer federally-funded training to enable individuals to be trained in in-demand industries to meet the needs of our local employers. Another feature of the programs is the ability to provide supportive services, to pay for books, testing costs, uniforms, tools, interview clothes, transportation, and child-care while an individual is attending training.

**NORDIC PCL CONSTRUCTION, INC.**

1099 Alakea Street, Suite 1600

Honolulu, HI 96813

P: 808.541.9101 F: 808.541.9108 [www.nordicpcl.com](http://www.nordicpcl.com)

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

RE: HB 200 HD1 Relating to State Budget

The programs receive approximately \$6 million annually and because Hawaii's unemployment is so high, that amount will increase to approximately \$8 million for the year starting July 1, 2021. The WDC is almost entirely funded by these federal funds. Eliminating the WDC or diminishing the capability of the Council by reducing needed staffing puts those \$8 million in jeopardy.

The economic situation today requires a strong and innovative workforce development system. This is not the time to cut essential programs that assist displaced employees with training, skill development, and provides individualized employment services so that they may find a job with higher wages to improve the quality of life for themselves and their families.

Thank you for this opportunity to provide testimony in support of restoring the funding of the Workforce Development Council, LBR 135 into the state budget.

Yours truly,

NORDIC PCL CONSTRUCTION, INC.

A handwritten signature in black ink, appearing to read "Glen Kaneshige".

Glen Kaneshige  
President

# Hawai'i Construction Alliance

P.O. Box 179441  
Honolulu, HI 96817  
(808) 220-8892

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March 29, 2021

The Honorable Donovan M. Dela Cruz, Chair  
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair  
and members  
Senate Committee on Ways and Means  
415 South Beretania Street  
Honolulu, Hawai'i 96813

**RE: Comments on HB200 HD1 Relating to the State Budget**

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and members:

The Hawai'i Construction Alliance is comprised of the Hawai'i Regional Council of Carpenters; the Laborers' International Union of North America, Local 368; the Operative Plasterers' and Cement Masons' Union, Local 630; International Union of Bricklayers & Allied Craftworkers, Local 1; and the Operating Engineers, Local Union No. 3. Together, the member unions of the Hawai'i Construction Alliance represent 15,000 working men and women in the basic crafts of Hawai'i's construction industry.

We urge the WAM Committee to restore funding for the Hawaii Community Development Authority (HCDA) in the state budget. HCDA streamlines development approvals and is critical to our economic recovery, as well as providing homes for Hawaii residents, and generating significant tax revenue. We are especially excited about the prospect of HCDA's work in Kalaeloa is the continuation of decades of state planning to ensure smart growth for Oahu.

Without restoring adequate funding and staffing, HCDA's effect on infrastructure and guiding future solutions to Hawaii's housing needs, such as at the New Aloha Stadium Entertainment District (NASED) will be stymied. Without HCDA's staff expertise and its outsized effect on the local economy, much-needed new homes and construction jobs will be lost, especially during this current pandemic. The proposed funding cuts to HCDA will lead to even greater problems for our residents, economy, and local community. We humbly request your Committee amend HB200 HD1 and restore HCDA's staff and funding.

Therefore, we strongly ask for your committee's favorable action on HB200 HD1.

Mahalo,



Nathaniel Kinney  
Executive Director

Hawai'i Construction Alliance  
execdir@hawaiiconstructionalliance.org



Testimony of  
Pacific Resource Partnership

Senate Committee on Ways And Means  
The Honorable Donovan M. Dela Cruz Chair  
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair

HB200 HD1—Relating to the State Budget

Monday, March 29, 2021  
9:00 A.M.  
Conference Room 211

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

Pacific Resource Partnership (PRP) urges the Senate Ways and Means Committee to restore Hawaii Community Development Authority (HCDA) staff and funding in HB200.

Development in Kakaako and Kalaeloa is critical for providing housing in the State of Hawaii (State). The State needs 50,156 new homes to satisfy its housing demand (2020 – 2025), of which 22,168 represents the need for the City and County of Honolulu. HCDA staff and funding are essential to ensure that applications for housing projects are processed and approved in a timely manner. Removing HCDA staff and resources from the state budget does nothing to improve the State’s housing crisis.

Construction is a key industry during this pandemic providing much needed jobs and supporting the economy. Because of COVID-19 Hawaii faces an economic crisis without parallel in its history as a state. The state unemployment rate peaked at 21.9 percent in April. In January, it stood at 10.2 percent statewide, the highest seasonal adjusted level in the nation. Removing HCDA staff and funding, especially during these difficult economic times, will thwart the State’s efforts to overcome the debilitating economic impacts of COVID-19. Projects approved by HCDA create construction jobs for local workers who support the local economy.

Given the above, PRP respectfully requests that this Committee restore HCDA staff and funding. Thank you for this opportunity to submit written testimony.





## **International Union of Bricklayers and Allied Craftworkers Local #1 of Hawaii**

2251 North School Street, Honolulu, HI 96819

Phone: (808) 841-8822 • Fax: (808) 777-3456

March 29, 2021

The Hawaii State Senate  
Committee on Ways & Means  
The Honorable Donovan M. Dela Cruz, Chair  
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair

RE: Comments on HB200, HD1, Relating to the State Budget

The International Union of Bricklayers and Allied Craftworkers, Local #1 of Hawaii would like to offer comments on HB200, HD1, Relating to the State Budget. **Specifically, we respectfully request the Committee on Ways & Means to restore funding for the Hawaii Community Development Authority (HCDA) in the state budget.**

HCDA has been influential in providing market-rate, workforce, and income-restricted homes for local families, implementing needed infrastructure upgrades in Kaka'ako and Kalaeloa, and managing the natural and cultural resources of the He'eia district. Additionally, HCDA has been tasked with implementing the state's vision for the New Aloha Stadium Entertainment District (NASED), as well as assisting many other state agencies with developing plans for Transit-Oriented Development (TOD).

Projects under HCDA's purview have generated significant tax revenue for the state, jobs for our members during the construction period of projects, and supported ongoing economic activity in the districts that HCDA has revitalized.

Without HCDA's staff expertise, much-needed new homes and construction jobs will be lost, especially during this current pandemic. The proposed funding cuts to HCDA will lead to even greater problems for our residents, economy, and local community. Therefore, we humbly request that the Committee on Ways & Means amend HB200, HD1 to restore HCDA's staff and funding.

Mahalo for the opportunity to provide this testimony.



**HAWAII**

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Pauahi Tower, Ste. 740  
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## THE TRUST FOR PUBLIC LAND'S TESTIMONY OPPOSING HB 200 SD 1

Senate Committee on Ways & Means  
Monday, March 29, 2021, 9:00 a.m.  
Conf. Rm. 211 & Videoconference

Trust for Public Land (TPL): (a) strongly opposes portions of HB 200 SD 1 relating to the elimination of funding of \$2 million for the acquisition of over 13,000 acres of Hawai'i Koa Forest on Hawai'i Island that will jeopardize over \$7 million of matching federal and private funds, (b) supports appropriations for Na Wai 'Eha, and (c) supports funding for the Legacy Land Conservation Fund.

### Hawai'i Koa Forest – Reinstate \$2M CIP

TPL is working in partnership with the State of Hawai'i, Department of Land and Natural Resources Division of Forestry and Wildlife (DOFAW) to purchase and permanently protect over 13,000 acres of forested watershed located approximately five miles northwest of Hilo. The Hawai'i Koa Forest acquisition project includes the largest remaining stand of old growth koa on privately owned property and covers the land identified by TMKs (3) 2-7-001-001 and (3) 2-8-001-002. Public ownership and management of these lands will connect and protect over 250,000 acres of forest and numerous streams and waterfalls which will be added to the State Forest Reserve for the benefit of native bird, bat, and plant species, as well as for the enjoyment of the public through enhanced opportunities for recreation, hunting, cultural access, and education. A fact sheet and map are attached to this testimony.

Almost all of the funding for the estimated \$9.3M purchase had been secured. The Legislature previously appropriated \$1,971,900 in CIP funds, which expire on June 30, 2021. The U.S. Forest Service has granted the State \$4 million in through its Forest Legacy program. The Trust for Public Land has secured a private grant of \$500,000 from the National Fish and Wildlife Foundation and is in the final stages of securing \$3 million from an anonymous donor after a rigorous pre-proposal, full proposal, and Q/A process.

Because the State CIP of \$1,971,900 is set to expire on June 30, 2021, the Governor requested a re-appropriation of \$2 million of funds for FY2021-22 and FY2022-23 (HB 200, State Budget Capital Project Number D212). HD1 deletes this item. We urge the Legislature to reinstate this re-appropriation in the CIP budget. **Over 7M of non-State (federal and private funds) for this purchase could be lost if the state CIP is not renewed.**

This project is very close to completion – and will likely close before the end of calendar year 2021 if the CIP of \$2M is renewed.



## Na Wai 'Eha

TPL is also assisting DOFAW in purchase over 11,000 acres of key watershed lands on Maui at Na Wai, and we support HD1's proposed appropriation of \$2 million for those purposes. This funding would be matched by over \$6.7 million in federal grants and county donations of land value. A fact sheet and map regarding this project is attached.

## Legacy Land Conservation Program

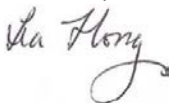
The budget worksheets for HD1 appear to propose a slight increase in Legacy Land Conservation Program funding for FY2022 and a larger increase for FY2023, which TPL strongly supports.

In the Summer of 2020, Congress passed and the President signed the Great American Outdoors Act, which fully funded the Land and Water Conservation Fund (LWCF) at **\$900 million annually**. LWCF finances conservation programs like the U.S. Forest Legacy Program under the U.S. Department of Agriculture, the Outdoor Recreation Legacy Partnership under the National Park Service, and U.S. Fish & Wildlife Recovery Land Acquisition and Habitat Conservation Plan Acquisition Programs. As a result, federal funding has increased (in some cases, more than doubled) for these federal programs.

The Legacy Land Conservation Fund provides an important source of local/state match for these federal conservation programs. Because Hawai'i has a dedicated source of funding – the Legacy Land Conservation Fund – the match requirements for some federal programs are more favorable, allowing 75% federal share and 25% state/local share (in the absence of a dedicated fund, some programs will only allow a 50% federal share and require a 50% local/state match). The Legacy Land Conservation Program and dedicated fund are crucial for Hawai'i to obtain the maximum of federal support for local conservation projects.

Mahalo for your work on behalf of the people of Hawai'i during these very difficult financial times.

Mahalo,



Lea Hong, State Director  
Edmund C. Olson Trust Fellow  
The Trust for Public Land  
[lea.hong@tpl.org](mailto:lea.hong@tpl.org)  
(808) 783-3653 (cell)

Encl. Fact Sheet & Map (Hawai'i Koa Forest, Na Wai 'Eha)

# Hawai'i Koa Forest

## Hilo, Hawai'i

THE  
TRUST  
FOR  
PUBLIC  
LAND



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The Hawai'i Koa Forest, north of Hilo, is an opportunity to protect over 13,000 acres of forested watershed, the largest remaining stand of old growth koa in Hawai'i, eight perennial streams, numerous waterfalls and pools, an important water resource, and habitat for endangered native birds, bats, and plant species. The Trust for Public Land is working in partnership with the Hawai'i Department of Land and Natural Resources, Division of Forestry and Wildlife (DOFAW) to acquire this land to enhance recreational opportunities to the public and to manage the forest and resources for posterity.

### Public Access

Purchasing and protecting, and opening the 13,130-acre Hawai'i Koa Forest will enhance opportunities for public recreation, hunting, hiking, cultural access, and education. People will be able to enjoy the scenic beauty of its waterfalls, streams, and pools, while listening for and perhaps spotting native forest and water birds that feed and nest on the property or nearby.

With the largest remaining stand of old growth koa on privately owned land in Hawai'i, traversing the Hawai'i Koa Forest, whether for hiking or hunting, will be an adventurous trip back in time when majestic koa dominated the island landscape over an understory of native plants and providing food sources and nesting habitat for native bird species.

## Safeguarding an Important Watershed

The Hawai'i Koa Forest is a high priority "Potential High Recharge" area for the island's water table that will secure clean drinking water for generations to come. The property also contains numerous streams, waterfalls, and pools that channel water downslope to the Hilo area and the famous Honoli'i beach and surf break, also the home of federal designated Critical Habitat for the Hawaiian monk seal.

Feral ungulates destroy native forest and groundcover that absorb and slow water flows. The result is brown water channeling into Hilo Bay and the ocean, which harms the water quality and ecosystems below, and endangers the health of people using the nearshore waters. Purchasing this watershed for DOFAW ownership and management will reduce erosion by bringing together partners to revitalize the native forest and ground cover, which will enhance recharge of water back into the watershed and improve water quality below the property.

## Protecting Native Species

Numerous endangered native plant and animal species live on or near the Hawai'i Koa Forest. Native birds such as the federally listed as "threatened" Hawaiian hawk, the endangered Hawaiian duck and Hawaiian coot, as well as Hawaii's only native mammal, the endangered Hawaiian hoary bat, nest and/or feed on the property. DOFAW management will help control predators and improve habitat for these rare species, as well as other native plant and animal species that live in the forest, upland bogs, and streams and pools.

## Connecting Protected Lands

The Hawai'i Koa Forest's west/upslope border is the Hakalau National Wildlife Refuge. The property is also adjacent to the Hilo Forest Reserve, the U.S. Forest Service's Experimental Tropical Forest, and private conservation land. With the purchase of the property, the total landscape of protected lands and watersheds will exceed 251,000 acres for the benefit of native bird, bat, and plant species, and for the enjoyment of the public.

## Recreation & Conservation Funding Needs

The Trust for Public Land is working to raise funding to purchase the property (detailed below), support for expenses associated with the project, and overall support to further our "land for people" mission.

<b>Land Acquisition</b> (estimated)	<b>\$9,300,000</b>
US Forest Service Forest Legacy Program	\$4,000,000 (secured)
Hawai'i Capital Improvement Program	\$1,971,900 (secured)
National Fish & Wildlife Foundation	\$500,000 (secured)
Private funding	\$2,828,100 (pending)

## About The Trust for Public Land

The Trust for Public Land creates parks and protects land for people, ensuring healthy livable communities for generations to come. Since 1979, the Trust for Public Land has conserved over 53,000 acres and counting on the islands of Hawai'i, O'ahu, Maui, Kaua'i, and Moloka'i. Conserving lands that enhance trails & parks; protect food, forests & water; and create opportunities for Hawaiian land stewardship are our immediate priority.



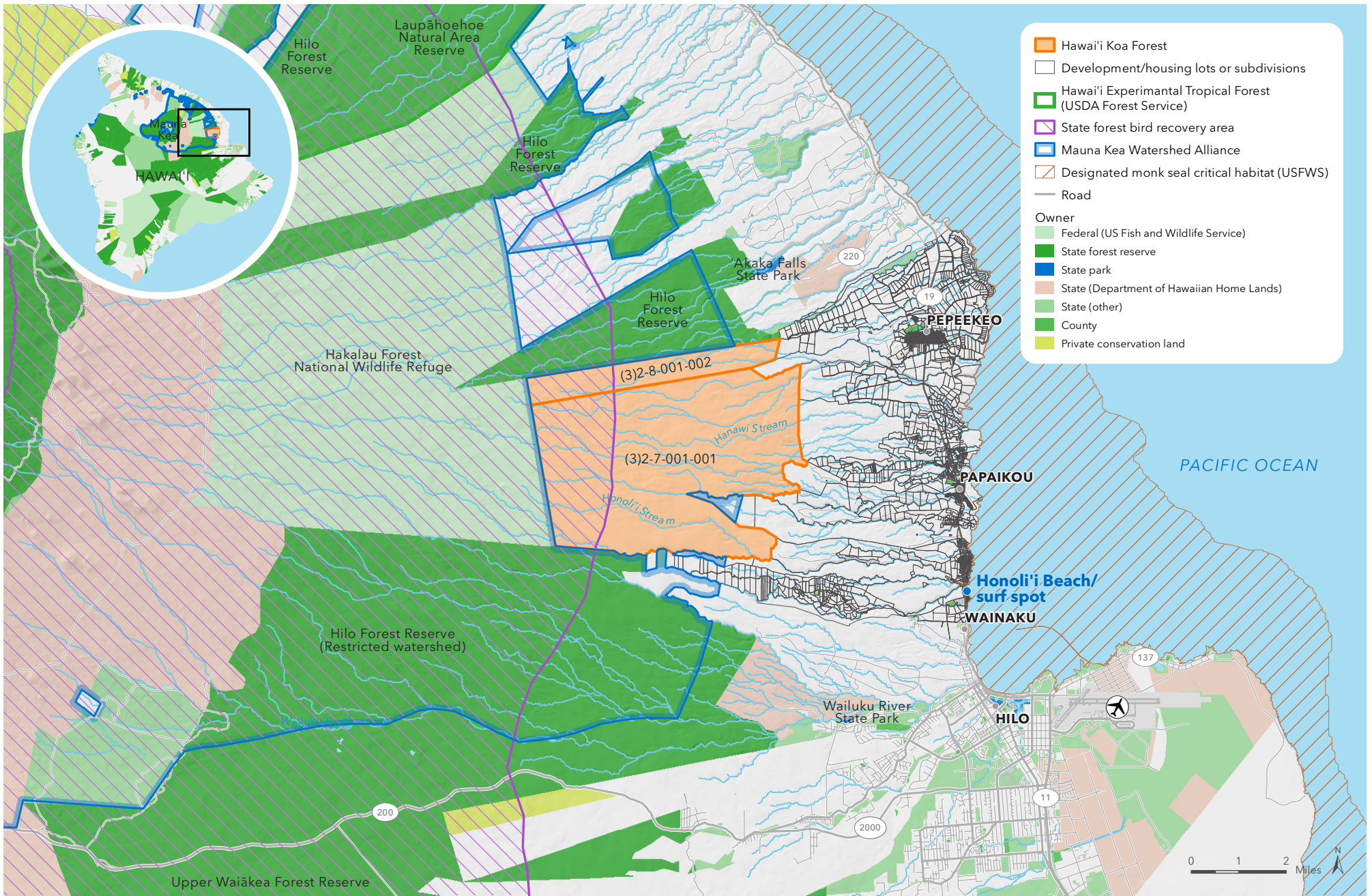
The Trust for Public Land creates parks and protects land for people, ensuring healthy, livable communities for generations to come.

[tpl.org](http://tpl.org)

### FOR MORE INFORMATION:

Lea Hong  
State Director  
Edmund C. Olson Trust Fellow  
808.524.8563  
[Lea.Hong@tpl.org](mailto:Lea.Hong@tpl.org)

PHOTOS: Hawai'i DOFAW, Jack Jeffrey  
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# Hawaii'i Koa Forest

ISLAND OF HAWAII

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# Nā Wai 'Ehā

## Island of Maui

THE  
TRUST  
FOR  
PUBLIC  
LAND



The Trust for Public Land is working with the Hawai'i Department of Land and Natural Resources (DLNR), Division of Forestry and Wildlife (DOFAW) to purchase 11,020 acres of very high priority native forested watershed in the West Maui Mountains called Nā Wai 'Ehā. This iconic landscape will be added to the public trust and stewarded in collaboration with the Mauna Kahālāwai (West Maui Mountains) Watershed Partnership, benefiting Maui residents and visitors in perpetuity. The current landowner must sell and has already sold portions to a private party. Public ownership and stewardship will guarantee preservation of historically rich forested areas currently off limits to the public and allow managed access for hiking, gathering native stream life for subsistence purposes, and cultural practices.

### Protects Forests & Safeguards a Priority Watershed

Nearly two-thirds of Maui's original forests have been lost. Public ownership of Nā Wai 'Ehā will connect a massive network of contiguous forested land -nearly 60,000 acres- owned by federal, state, and county agencies and private non-profit conservation groups. The property has significant 'ōhi'a forest and high value native biodiversity.

Nā Wai 'Ehā, or the "Four Great Waters," (Wailuku River, Waihe'e River and the streams of Waiehu and Waikapū) flow from Waihe'e Valley and 'Īao Valley at over 5,700 feet through forests that soak up water like a sponge to recharge the 'Īao aquifer before connecting with the ocean. The aquifer is the principal source (70%) of Maui's drinking water, and is threatened by over-pumping, residential development, and decreasing sustainable yields.



## Preserves Culture & Endangered Species

Nā Wai 'Ehā was the primary ritual, political, royal, and population center of Maui. It includes the largest concentration of documented heiau on Maui and provides the final resting place of Maui's highest ranking ali'i located in 'Īao Valley, with some said to be interred in underwater caves in the Wailuku River. DOFAW hopes to manage these lands in collaboration with local communities and Hawaiian families with ties to this area, protect cultural resources, and control predators to improve native forests which provide important habitat for 47 threatened and endangered species including rare plants, birds, insects, snails, mollusks and the Hawaiian hoary bat.

## Support Farmers & Increase Food Security

Nā Wai 'Ehā was once the largest contiguous wetland (lo'i) kalo growing region in Hawai'i. Over 4,000+ lo'i kalo were under cultivation on an estimate of 3,000+ acres in 1848. These lands once fed Maui's royal families and are still farmed today for local consumption when sufficient water flows. Plantations have diverted stream water for over a century to irrigate sugar. Many of the Nā Wai 'Ehā waterways are drained completely dry for much of the year despite the fact that large scale agriculture has undergone great changes since sugar production ended in 2016, and use of former sugar lands converted to crops that need far less water. TPL and DOFAW will be coordinating the purchase of Nā Wai 'Ehā watershed lands with the County of Maui's proposed purchase of the related ditch and water delivery system. This is a historic opportunity to return millions of gallons of fresh water to the community, forests, rivers, streams, and coastal areas. Public ownership and stewardship of Nā Wai 'Ehā may help resolve longstanding disputes regarding water use and watershed control in Central Maui and will support traditional and diversified agriculture to improve food security and prepare for a future with a warmer climate.

## A Conservation Solution & Next Steps

This project is in its early stages. The Trust for Public Land, the State, and our community partners have just begun to apply for funding to purchase the land. To date, we have secured \$3M from the U.S. Forest Legacy Program. Purchasing and protecting the 11,020 acres of Nā Wai 'Ehā forested watershed lands will secure Maui's supply of fresh water for municipal, agricultural, and natural resources, allow DOFAW to manage the lands as part of a watershed partnership, and create opportunities for DOFAW to protect cultural and natural resources and enhance public recreational opportunities.



## Acquisition Funding

- |  |                              |
|--|------------------------------|
| • U.S. Forest Service<br>Forest Legacy Program                   | \$3M (secured)               |
| • U.S. Fish and Wildlife Service<br>Habitat Conservation Program | \$2.5M (requesting)          |
| • State CIP  | \$2M (requesting)            |
| • Maui County  | \$1.7M (land value donation) |
| • Other Private Funds  | \$200,000 TBD                |

**Total Estimated Funding Need**      **\$9,500,000**



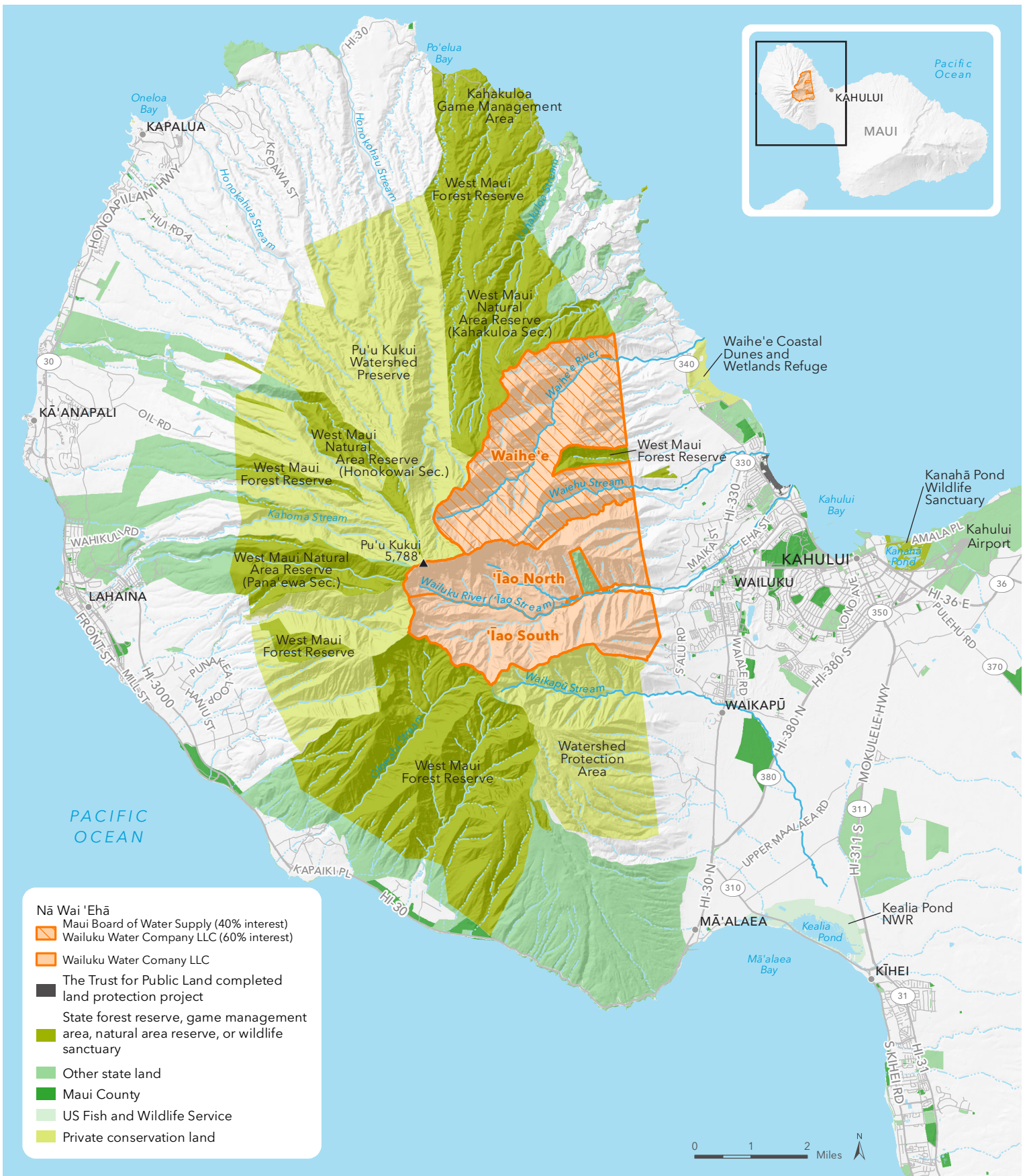
The Trust for Public Land creates parks and protects land for people, ensuring healthy, livable communities for generations to come.

**tpl.org**

## FOR MORE INFORMATION:

Lea Hong  
State Director  
Edmund C. Olson Trust Fellow  
808.524.8563  
[Lea.Hong@tpl.org](mailto:Lea.Hong@tpl.org)

PHOTOS: DARCY KIEFEL  
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# Nā Wai 'Ehā

ISLAND OF MAUI, HAWAII

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THE TRUST FOR PUBLIC LAND

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

From: Theresa Paulette  
Mothers Against Drunk Driving  
Victim Services

Date: March 26, 2021

Re: HB 200, HD1, Relating to State Budget

MADD respectfully requests HB 200, HD 1, be amended for \$676,222.00 in general funds to supplement the Crime Victim Compensation Commission's special fund so the Commission can continue its operations during the first year of fiscal biennium 2021-2023. The funds were included in HB 200, but removed in HD1.

No one believes they will be a victim of a violent crime. When someone suffers a violent crime they're suddenly thrust into shock, pain, trauma, and grief. Within a short time they're also faced with the stress of how they will pay for the unexpected expenses...medical, lost wages, funeral, burial, counseling, and more. They are distraught and concerned about the impact on themselves, their families, and their children. Victims are from various socio-economic backgrounds, some even homeless. In the case of impaired driving victims, when they reach out to MADD they are relieved to learn that if they don't have insurance or if the expenses aren't covered by insurance we will assist them in applying to the Crime Victim Compensation Commission for financial help. A welcome safety net in their time of need.

COVID has not only impacted the state financially but a majority of its citizens. Violent crime has continued during COVID, and some types (domestic violence) may have increased. There have been approximately as many highway fatalities in 2020 as in the year before. During this downturn in the economy, the Crime Victim Compensation Commission is needed as much, or more, than ever.

MADD respectfully requests HB200, HD1 Relating to State Budget be amended for \$676,222.00 in general funds to supplement the Crime Victim Compensation Commission's special fund to continue operating the Commission during the first year of fiscal biennium 2021-2023. Thank you for the opportunity to testify.

**HB-200-HD-1**

Submitted on: 3/26/2021 1:13:08 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Deborah Nakashima	Testifying for Work for Warriors Hawaii	Oppose	No

Comments:

I would like to submit testimony to restore the funding for the Workforce Development Council as stated below.

I represent Work for Warriors Hawaii, a career and employment support program for the Hawaii National Guard. We also support Reserve Components in located in Hawaii, as well as family members and veterans. Since 2016 we have worked to assist our clients with gaining and maintaining civilian employment that will enable them to maintain economically viable households. As a member of the Military and Veterans Affairs Committee of the WDC, the reliance that we have on the WDC staff for their knowledge, expertise, and guidance provided to us have been invaluable to the support of our local citizen military service members, especially through the pandemic, recent overseas and domestic deployments, which severely impacted and continue to affect our local community and families.

WDC and MVAC have been instrumental in the introduction to, and working with employers and businesses that are military and veteran friendly, and during the past 12 months have been able to pivot to meet the needs of our changing way of work. They have also been instrumental in negotiating the financial, economic, and legislative landscape this past year.

I strongly support to restore WDC funding intact to the State Budget. The House version of the State Budget HB200 HD1 does NOT include the Workforce Development Council (WDC) LBR 135 within the DLIR budget. Labor Director Anne Eustaquio confirmed that the Governor's executive budget included WDC LBR 135 and also confirmed that DLIR did not remove WDC from its budget. The House has not informed WDC why this action was taken.

According to the State Budget worksheet, the House proposes to transfer 6 permanent positions from WDC to the Workforce Development DIVISION (WDD - LBR111) within DLIR.

Five remaining exempt positions are proposed to be eliminated: the Executive Director, Office Manager, Assistant to the Executive Director, Information & Data Coordinator, and WIOA Specialist/Statewide Rapid Response Coordinator

WDC is majority federally funded with general funds of \$464,372 (NOT Special Funded). WDC agreed to release \$300,000 to DLIR when the Governor asked agencies to offer 10%, 15% and 20% cuts. The HB200 had general funds of \$164,372, federal funds and all positions intact.

I would like to request consideration to restore the funding to the HB200 original level.

Sincerely,

Deborah Nakashima, Program Manager, Work for Warriors Hawaii Employment Program



## HAWAII REGIONAL COUNCIL OF CARPENTERS

Senate Committee on Ways and Means  
The Honorable Donovan M. Dela Cruz, Chair  
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair  
Monday, March 29, 2021  
9:00 AM, State Capitol Room 211

### Statement of the Hawaii Regional Council of Carpenters Comments on HB200, HD1

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

The Hawaii Regional Council of Carpenters (HRCC) writes to offer comments on HB200, HD1, Relating to the State Budget. Specifically, we respectfully urge your committee to amend the bill to restore staff positions and funding to the Hawaii Community Development Authority (HCDA).

Since its inception in 1976, HCDA has been an influential force in providing market-rate, workforce, and income-restricted homes for local families; carrying out infrastructure investments in Kakaako and Kalaeloa; and caring for the important natural and cultural resources found in the Heeia district. HCDA was also tasked in 2019 with facilitating the development of all state property in the new Stadium Development District, working with the Stadium Authority and the Department of General Services.

Under the purview of the HCDA, dozens of community development projects of all types have generated significant tax revenue for the state, created jobs for our members and countless others, and supported ongoing economic activity in Kakaako, Kalaeloa, and Heeia.

Without HCDA's staff expertise, we are concerned that much-needed new homes and construction jobs will be lost or delayed, especially during this current pandemic. The proposed funding cuts to HCDA will lead to even greater problems for our residents, economy, and local community. Therefore, we humbly request that the Committee on Ways & Means amend HB200, HD1 to restore HCDA's staff and funding.

Mahalo for the opportunity to provide this testimony.

#### STATE HEADQUARTERS & BUSINESS OFFICES

**OAHU:** 1311 Houghtailing Street, Honolulu Hawaii 96817-2712 • Ph. (808) 847-5761 Fax (808) 440-9188  
**HILO OFFICE:** 525 Kilauea Avenue, Room 205, Hilo, Hawaii 96720-3050 • Ph. (808) 935-8575 Fax (808) 935-8576  
**KONA OFFICE:** 75-126 Lunapule Road, Kailua-Kona, Hawaii 96740-2106 • Ph. (808) 329-7355 Fax (808) 326-9376  
**MAUI OFFICE:** 330 Hookahi Street, Wailuku, Maui 96793-1449 • Ph. (808) 242-6891 Fax (808) 242-5961  
**KAUAI OFFICE:** Kuhio Medical Ctr Bldg., 3-3295 Kuhio Hwy, Suite 201, Lihue, Kauai 96766-1040 • Ph. (808) 245-8511 Fax (808) 245-8911



## HAWAII CARPENTERS APPRENTICESHIP AND TRAINING FUND

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

**From:** April Chun Acquavella, Training Coordinator, Hawaii Carpenters Apprenticeship & Training Fund

**RE:** HB 200 HD1 Relating to State Budget

**Hearing:** Monday, March 29, 2021, 9:00 AM, Conference Room 211

**Position:** Strong Opposition with Amendments

Good morning Members of the Senate Committee on Ways and Means, I am April Chun Acquavella, Training Coordinator with the Hawaii Carpenters Apprenticeship & Training Fund and Workforce Development Council member.

Thank you for the opportunity to submit testimony. **I am writing to respectfully request that the Workforce Development Council (LBR 135) be restored into the State Budget as originally proposed in HB 200.** The transferring of six employees and elimination of five positions will negatively impact the statewide progress the WDC has made in helping Hawaii's disadvantaged adults, displaced workers, and youth receive training and find employment.

Although I only recently joined the council, I have seen the council's positive impact, especially through the American Job Center which apprentices are able to receive much needed support from at the beginning of their apprenticeships. The reason why I wanted to join the council was based on the outstanding work and progress the council has made.

This is a critical time when many individuals who are being retrained to meet our workforce demand will need the support services that are granted by programs that the WDC administers. Without these program supports, apprentices may fail to complete their full training and the skills gap will continue to widen.

Thank you for the opportunity to provide testimony in support of restoring the funding of the Workforce Development Council, LBR 135 into the state budget.



# LiUNA!

March 26, 2021

**Meeting:** Senate Committee on Ways and Means

**Date:** Monday, March 29, 2021

**Time:** 9:00 a.m.

**Location:** Online Zoom

**PETER A. GANABAN**  
*Business Manager/  
Secretary-Treasurer*

**ALFONSO OLIVER**  
*President*

**JOBY NORTH II**  
*Vice President*

**TONI FIGUEROA**  
*Recording Secretary*

**JAMES DRUMGOLD JR.**  
*Executive Board*

**ORLANDO PAESTE**  
*Executive Board*

**JOSEPH YAW**  
*Executive Board*

**ESTHER AILA**  
*Auditor*

**RUSSELL NAPIHAA**  
*Auditor*

**MARK TRAVALINO**  
*Auditor*

**MARTIN ARANAYDO**  
*Sergeant-At-Arms*

**Re:** Testimony on HB200 HD1 Relating to the State Budget

Chair Dela Cruz, Vice Chair Keith-Agaran, and Committee Members,

The Hawaii Laborers' Union Local 368 is made up of 5,000 working and retired members across the state of Hawaii and we urge the WAM Committee to restore funding for the Hawaii Community Development Authority (HCDA) in the state budget.

HCDA, is a proven catalyst for economic development, providing homes for Hawaii residents, and generating significant tax revenue to support the local economy. HCDA's work in Kaka'ako and Kalaeloa is the continuation of decades of state planning to ensure smart growth for Oahu.

Therefore, without restoring adequate funding and staffing, HCDA's effect on infrastructure and guiding future solutions to Hawaii's housing needs, such as at the **New Aloha Stadium Entertainment District (NASED)** will be difficult if not impossible.

Additionally, without HCDA's staff expertise and its effect on the local economy, much-needed new homes and construction jobs will be lost, especially during this pandemic contributing to a slower recovering economy.

Therefore, The Hawaii Laborers' Union Local 368 humbly requests that your Committee amend HB200 HD1 and restore HCDA's staff and funding.

Respectfully,  
Ryan Kobayashi  
Government Affairs

LiUNA Local 368  
1617 Palama Street  
Honolulu, HI 96817  
Phone: (808) 841-5877  
Fax: (808) 847-7829  
www.local368.org

*Feel the Power*





**Conservation  
Council for  
Hawai'i**

**Hawai'i's voice for wildlife  
Kō Hawai'i o nā holoholona lōhiu**

**SUBMITTED TO SENATE COMMITTEE ON WAYS AND MEANS  
HEARING: MONDAY, MARCH 29, 2021 9:00am  
HAWAII STATE CAPITOL ROOM 211 and VIA VIDEO CONFERENCE  
HB 200, HD1: RELATING TO STATE BUDGET**

Conservation Council For Hawai (CCH) would like to express our gratitude for your support in funding for watershed protection in Hawai'i, and ask that you please restore these imperative watershed initiative CIP requests. These funds provide critical funding for the protective measures that provide long-term conservation of watershed forests statewide.

These CIP funds help to protect and preserve our water supply that is dependent on our native 'ōhi'a forests. Fencing will increase forest resilience against Rapid 'Ōhi'a Death, and protection from eroding soil caused by hooved animals that can smother coral reefs.

With the predicted climate changes, the increased need for our native forests and restoration will be significantly increased to ensure water security and the ability to absorb cloud moisture.

Thank you for your strong consideration in restoring the Watershed Initiative CIP request.

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

FROM: Sean K. Knox  
CEO & President  
Hawaii Employment Services, Inc dba HiEmployment  
745 Fort St. Mall #124, Honolulu HI 96813

RE: HB 200 HD1 Relating to State Budget

POSITION: Strong Opposition with Amendments

I am writing to respectfully request the restoration of the Workforce Development Council (LBR 135) into the State Budget as originally proposed in HB 200; restoring 6 positions that were transferred out and restoring 5 positions that were eliminated. The Council is almost entirely funded with federal funds.

The Workforce Development Council (WDC) was established as the State Board as **required** under the Workforce Innovation and Opportunity Act of 2014 (WIOA). The WDC is comprised of local private-sector leaders who provide industry expertise so that Hawaii's workforce development system prepares a workforce with the skills valued by employers.

The WDC is an active board, with eight standing committees, which meet between the quarterly Council meetings. The committees invite stakeholders statewide to participate, providing valuable perspectives from the private sector, various state and county agencies, community organizations, and service providers. These committees make program and policy recommendations. WDC staff is responsible for providing staff services to the Council and its committees. The staff also provides WIOA subject matter expertise and serves as a resource to the members.

The WDC administers WIOA's Title I programs: Adult, Dislocated Worker, and Youth which serve disadvantaged adults, homeless individuals, individuals with disabilities, those with low levels of literacy, dislocated workers, veterans, displaced homemakers, long-term unemployed, out-of-school youth, youth exiting foster care, and formerly justice-

involved individuals. The WIOA Title I programs are unique because they offer federally-funded training to enable individuals to be trained in in-demand industries to meet the needs of our local employers. Another feature of the programs is the ability to provide supportive services, to pay for books, testing costs, uniforms, tools, interview clothes, transportation, and child-care while an individual is attending training.

The programs receive approximately \$6 million annually and because Hawaii's unemployment is so high, that amount will increase to approximately \$8 million for the year starting July 1, 2021. The WDC is almost entirely funded by these federal funds. Eliminating the WDC or diminishing the capability of the Council by reducing needed staffing puts those \$8 million in jeopardy.

For several years I have been on the State Board for the WDC. I am past Chair currently the Vice Chair of the Performance Measures and Accountability Committee. I am also a business owner that pre-pandemic, had over 650 employees working. In both of those roles, I have seen firsthand the WDC staff in action. They are all dedicated, experienced and accomplished. Now is the time Hawaii businesses and workers need their help the most!

The economic situation today requires a strong and innovative workforce development system. This is not the time to cut essential programs that assist displaced employees with training, skill development, and provides individualized employment services so that they may find a job with higher wages to improve the quality of life for themselves and their families.

Thank you for this opportunity to provide testimony in support of restoring the funding of the Workforce Development Council, LBR 135 into the state budget.

Sincerely,

Sean K. Knox

**HONOLULU JOINT APPRENTICESHIP and TRAINING COMMITTEE  
FOR THE PLUMBING & PIPEFITTING INDUSTRY  
PAMCAH-UA LOCAL 675 TRAINING FUND**

MAIN OFFICE: 1109 Bethel Street • Suite 403 • Honolulu, Hawaii 96813 • Ph. (808) 536-4408 • Fax: (808) 524-0658  
TRAINING OFFICE: 720 Iwilei Road, Suite 222 • Honolulu, Hawaii 96817 • Ph. (808) 456-0585 • Fax: (808) 456-7131

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

From: Charles Shima, Training Coordinator  
Plumbers and Pipefitters Apprenticeship Program

RE: HB 200 HD1 Relating to State Budget

POSITION: Strong Opposition

I am writing to respectfully request the restoration of the Workforce Development Council (LBR 135) into the State Budget as originally proposed in HB 200; restoring 6 positions that were transferred out and restoring 5 positions that were eliminated. The Council is almost entirely funded with federal funds.

I am a member of the WDC as a representative of Labor and serve on the Military & Veterans Committee. My experience was both challenging and rewarding. Work opportunities offered to military personnel and their spouse's can be very difficult to find. One of several challenges were certifications and licensing of veterans where they were not always transferable to the state of Hawaii, which made it difficult to find employment. The Committee was determined to find solutions and pathways to assist those military veterans and their spouse's to employment.

I am most proud to have served on a panel for the WDC in the HACTE conference in January 2020. Representatives from the construction industry and I spoke with state educators, guidance counselors and school administrators on construction and engineering pathways that may not require the traditional 4-year degree. The panel also shared the different work opportunities offered by taking this career path. In our field of work it is very difficult to attract candidates for the trades.

I honestly believe this is not the time to remove the efforts of the WDC. With this economic situation today requires a strong and innovative workforce development system. We continue to our work with essential programs that assist displaced employees with training, skill development, and provides individualized employment services so that they may find a job with better wages to improve the quality of life for themselves and their families.

Thank you for this opportunity to provide testimony in support of restoring the funding of the Workforce Development Council, LBR 135 into the state budget.

**HONOLULU JOINT APPRENTICESHIP and TRAINING COMMITTEE  
FOR THE PLUMBING & PIPEFITTING INDUSTRY  
PAMCAH-UA LOCAL 675 TRAINING FUND**

MAIN OFFICE: 1109 Bethel Street • Suite 403 • Honolulu, Hawaii 96813 • Ph. (808) 536-4408 • Fax: (808) 524-0658  
TRAINING OFFICE: 720 Iwilei Road, Suite 222 • Honolulu, Hawaii 96817 • Ph. (808) 456-0585 • Fax: (808) 456-7131



Sincerely,  
Charles Shima



March 29, 2021

9:00 a.m.

Conference Room 211 & Videoconference

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

**From: Grassroot Institute of Hawaii  
Joe Kent, Executive Vice President**

RE: HB200 HD1 — RELATING TO THE STATE BUDGET

***Comments Only***

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer its comments on [HB200](#), which would appropriate funds for the operating and capital improvement budget of the executive branch for fiscal years 2022 and 2023.

The current budget bill HB200 submitted by the executive branch reduces general fund expenditures by \$299.4 million in fiscal 2022, demonstrating that lawmakers can reduce spending.

However, there are many issues with the current budget that lawmakers should address.

**Skipped EUTF payments**

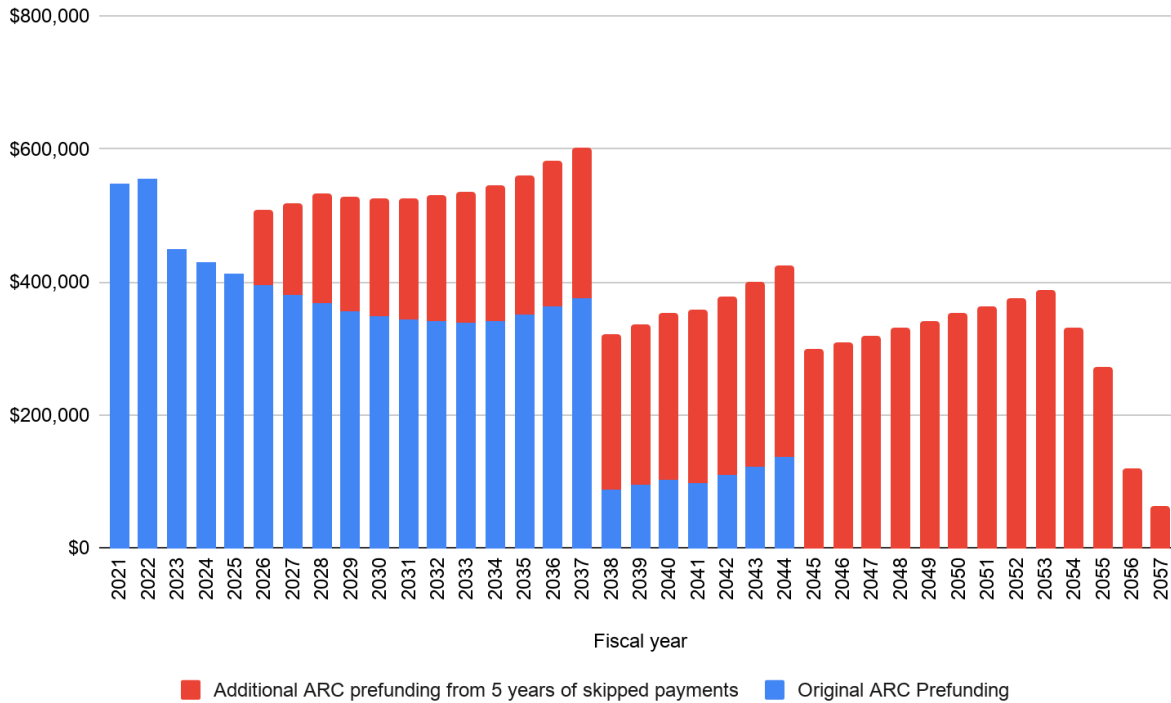
The bulk of the spending reductions come from skipping annually required contributions (ARC) to the Hawaii Employer-Union Health Benefits Trust Fund of \$413 million for fiscal 2022, which could add \$922 million of debt over the next 37 years.<sup>1</sup>

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<sup>1</sup> ["Draft Hawaii Employer-Union Health Benefits Trust Fund Retiree Health Care Plan, Actuarial Valuation Report as of July 1, 2020,"](#) Gabriel, Roeder, Smith & Company, Jan. 11, 2021, p. 7.

Lawmakers are also planning to skip these payments for the next five years, which could save the state \$2 billion in the short run but cost \$8 billion in the long run.<sup>2</sup>

### Original ARC prefunding + additional ARC prefunding from 5 years of skipped payments (in thousands)



[“Grassroot Institute of Hawaii analysis of county Annual Required Contribution increase from deferral of 5 years of prefunding.”](#) Grassroot Institute of Hawaii, Jan. 11, 2021.

If lawmakers wish to continue providing the same level of health benefits for public union employees without overburdening taxpayers, they should find other areas to reduce spending.

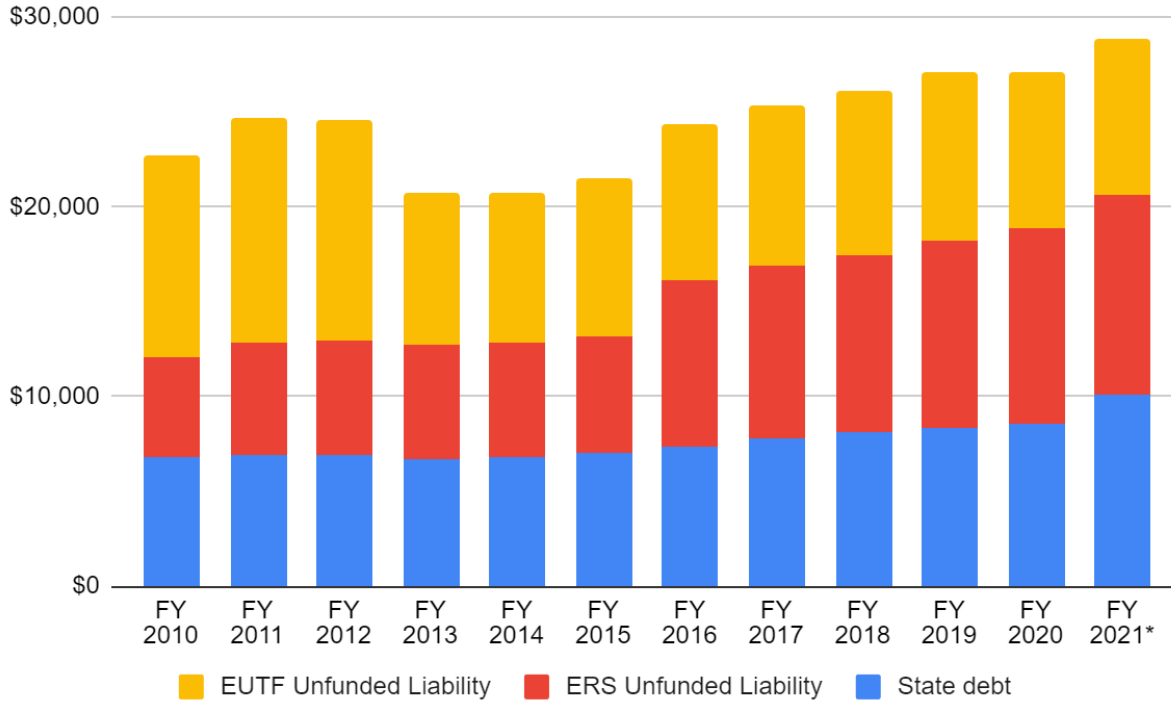
In the alternative, state leaders could consider reductions to public employee health benefits, such as by sharing more of the costs with beneficiaries. Lawmakers should not expect taxpayers to pay billions of dollars more if the state’s finances are improperly managed.

### Debt obligations

<sup>2</sup> [Ibid.](#)

Gov. David Ige borrowed \$750 million from the bond market to fund payroll expenses, but the money needs to be paid back by 2025.<sup>3</sup>

## Hawaii unfunded liabilities and state debt per capita



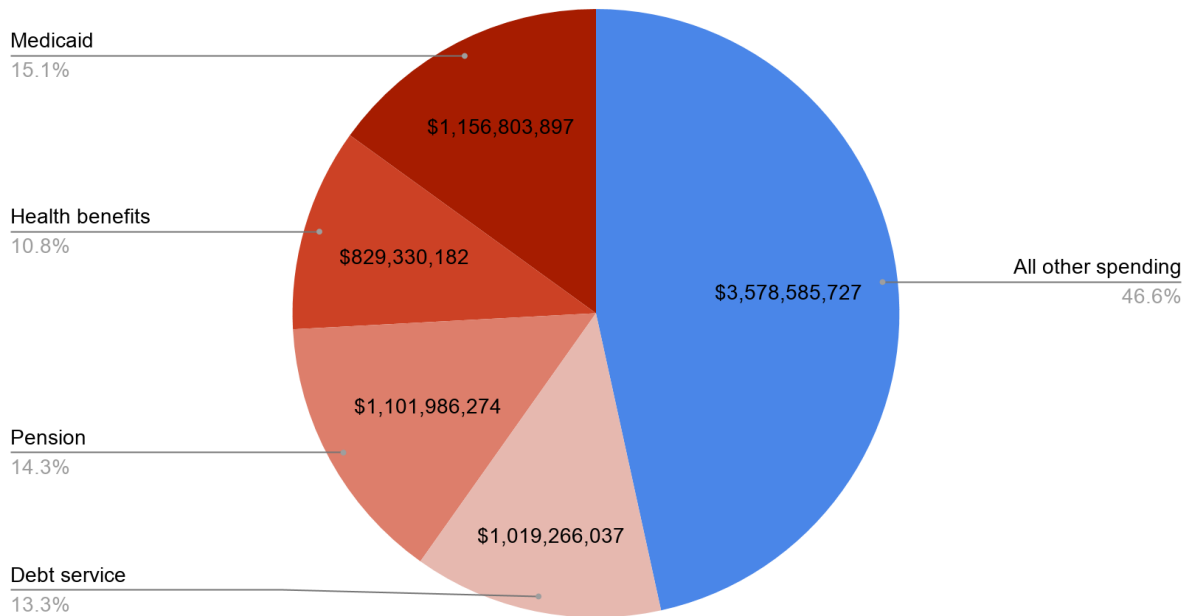
Source: “[Total state debt](#)” Grassroot Institute of Hawaii, Jan. 22, 2021. \* Estimated debt so far as of Jan. 22, 2021.  
 Note: Includes unfunded liabilities for public pension or health benefits systems.

The rising debt service and unfunded liabilities this year will eat up 56% of the general fund, up from 50% in fiscal 2021.

<sup>3</sup> “[State of Hawaii](#),” Hawaii Department of Budget and Finance, Oct. 21, 2020, p. 2.



## Hawaii General Fund fiscal 2022



Additionally, the state borrowed \$700 million from the federal government to pay for unemployment insurance claims in 2020, and private-sector businesses are on the hook to repay that debt.<sup>4</sup> However, lawmakers are choosing to pay back that loan instead of handing the bill to the private sector, though it is a substantial expense for the state.<sup>5</sup>

Lawmakers should focus on paying down debt and reducing spending obligations.

### Increased spending and payroll

HB200 shows \$299 million of net general fund spending reductions for fiscal 2022 yet adds a net of 576 employee positions. The governor's updated budget adjustments increase spending by a net \$91 million and positions by 36 for fiscal 2022 compared to the fiscal 2022 budget allotment in HB200.<sup>6</sup>

Legislators should reject the spending increase proposed by the governor in his updated budget adjustment, so as to keep spending low during this fiscally uncertain period.

<sup>4</sup> ["Civil Cafe: Legislative Update,"](#) Honolulu Civil Beat, March 10, 2021, 13:20.

<sup>5</sup> [Ibid.](#)

<sup>6</sup> [GM1](#) of 2021, Feb. 19, 2021.

## **Windfall revenues**

The state is projected to receive additional organically generated tax revenues of \$569 million in fiscal 2021 and \$324 million in fiscal 2022, as projected by the state Council on Revenues.<sup>7</sup> Additionally, the federal government's American Rescue Plan Act would provide \$1.6 billion more to the state budget.<sup>8</sup>

These windfall revenues should not be used to increase spending beyond the baseline level in HB200. Instead, they should be used to pay off debt.

## **'Golden handcuffs'**

The \$1.6 billion ARPA money prohibits the state from using the money to offset a tax reduction. This means that if the state accepts the ARPA money, it cannot lower state taxes until Dec. 31, 2024, unless they are offset by spending reductions.

Given this strict limitation, the state should consider either rejecting the money or, indeed, reduce spending to allow for tax reductions.

At the very least, the state should not increase spending or taxation during this period.

## **Observe the 'golden rule' of state budgeting**

Lawmakers over the past decade have increased general fund spending by more than double the rate of growth of the economy.

If state leaders ever hope to revitalize Hawaii's economy, they need to follow the "golden rule"<sup>9</sup> of state budgeting: Make sure government does not grow faster than our economy.

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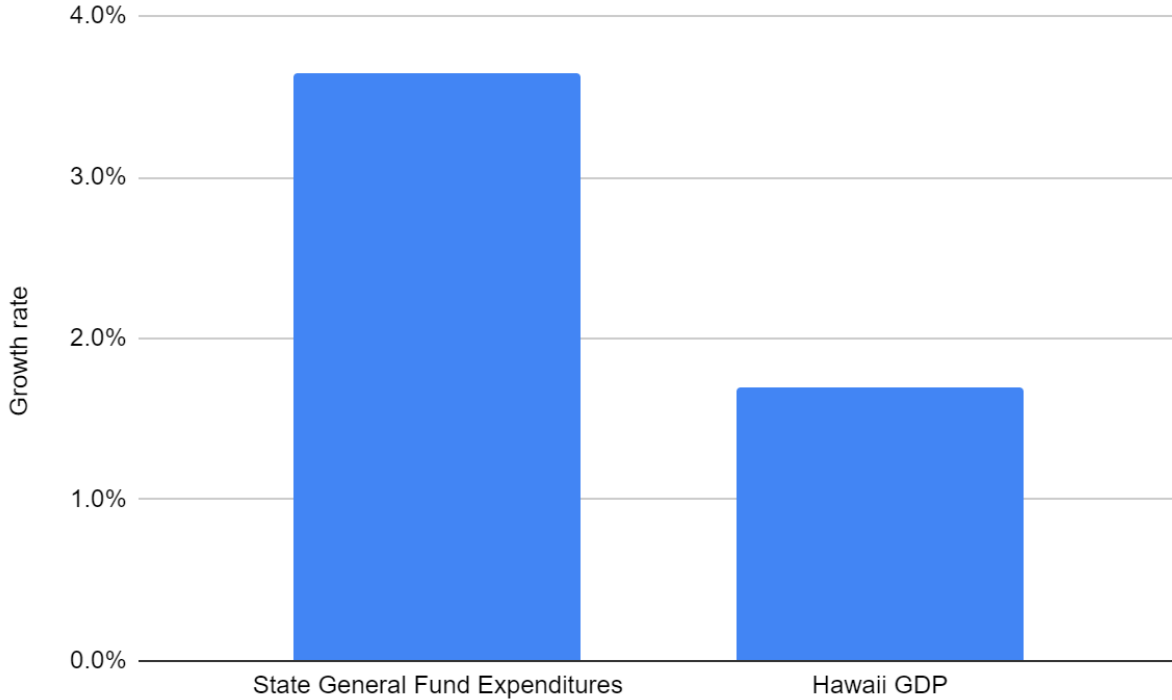
<sup>7</sup> ["Governor Ige Updated Budget with Council on Revenues estimates on March 8, 2021,"](#) Grassroot Institute of Hawaii, March 10, 2021.

<sup>8</sup> Jared Walczak, ["State Aid in American Rescue Plan Act Is 116 Times States' Revenue Losses,"](#) Tax Foundation, March 3, 2021.

<sup>9</sup> Melissa Newsham, ["Start working now to adopt a meaningful spending cap,"](#) Grassroot Institute of Hawaii, June 7, 2020. See also, Daniel J. Mitchell, ["The Golden Rule of Spending Restraint,"](#) Cato Institute, April 7, 2014.

## Hawaii public sector growth outpacing private sector

Hawaii general fund vs GDP growth rate, FY 2010 to FY 2019



Source: ["GRIH calculations of state vs GDP growth,"](#) Grassroot Institute of Hawaii, "General Fund real," Feb. 10, 2021. Adjusted for inflation.

Keeping government growth below the state's overall economic growth would leave more money for Hawaii residents to invest in new businesses, buy new homes, afford college educations for their children and generally accumulate capital that is essential to a sustainable, healthy and prosperous economy.

Thank you for the opportunity to submit our comments.

Sincerely,

Joe Kent  
Executive Vice President  
Grassroot Institute of Hawaii

**HB-200-HD-1**

Submitted on: 3/26/2021 8:19:42 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Michael Marsh	Testifying for Responsive Caregivers of Hawaii	Oppose	No

Comments:

**I am the President & CEO at Responsive Caregivers of Hawaii, a nonprofit organization that provides day care, transportation and residential services for adults with intellectual and developmental disabilities, a vulnerable segment of the population. House Bill 200 is extremely concerning to our agency and the participants we serve through our programs.**

**On page 24, lines 9-15 shows only 24 full time staff within the Developmental Disabilities Division. We are unsure of where the Title XIX matching funds for the Medicaid Waiver program went. We do not know how the Medicaid Home and Community Based Waiver Program will be implemented. We do not know the impact this will have on the services to individuals with intellectual and developmental disabilities. We do not know what the reorganization plan is because it was not vetted through the self-advocates or stakeholders for input.**

**These are some of the reasons Responsive Caregivers of Hawaii must oppose HB200 HD1 and request the contents be replaced with the Senate version, SB1229. Thank you.**



# NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

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



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

## **SENATE COMMITTEE ON WAYS AND MEANS**

Monday, March 29, 2021  
9:00 am  
State Capitol, Conference Room 229

in consideration of  
**H.B. 200 H.D. 1**  
**RELATING TO THE STATE BUDGET.**

The Natural Energy Laboratory of Hawaii Authority (NELHA) offers the following comments on H.B. 200 H.D. 1 specifically relating to page 306 SEQ 100-001 and SEQ 1100-001 which reduce the position count in NELHA by 8 positions.

SEQ 1001-001 would transfer-out two positions No 102311 and No. 107911 from NELHA and special funds, which is an agency attached to DBEDT for administrative purposes only, to the Strategic Marketing and Support Division within DBEDT. These two positions are NELHA's Executive Director and Deputy Director and provide the executive leadership for NELHA. Transferring these positions inside one of DBEDT's five divisions inconsistent with NELHA enabling legislation as specified in Chapter 227D HRS. This could lead to significant confusion and affect the current operations and future growth and development of NELHA.

In addition, SEQ 1001-001 could impact the three separate multi-million-dollar grants from federal agencies that we have recently received. We also understand that we are very close to receiving an additional new multi-million-dollar federal grant. The conditions and funding formulas for cost share with these federal grants are quite complex and we are concerned that changing the budget codes for key staff associated with their implementation could jeopardize existing grant covenants and potentially lead to negating new grants already in the process.

SEQ 1100-001 deletes 6 vacant positions and funds for NELHA. Due to low Special Fund balance, we are unable to fill these vacancies until revenues increase. NELHA is a self-sufficient agency and receives no General Funds for its operations. Deleting these positions will prohibit us from filling them when funding conditions improve and could potentially cause a backlog of tasks, a delay in the completion of assignments, and a severe interruption of services at NELHA. Thus, it is necessary that these positions be retained to allow NELHA the ability to keep pace with our growth and objectives.

Thank you for the opportunity to offer these comments.

MAILING ADDRESS

P.O. Box 127  
Kealahou, HI 96750

OFFICE LOCATIONS

KEALAKEKUA (MAIN)

81-1065 Konawaena  
School Road  
808-323-2626  
Fax: 808-323-9444

HONOKAA

45-539 Plumeria Street  
808-775-1090

HILO

234 Waiānūenue Ave, #108

KAPAAU

54-3885 Akoni Pule Hwy

OCEAN VIEW

92-1804 Keaka Parkway

Federal ID

99-0108896

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

Date: March 29, 2021, 9:00 am, Room 211 and Videoconference

RE: Testimony **OPPOSING** HB 200, HD1  
**HTH 501 – Developmental Disabilities, Page 24, Item No. 16**

The Arc of Kona is a private non-profit organization serving individuals with intellectual and developmental disabilities and their families throughout the Island of Hawaii. I am writing on behalf of our organization to **oppose** budget item number 16 **HTH 501 – Developmental Disabilities** on page 24 of HB 200, HD1.

Our concerns and comments regarding Item No. 16 HTH 501 – Developmental Disabilities are as follows:

- We support the original version of the Senate budget (SB 1229) that provided the funding and support that is critical for people with intellectual/developmental disabilities and their families.
- We are concerned that HB 200, HD1 significantly reduces positions within the Developmental Disabilities Division from 193.75 (HB 200) to 24. This is a reduction of approximately 170 positions.
- We are concerned that HB 200 HD1 significantly reduces the division's operating budget from \$87,837,341 for FY 22 and \$93,837,341 for FY 23 (HB 200) to \$2,930,271 for FY 22 and FY 23. This is a reduction of nearly \$85 million in FY 22 and a reduction of nearly \$91 million in FY 23.
- We are unsure where the Title XIX federal matching funds for the Medicaid Waiver program are allocated.
- This budget reduction/move suggests a reorganization. We are concerned about the impact of dismantling and reorganizing a system without presenting plans to and seeking input from self-advocates (individuals with intellectual/developmental disabilities), their families, provider agencies, and other stakeholders.
- The pandemic has disproportionately impacted people with intellectual/developmental disabilities throughout our state who rely on Medicaid Waiver Home and Community Based Services to enjoy a self-determined quality of life. This is not the time for more continuous change and further complex systems.

United Way



carf  
Commission on Accreditation  
of Rehabilitation Facilities



www.arcofkona.org

*"Expanding the Possibilities"*  
*"Ho'o Nui Ka Hiki"*

We urge you to reconsider and reinstate the budgeted funds and positions for HTH 501 – Developmental Disabilities as originally presented in SB 1299 and HB 200. We further urge you to reconsider and defer decision making on any potential plans to reorganize and/or eliminate the Department of Health, Developmental Disabilities Division until individuals with intellectual/developmental disabilities, their families, provider agencies, and other stakeholders have the opportunity to fully understand the potential impacts of a change of this magnitude and provide feedback.

Thank you for your consideration and the opportunity to provide testimony.

Sincerely,

*Michele L. Ku*

Michele L. Ku  
President and Chief Executive Officer





## TESTIMONY IN SUPPORT OF HB200, HD1

Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair

### SENATE WAYS AND MEANS COMMITTEE

Hearing Date: March 29, 2021      Room Number: 211

Dear Senator Dela Cruz, Senator Keith-Agaran and Members of the Committee:

We are writing to express our continuing support for the Hawai'i Civil Rights Commission (HCRC), the Office of Language Access (OLA), and the Office of Community Services (OCS), and to urge you to adopt the the funding positions taken in HB200, HD1 to support these administratively attached agencies.

The COVID-19 Pandemic has already taken the heaviest toll on those who bear the burdens of discrimination and economic disparity in Hawai'i. These communities, families, and individuals will continue to face disparities during Hawai'i's long road to recovery unless we view this as a moment of reckoning and respond in a manner that redefines how we think about advancing equity, eliminating poverty and hunger, protecting civil rights, and assuring equal access for limited English proficient (LEP) immigrants to essential services including access to health care and unemployment benefits.

#### • **Hawai'i Civil Rights Commission (LBR -153)**

HB200, HD1 substantially maintains HCRC's pre-pandemic budget and appears to eliminate only a recently established, but unfilled position. In contrast, the Governor's budget proposed to elimination of 2 investigator positions and a hiring freeze on two existing vacant investigator positions. The cumulative loss of four positions would cripple the HCRC which never regained the 3 positions it lost during the Great Recession reducing its staff from 11 to 8 investigators. If the Governor's budget passed as proposed, the remaining 4 investigators would be required to process, investigate, and determine cause in over 4,000 estimated annual inquiries, complaint intakes and formal complaints rendering HCRC beyond repair for years to come.

As it was true in 1964, it is true today: civil rights is unfinished business. Embracing this truth, the Hawai'i Legislature passed 11 new laws expanding HRCCR's jurisdiction between 2008 and 2020: enlarging and codifying the definition of "gender identity or expression"; prohibiting

discrimination against domestic workers; recognizing assistance animals as a reasonable accommodation in housing; extending marital status protections to partners in a civil union; allowing employees reasonable break times and accommodations to express milk; prohibiting health insurers from discriminating on the basis of gender identity or perceived gender identity; creating accommodations for medical marijuana users in community associations or apartments where smoking is prohibited; requiring theater chains to provide movie captioning; prohibiting prospective employers from requesting or considering a job applicant's salary or wage history; prohibiting discrimination in employment due to reproductive health reasons; and precluding an employer from requiring an employee to enter into a nondisclosure agreement relating to sexual harassment or sexual assault.

Despite the Legislature's expanded protections for Hawai'i residents, the Governor's proposed budget doubled down on the unrestored cuts made during the Great Recession. In 2008-2009 HCRC was staffed with 32 positions. As proposed by the Governor, the HCRC would be reduced to 21 positions. A stunning 34% reduction in staffing.

The HCRC is the only state agency where anyone who believes they have suffered from discrimination in their place of employment, in housing, or in a place of public accommodation can seek vindication of their rights under state law. It is the only effective means of pursuing justice for those who cannot afford a private attorney.

#### • **Office of Language Access (HTH – 908)**

HB200, HD1 restores OLA's budget and appears to restore its status as an administratively attached agency. In contrast, the Governor's budget proposed to eliminate OLA's status as an independent agency, place OLA under the Department of Health Program Office, zero out funding for operating costs, and eliminate OLA's two most senior positions leaving only a secretarial position and 2 program specialist positions.

When originally established in 2006 OLA had a staff of 6 to carry out its mission. OLA lost 5 positions during the Great Recession leaving only the Executive Director. In 2012, 2 positions were restored and in 2013 the Legislature expanded OLA's responsibilities to include the establishment and operation of a Language Access Resource Center (LARC). In 2018, the Legislature funded two additional positions to support the functions of the LARC. As proposed by the Governor, OLA would effectively be unable to fulfill its critical obligations to Hawai'i's LEP community.

Over the course of the Pandemic, OLA has created dozens of COVID-19 health related resources, translated into 12 or more languages each. These resources are currently utilized by Hawai'i government agencies, health care centers, Hawai'i non-profit agencies, as well as out-of-state organizations. In the absence of state-generated multilingual information, OLA quickly became the go-to resource for individuals and community organizations looking for multilingual COVID-19 materials.

OLA also engaged with Department of Labor and Industrial and urged their adoption of Babel notices advising limited English proficient persons how to contact the Unemployment

Compensation Division. While the DLIR adopted the Bable notices it took no other substantive steps to translate vital UI information to languages most commonly found in Hawaii, despite OLA's best efforts. OLA also continues to work in coordination with the Department of Health, Community Health Centers and other non-profits to vaccinate Native Hawaiians, Pacific Islanders, and limited English proficient residents.

If miscommunication during COVID-19 is a problem imagine no communication at all.

• **Office of Community Services (LBR- 903)**

HB200, HD1 essentially maintains OCS's pre-pandemic budget. The Governor's budget proposed the elimination of 4.5 positions This general fund reduction (which equates to abolition of 5 positions) would have severe impacts on the administration of both federal and state funded programs administered by OCS.

OCS provides millions of federal and state dollars and oversight to low-income communities for food, health services, and employment services including: the statewide system of foodbanks, the Emergency Food Assistance Program (TEFAP), funding for the Senior Farmers' Market Nutrition Program and the Commodity Supplemental Food Program.

In Fiscal Year 2020, OCS managed a portfolio of 92 state grants in-aid totaling more than \$25.6 million, of which approximately \$23.8 million was for capital improvement projects and \$1.8 million was for operating grants. OCS also administered a state-funded employment services program to Hawai'i's low-income individuals and legal permanent residents gain employment skills, find, and retain jobs.

Since the onset of COVID-19 OCS has capably managed and administered CARES Act funds (appropriated by the Legislature) for food distribution across the state and may also be called upon to administer federal funds under the newly established American Rescue Plan.

OCS staff are experienced and needed by the state to administer essential programs aimed to provide a social safety net to low-income, vulnerable, and disadvantaged communities during the COVID-19 pandemic and the recovery.

Thank you for your continuing support and the opportunity to testify on HB200, HD1.

Amy Agbayani, Co-Chair  
Pat McManaman, Co-Chair



*20 Years of Empowering People to Live, Work,  
Learn and Enjoy Life on Hawai'i Island*

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

My name is Jim Kilgore and I am the Executive Director of Full Life. Full Life is a non-profit organization serving people with developmental disabilities and their families on Hawai'i Island for over 20 years. I am writing to oppose and request delaying decision on the following budget item in **HB 200, HD1** **scheduled for hearing on March 29, 2021 at 9:00AM:**

**HTH 501 – Developmental Disabilities, Page 24, Item No. 16**

- We support the original version of Senate budget that was SB 1229 that provided the funding and necessary support for people with disabilities and their families.
- We are concerned that HB 200 HD1 reduces HTH 501 – Developmental Disabilities Division positions by over 170 and reduces the \$92,811,202 budget to \$2,902,271.
- We are unsure where the Title XIX federal matching funds for the Medicaid Waiver program is allocated.
- We do not know how this will impact services to individuals with intellectual and developmental disabilities.
- We are concerned about the impact of dismantling and re-organizing a system without presenting plans to stakeholders or seeking input from self-advocates (people with developmental disabilities and their families).
- The pandemic has disproportionately impacted people with developmental disabilities in Hawaii who rely on Medicaid Waiver services to enjoy a self-determined quality of life. We need a return to normalcy and not another year of continual changes and complex systems.

In summary, please defer decision making on plans to eliminate and re-organize the Developmental Disabilities Division until people with developmental disabilities, their families, and other stakeholders have an opportunity to see the plan, understand the impacts, and provide feedback.

Thank you for your valuable time and consideration,

Jim Kilgore

**Table 1: Examples of the possible impact of the Developmental Disabilities Budget**

<b>PROTECT AND PRESERVE DEVELOPMENTAL DISABILITIES WAIVER FUNDING</b>	<b>DON'T PRESERVE THE DEVELOPMENTAL DISABILITIES BUDGET</b>
Higher quality services for people with developmental and intellectual disabilities and their families	Poorer quality services for people with developmental and intellectual disabilities and their families
Safety net for families and people with developmental disabilities	Families not able to work and/or increased institutional care for people who can live independently
Direct Support Professionals and caretakers paid fair wages for making a difference in the lives of community members every day	Direct Support Professionals and caretakers paid unlivable wages and turnover rates are between 21% and 38%
Help families by providing consistency and stability in services	Shift the cost of care and services to families
Bring in an additional revenue to the State of Hawaii in Federal Matches. The average cost of Waiver service is \$53,000 per year. The cost of institution in Hawaii is \$126,000 per year.	Inefficient use of taxpayers' resources leaving federal funds on the table. Full Life (only one of 50 waiver service providers) saves state taxpayers up to \$6 million per year.
Bring back eliminated vacant DOH-DDD case management positions.	The elimination of vacancies for State DDD Case managers impacted Hawai'i Island significantly.
Reimburse fair rates to providers as evidenced in an empirical rate study of Hawaii Waiver rates. Sustain providers who are considering ending service provisions.	The current cost to provide 1:1 services in the home and in the community is 20% greater than current budgeted rates. The cost to provide Adult Day Health Services is 28% greater than current budgeted rates.



**HAWAII COMMUNITY  
DEVELOPMENT AUTHORITY**

547 Queen Street, Honolulu, Hawaii 96817  
Telephone: (808) 594-0300 Fax: (808) 587-0299  
Web site: <http://dbedt.hawaii.gov/hcda/>

DAVID Y. IGE  
GOVERNOR

JOHN WHALEN  
CHAIR

DEEPAK NEUPANE, P.E., AIA  
EXECUTIVE DIRECTOR

Statement of  
**DEEPAK NEUPANE, P.E., AIA**  
**Executive Director**  
Hawaii Community Development Authority  
before the

**SENATE COMMITTEE ON WAYS AND MEANS**

Monday, March 29, 2021 at 9:00 A.M.  
VIA Videoconference  
State Capitol, Conference Room 308

In consideration of  
**H.B. 200, H.D. 1, RELATING TO THE STATE BUDGET**

Chairperson Dela Cruz, Vice Chairperson Keith-Agaran, and members of the Committee. The Hawaii Community Development Authority (HCDA) respectfully offers **comments and suggests amendments** to **H.B. 200, H.D. 1**, relating to the State budget, specifically as it relates to HCDA's budget. Our comments below are limited to **Budget Item No. 22, "BED 150"**, which funds HCDA operations and staffing.

The proposed budget reductions and our requests are shown below for ease of reference. For the reasons stated below, we respectfully ask for the committee's consideration of our requests.

1. Restore Vacant Positions Eliminated: HCDA Program Specialist V (planner) (No. 102051), HCDA Project Director (project manager) (No. 107936), and HCDA Secretary (No. 102079).

HCDA's Request: Restore these positions and salary/benefits with the method financing being HCDA's revolving funds, which are sufficient and sustainable. With this method of financing, there is no general fund impact; and

2. Restore Revolving Funds Reduced: \$1,079,990 in revolving funds have been reduced.

HCDA'S Request: Restore HCDA's revolving funds budgeted amount for each of FY 2022 and FY 2023 in the amount of \$2,160,739.20 to fund operations and salary/fringe benefits. HCDA has sufficient and sustainable cash flow to cover the three positions

and operations in the long term because our revolving funds are derived, in part, from long term lease revenue, and other revenue generated by HCDA's programs. To reiterate, there is no general fund impact with the suggested method of financing—revolving funds.

HCDA's budget in the H.D. 1 significantly impacts HCDA's ability to implement the purposes for which it was established—to improve and develop areas in the State that are determined by the Legislature to be undeveloped, in need of renewal, or are blighted<sup>1</sup>. On a position-by-position basis, the impacts are described below.

1. HCDA Program Specialist V (planner) (No. 102051): This position is a critical part of community planning and development and permitting work that the HCDA conducts on a daily basis. This position is responsible for managing several projects that are a part of the HCDA's annual work plan to improve public facilities and create new economic development opportunities within the Kakaako Community Development District and other established districts, and districts established by the Legislature in the future. This position will be specifically working on two residential development projects proposed by the Howard Hughes Corporation in Kakaako. These two projects will develop over 1,200 residential units out of which 697 units will be affordable units. These projects invest over 1 billion dollars in construction spending and support construction employment and businesses in Kakaako. In addition, this position will also be working on residential developments that Kamehameha Schools is proposing in Kakaako. Without this position, HCDA will struggle to review and approve permit application for these projects in a timely manner.

Reducing the position will negatively impact the operations of the HCDA including delays in the permitting process. There are a number of projects in the Kakaako and Kalaeloa districts that will require permitting within the next 6 months. The position has remained vacant due to current hiring freeze and can be filled immediately at the starting of FY 22 if the position and the salary were restored.

2. HCDA Project Director (project manager) (No. 107936): This is another critical position that provides executive level assistance to the HCDA Director of Planning and Development in the management of the HCDA's development activities including preparing development concepts and plans, conducting market analysis, supervising preparation of architectural and engineering designs, and managing construction of development projects, working with private developers, and federal, state, and/or local agencies. This position will work specifically in reviewing the

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<sup>1</sup> Currently, the community development districts established by the Legislature are the Kakaako community development district, Kalaeloa community development district, Heeia community development district, and the stadium development district.

Veterans Administration Clinic (VA Clinic) in Kalaeloa. Funding for the VA Clinic was just approved by the US Congress. Developer of the VA Clinic, HUNT Company will be applying for development permit to HCDA for the project. In addition, Gentry, a residential developer, is proposing a 400-unit residential project in Kalaeloa and this position will be involved in reviewing the development permit application. Without this position HCDA will not have the ability to review and approve these development permit applications in a timely manner.

Reducing the position will negatively impact the operations of the HCDA including delays in development within the community districts and decreases in construction spending and development of affordable housing at a time when more affordable housing units and construction spending are needed. The position has remained vacant due to current hiring freeze and can be filled immediately at the starting of FY 22 if the position and the salary were restored.

3. HCDA Secretary (No. 102079). This is a critical position that serves as the HCDA's receptionist and serves as the initial public interface and directs all general calls, e-mails and inquiries from stakeholders and members of the public. This position also supports the HCDA's communication and asset management functions, including contract preparation and finalization, receiving calls and emails about reserved housing. The HCDA manages an asset of approximately 90 million dollars in equity sharing in reserved housing. This position provides critical clerical support to HCDA's reserved housing program.

Reducing the position will negatively impact the operations of the HCDA including delays in the reserved housing and contract administration processes, and in responding to stakeholders and members of the public. The position has remained vacant due to current hiring freeze and can be filled immediately at the starting of FY 22 if the position and the salary were restored.

Kakaako has seen, since the creation of HCDA in 1976, an unprecedented level of urban improvement and economic revitalization. The investment in Kakaako by the Legislature has resulted in development of commercial and retail projects, educational and facilities like the John A. Burns School of Medicine, University of Hawaii Cancer Center, and Hawaii Technology Development Corporation's Sand Box in Kakaako. Close to \$10 billion of private construction spending has been invested in Kakaako creating thousands of affordable housing and jobs for local families and supporting local businesses. The investment in Kakaako has also resulted in a substantial number of affordable housing units being produced. Around 34% of all housing units built in Kakaako are affordable. A total of 12,598 residential units as of now have been completed, under construction or permitted by the HCDA. Out of that 4,249 units are affordable, of which 1,859 units are affordable rental units.



There are more infrastructure and public facilities capital improvement projects to be completed in our current community development districts.

We respectfully ask that HCDA's budget be restored as summarized above to permit HCDA to continue the work that it has done for the past 40 years, including processing development permit applications, and implementing improvement projects that benefit the community districts and the State by providing jobs and housing.

Thank you for the opportunity to provide testimony.

**Senator Donovan M. Dela Cruz, Chair**  
**Senator Gilbert S.C. Keith-Agaran, Vice Chair**  
**Members of the Senate Committee on Ways and Means**

**Hearing Date: Monday, March 29, 2021 @ 9:00 a.m.**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and members of the committee,

Thank you for allowing me the opportunity to submit testimony regarding our budget appropriation requests for this 2022-2023 biennium. 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, including a 2% margin. 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 2021, we have been appropriated \$19.0 million. We are requesting \$19 million for the 2022 fiscal year and \$16 million for the 2023 fiscal year.

In the three and a half years since the transition, and with the support of the legislature, MHS has been able to reduce its need for subsidies by nearly half when compared to the last subsidy granted to the 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. MHS also continues its efforts to retain talented local healthcare professionals over the last few years, including the hiring of entire graduating classes of nurses from Maui Community College.

Although the Administration’s budget included a budget appropriation of \$11.5 million for fiscal year 2022 and \$8.9 million for fiscal year 2023 (which is a fairly drastic reduction), we feel the \$19 million/\$16 million request for this biennium is justified due to the tremendous and totally unprecedented challenges that MHS has faced to the COVID pandemic, including the following:

- MHS saw a decrease in Maui resident utilization of 13% and decrease in visitor utilization of 52% at MMMC.
- Like the hotel industry, our net revenue is supplemented by the visitors due to the favorable reimbursement from their insurance plans and travel insurance.
- The payer mix has changed from Commercial to QUEST (Medicaid) by at least 5%, therefore net patient revenue has been (and will continue to be) further reduced.

- Union negotiations with the largest bargaining unit is pending – hopeful we will be reaching agreement by January 31<sup>st</sup> of this year.
- While net patient revenues have declined, we were unable to decrease staffing to reduce expenses. As Maui's only hospital, we need to maintain adequate staffing so that the hospital stays operational and ready to serve during this COVID pandemic. In addition, we needed to retain adequate staffing levels to serve the community for emergent and elective needs as well as for continued COVID surges.
- Additional PPE will be required due to ongoing infection control and protection needs (N95, surgical masks, isolation gowns, gloves, etc.).
- Additional specialized equipment including ventilators, additional beds, HEPA filters, UV sterilization systems, storage containers, computer workstations, CAPR/PAPR units will be needed due to COVID.
- Additional cost related to COVID tests for employees, patients, contractors, etc. will be incurred.

In closing, MHS would like to emphasize that the \$19 million/\$16 million request is the bare minimum of what is anticipated that will be needed to continue to safely and effectively operate for our residents and visitors in this COVID environment. It is also the amounts that are needed to keep MHS on pace of eliminating subsidy requests within 10 years. Please also note, however, that MHS is very sensitive to the budget shortfalls that the State is facing in the next few years notwithstanding the infusion of American Rescue Plan Act funds, and therefore, only asks for the lowest baseline notwithstanding that additional losses may be incurred.

We thank you for your service and hard work on behalf of the State of Hawaii and hope that you can support the full subsidy requests for this biennium.

Mahalo for your consideration,

Michael Rembis  
Chief Executive Officer

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

**From:** Robert G. Peters, Chair  
Early Learning Board

**Subject:** **Measure:** HB 200, H.D. 1, Relating to the State Budget  
**Hearing Date:** Monday, March 29, 2021  
**Time:** 9:00 am  
**Location:** **Via Video Conference**

**Description:** Appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2021 - 2022 and 2022 - 2023. (HD 1)

### **Early Learning Board Position: Support with Comments**

I am Robert G. Peters, Chair of the Early Learning Board (ELB). The Early Learning Board respectfully requests your consideration of funding for EDN700, EOEL's program ID, as contained in the FY 2021 - 2023 Executive Biennium Budget.

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 Early Learning Board supports the Legislature's goal of expanding access to early learning and the requests of the Executive Office on Early Learning with respect to HB 200, H.D. 1.

The proposed EDN700 budget reflects a total reduction of \$4,549,472 and attempts to mitigate as much impact to families and children as possible.

In addition, the Early Learning Board supports the following requests of EOEL:

- 1. \$249,239 for restoration of funding for seven pre - Kindergarten classroom teaching positions.** The 7 positions listed are existing positions located in seven classrooms which have been in operation since at least SY 2019 - 20. Because of vacancies, these positions were cut in the 2020 session but were later restored without funding. One Teacher and one Educational Assistant per classroom are necessary pursuant to Hawaii Revised Statute § 302L - 7 (2018)).

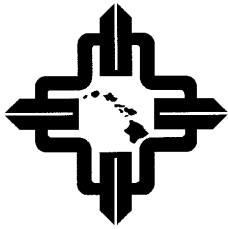
This also addresses current health and safety guidelines to address COVID - 19 pursuant to DHS and CDC. These classrooms allow the EOEL Public Prekindergarten Program to serve more than 100 students and their families. The classrooms impacted are a core service essential to reopening the economy as they allow families to return to work and sustain financial security. These schools are in high - need areas where there are no or few other providers (e.g, Hawai'i Island)), and

classroom closure means greater reduced access for families in these areas. **Ensuring these positions are funded will prevent a similar crisis faced during the 2020 legislative session in the school community and for families.** Schools and families are unable to operate in a state of uncertainty about funding for these classrooms year after year, especially when enrollment for families must begin the spring prior, and particularly at a time when families are worrying about mitigating financial impacts and their ability to return to work.

**2. 2.00 permanent FTE counts for appropriated positions in existing pre - Kindergarten classrooms.** The allocation of two permanent 1.00 FTE positions (1 Teacher and 1 Educational Assistant)) is required for an existing prekindergarten classroom. These are direct instructional staff positions funded through Act 276, SLH 2019, but without the position counts. The allocation of these positions strengthens the State's investment and commitment to the implementation of the Early Childhood State Plan and reflects the Governor's and Legislature's joint effort in the 2020 session to prioritize increased access to early learning.

Should the proposed budget reductions and the two additional requests be adopted, it would adjust EOEL's budget to reflect a total of \$5,873,354 and would not impact the direct services EOEL currently provides directly to families and children. We respectfully request the legislature adopt the reductions and requests for EDN700 as reflected in HB 200, H.D. 1.

Thank you for the opportunity to testify on this bill.



## **HAWAII HEALTH SYSTEMS**

C O R P O R A T I O N

*Quality Healthcare For All*

### **SENATE COMMITTEE ON WAYS and MEANS**

March 29, 2021

9:00 a.m.

Via Videoconference

**Testimony in Support with Requested Amendments of  
House Bill 200, H.D.1  
RELATING TO THE STATE BUDGET  
Appropriates funds for the operating and capital improvement budget of the  
Executive Branch for fiscal years 2021-2022 and 2022-2023.**

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 amendments** of H.B. 200, H.D.1.

Hawaii Health Systems Corporation (HHSC) plays a vital role in the healthcare delivery system for the State of Hawaii. In fiscal year 2020, HHSC's acute discharges for the four HHSC regions were 13,599, which accounts for approximately 12% of all acute care discharges in the State of Hawaii. In fiscal year 2020, HHSC's emergency department visits for the four HHSC regions were 80,288, representing approximately 18.3% of all emergency department visits statewide.

The impact of HHSC's facilities on the neighbor islands is even more impressive:

- For residents of the County of Hawaii, HHSC's facilities cared for 73% of all acute care discharges and 84% of all emergency department visits.
- For residents of the County of Kauai, HHSC's facilities cared for approximately 22% of all acute care discharges and 37% of all emergency department visits.
- 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.

#### **Coronavirus Impacts**

3675 KILAUEA AVENUE • HONOLULU, HAWAII 96816 • PHONE: (808) 733-4020 • FAX: (808) 733-4028

In fiscal year 2020, the Coronavirus pandemic had a tremendous impact on HHSC's operations. The Coronavirus started its spread in Hawaii in the second half of March 2020, and spread quickly from that point on. The Governor quickly issued a series of "stay-at-home" emergency proclamations that required a shut-down of non-essential businesses and arriving trans-Pacific passengers to quarantine for a minimum of 14 days. The effect of these emergency proclamations was a crippling of Hawaii's economy, with many businesses forced to close, causing unemployment rates to rise to unprecedented levels, going from a pre-Coronavirus level of 2.4% up to a high of 23.8%. In addition, people were encouraged to stay at home and practice "social distancing," which resulted in further slowdowns even for those businesses that remained open. This had a tremendous impact on HHSC's facilities, as the combined effect of people complying with the stay-at-home order, people choosing to defer medical care due to financial hardship, the cancellation of elective surgeries and other procedures to comply with Center for Disease Control guidelines, and the lack of visitors to Hawaii caused a significant drop in patient volumes. For the period from March 2020 through June 2020, acute care discharges dropped 12% as compared to the period from March 2019 through June 2019. The biggest impact was seen in emergency room visits, as emergency room visits for the period from March 2020 through June 2020 decreased over 34% as compared to the period from March 2019 through June 2019. These declines in patient volume resulted in a decrease in net patient service revenues of \$19.9 million from the period between March 2019 through June 2019 as compared to the period between March 2020 and June 2020. Besides the drop in patient revenues as a result of these volume decreases, HHSC's facilities also incurred almost \$2.8 million in expenses during fiscal year 2020 specifically related to additional labor, equipment, supplies, and personal protective equipment to prepare for and treat the Coronavirus outbreak in Hawaii.

To mitigate the negative impacts of the Coronavirus pandemic on its facilities, HHSC aggressively sought after federal funding for Coronavirus relief. During fiscal year 2020, HHSC applied for and received over \$45 million in Health & Human Services Provider Relief Fund grants. HHSC also applied for and received almost \$20 million in Small Business Association Paycheck Protection Program (PPP) loans. The PPP loans contain a provision for forgiveness of the loans, and HHSC has already applied to the Small Business Administration for forgiveness. Two of HHSC's regions also applied for approximately \$14.4 million in advance payments from Medicare. Under this program, repayment for the advance payments will be delayed until one year after the advance payment was issued; after that, repayment will be recouped over a maximum period of 29 months, after which the remaining balance must be paid in full subject to an interest rate of four percent.

For HTH212, HHSC Regions, HHSC is requesting a total of \$206,410,003 for fiscal year 2022 and \$203,737,003 for fiscal year 2023 in general fund appropriations, broken down as follows:

**JUSTIFICATION FOR ADDITIONAL FUNDING REQUEST:**

	<b>FY 22</b>	<b>FY 23</b>
<b>General Fund Appropriation Base</b>	<b>\$105,701,003</b>	<b>\$105,701,003</b>
<b>HHSC “Base” General Fund Request:</b>		
Prior Collective Bargaining Raises from FY 18-19 for which roll-forward funding was not provided	\$24,080,000	\$24,080,000
Prior Collective Bargaining Raises from FY 20-21 for which roll-forward funding was not provided	\$30,608,000	\$30,608,000
Inflation (Net of Revenue Increases)	\$2,691,000	\$2,959,000
Net Income Generating Initiatives	\$(1,698,000)	\$(4,655,000)
Savings in Fringe Benefit Rate (51% vs. 60%)	\$(18,782,000)	\$(18,782,000)
Lost Revenue from COVID-19	\$63,810,000	\$63,826,000
<b>TOTAL HHSC “BASE” ADDITIONAL REQUEST</b>	<b>\$100,709,000</b>	<b>\$98,036,000</b>
<b>TOTAL GENERAL FUND BASE APPROPRIATION REQUEST</b>	<b>\$206,410,003</b>	<b>\$203,737,003</b>

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 years 2022 and 2023, as such adjustments were marked as “non-recurring” in the 2020 State Budget. 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 (including fringe benefits) that is included in HHSC’s expense base is approximately \$24,080,000. In addition, during the 2019 and 2020 Legislative Sessions, the State negotiated further pay raises as part of the collective bargaining agreements with the two public sector unions. Again, HHSC did not approve nor negotiate these raises. HHSC’s calculated cumulative value of these raises is that is included in HHSC’s expense base is \$30,608,000. This brings the total unfunded amount of collective bargaining raises included in HHSC’s expense base to \$54,688,000. However, this impact is mitigated by the fact that the State plans to assess HHSC a fringe benefit rate of approximately 51% in fiscal years 2022 and 2023, primarily due to the suspension of the requirement to fund the annual required contribution for the retiree health insurance liability. This results in a savings to HHSC each year of \$18,782,000. The largest item that requires funding is the estimated lost revenue as a result of COVID-19 of approximately \$63,800,000 each year. This estimate was built on the presumption that inpatient revenues will reach a maximum of 90% of pre-COVID-19 levels, with outpatient and Emergency Department revenues remaining at approximately 60% to 90% of pre-COVID-19 levels. This is consistent with what HHSC has experienced since the height of the COVID-19 pandemic in April 2020.



None of these items were funded in HHSC's base general fund appropriation amount of \$105,701,003.

It is important to note that at the time these requests were prepared, it was assumed that no further funding for hospitals would come from the federal government in terms of Coronavirus relief, as Congress and the President had not yet passed any further Coronavirus relief packages. With the recent passage of the new relief package, HHSC is currently evaluating the funding available in this package to see if there are any funds available to offset HHSC's lost revenue amounts.

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.

It should also be noted that the Governor has submitted Admin bills for Coronavirus funding which includes \$31,900,000 in general fund appropriations in FY 2022 to cover HHSC lost revenues as a result of the Coronavirus, now contained in S.B. 266, SD2, HD1 as the vehicle for that discussion.

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.**

**Testimony in SUPPORT of HB 200 HD1  
RELATING TO THE STATE BUDGET**

Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair

**SENATE WAYS AND MEANS COMMITTEE**

Hearing Date: 3/29/2021

Room Number: 211

Dear Senator Dela Cruz, Senator Keith-Agaran and Members of the Committee:

On behalf of the Hawai'i Coalition for Immigrant Rights (HCIR), we are writing to express our strong support for the Hawai'i Civil Rights Commission (HCRC), the Office of Language Access (OLA), and the Office of Community Services (OCS). We respectfully urge you to adopt the funding positions taken in HB200, HD1 to support these administratively attached agencies.

- **Hawai'i Civil Rights Commission (LBR -153):** The HCRC is the only state agency where anyone who believes they have suffered from discrimination in their place of employment, in housing, or in a place of public accommodation can seek vindication of their rights under state law. It is the only effective means of pursuing justice for those who cannot afford a private attorney.

HB200, HD1 substantially maintains HCRC's pre-pandemic budget and appears to eliminate only a recently established, but unfilled position. By contrast, the Governor's budget proposed the elimination of 2 investigator positions in the HCRC's budget in addition to imposing a hiring freeze on two existing vacant investigator positions. The loss of these positions would have crippled the HCRC – it would have required the remaining 4 investigators to process, investigate, and determine cause in over 4,000 estimated annual inquiries, complaint intakes and formal complaints. The Governor's proposed budget would have rendered the HCRC beyond repair for years to come.

We support HB200, HD1, because it recognizes the irreplaceable harm that drastic cuts to the HCRC would have on civil rights, particularly for our most vulnerable populations, in Hawai'i.

- **Office of Language Access (HTH – 908):** Created by Legislature in 2006, the Office of Language Access (OLA) was a bold step that reaffirmed Hawai'i's commitment to Civil Rights and inclusive access to services regardless of national origin. OLA works to eliminate language disparities for Hawai'i's LEP residents and enhance language access resources for state entities. During the Pandemic, in order to address communication gaps left by other agencies, OLA created 19 different COVID-19-related educational handouts and translated them to the 16 most common languages in Hawai'i. OLA broadcasted these handouts to immigrant leaders and soon became a key source of information in the community-led education efforts to defeat COVID-19. OLA also continues to work in coordination with the Department of Health,

Community Health Centers and other non-profits to vaccinate Native Hawaiians, Pacific Islanders, and limited English proficient residents.

HB200, HD1 restores OLA's budget and appears to restore its status as an administratively attached agency. By contrast, the Governor's budget proposed to eliminate OLA's status as an independent agency, place OLA under the Department of Health Program Office, zero out funding for operating costs, and eliminate OLA's two most senior positions leaving only a secretarial position and 2 program specialist positions. The Governor's budget would have undermined OLA's very existence during this critical moment in the pandemic.

We support HB200, HD1, because maintaining OLA's budget and independence is necessary to address racial disparities and keep all of Hawai'i healthy as we carve a path forward for Hawai'i's future.

- **Office of Community Services (LBR- 903):** OCS was established by the Legislature in 1985 to assist low-income individuals and families, refugees, and immigrants so they can live healthier lives, achieve greater economic self-sufficiency, and increase their contributions to the state. OCS provides millions of federal and state dollars and oversight to low-income communities for food, health services, and employment services including: the statewide system of foodbanks, the Emergency Food Assistance Program (TEFAP), funding for the Senior Farmers' Market Nutrition Program and the Commodity Supplemental Food Program. In Fiscal Year 2020, OCS managed a portfolio of 92 state grants in-aid totaling more than \$25.6 million, of which approximately \$23.8 million was for capital improvement projects and \$1.8 million was for operating grants. OCS also administered a state-funded employment services program to Hawai'i's low-income individuals and legal permanent residents gain employment skills, find, and retain jobs.

HB200, HD1 essentially maintains OCS's pre-pandemic budget. By contrast, the Governor's budget proposed the elimination of 4.5 positions (which equates to abolition of 5 positions). This would have had severe impacts on the administration of both federal- and state-funded programs administered by OCS, and the state would not have been able to obtain or adequately administer millions of dollars of funds to serve low-income individuals and families.

We support HB200, HD1, because the myriad of essential programs administered by OCS's experienced staff are crucial for our community as we seek to recover economically from the COVID-19 pandemic.

Thank you for your continuing support and the opportunity to testify on HB200, HD1.

Sincerely,

Catherine Chen, Co-Chair Hawai'i Coalition for Immigrant Rights

Liza Ryan Gill, Co-Chair Hawai'i Coalition for Immigrant Rights

**HB-200-HD-1**

Submitted on: 3/27/2021 7:24:01 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Chanel Wahinepio	Testifying for o ke kai kaâ€™u laâ€™au lapaâ€™au	Oppose	No

Comments:

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Committee on Ways and Means:

I am writing on behalf of our organization to respectfully request that the language in measure HB200 HD1 be removed and replaced with the language in Senate Bill SB1229 because it **marginalizes and discriminates against our specific developmental disability community.**

We strongly oppose HB200 HD1 because removing HTH501 will dissolve our Developmental Disabilities Division. It has no budget transparency and no plan shared with the stakeholders. We want to **delay any decision** until the community and parents can review and comment on this proposed complete reorganization.

We **do not** want this funding rolled into general state money under the Administration of Behavioral Health with Eddie Mersereau and Dr. Char at The Department of Health. There is **no transparent plan and no budget** for the services for the population that the DD waiver program covers.

No one contacted the community, parents, agencies, or the Advocacy groups. If there was a presentation shown to the senate finance committee, **none of us parents were able to see it or comment on it.**

On a personal note, I have a 13 y.o. son with severe Autism who needs 24-hour supervision while I am at work. He receives services from the DD division to help him remain safe at home/ in the community and to develop skills to be a functional part of society. What will happen to my son if his services are cut? What will happen to others who depend on DD services? How will this affect their caregivers and families?

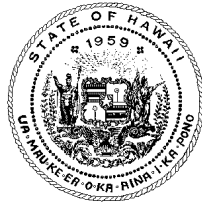
Mahalo for considering our request to **remove the language in measure HB200 HD1 and replace it with the language in Senate Bill SB1229.**

Respectfully Yours,

Chanel W. Wahinepio

Director of o ke kai ka'u la'au lapa'au

DAVID Y. IGE  
GOVERNOR



MARTHA ROSS  
Chair

CLIFTON Y.S. CHOY  
Commissioner

SANDRA JOY EASTLACK  
Commissioner

PAMELA FERGUSON-BREY  
Executive Director

STATE OF HAWAII  
**CRIME VICTIM COMPENSATION  
COMMISSION**

1164 Bishop Street, Suite 1530  
Honolulu, Hawai'i 96813  
Telephone: 808 587-1143  
Fax: 808 587-1146

TESTIMONY ON HB 200, HD1  
RELATING TO THE STATE BUDGET  
by

Pamela Ferguson-Brey, Executive Director  
Crime Victim Compensation Commission

Senate Committee on Ways and Means  
Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair

Monday, March 29, 2021; 9:00 AM  
Via Videoconference

Good morning Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Committee on Ways and Means. Thank you for providing the Crime Victim Compensation Commission (Commission) with the opportunity to testify in strong opposition to the elimination of the \$676,222.00 one-year general fund appropriation for the Commission in House Bill 200, HD1. The Commission's Compensation Program will close next fiscal year without this emergency infusion of funds and the safety net (in place for victims' needs such as medical care, trauma counseling, funeral and burial costs, plus) that the Commission currently provides to victims of violent crime will vanish.

Hawai'i will become the only state in the nation without a crime victim compensation program and compensation will no longer be available for Hawai'i's violent crime victims.

Background:

The Hawai'i State Legislature established the Crime Victim Compensation Commission in 1967 as a safety net for violent crime victims. The Commission assists victims of violent crimes with medical costs, counseling costs, lost wages, and funeral and burial expenses not covered by other sources. Many victims would not be able to receive rehabilitation services, counseling services, or bury a loved one without compensation awarded by the Commission. The Commission was only the third organization of its kind in the country when it was established; today, all 50 states have a compensation program.

The Commission has processed well over 30,000 victim applications and has awarded over thirty-one million dollars (\$31,000,000.00) in compensation to violent crime victims for medical, dental, and mental health expenses, lost earnings, and funeral and burial expenses. In addition,

the Commission has saved crime victims over two million six hundred thousand dollars (\$2,600,000.00) in medical expenses for services sought for their crime-related injuries (by negotiating with providers to accept reduced payments).

The Commission plays a key role in coordinating the victim service response in case of a mass casualty incident and is the conduit for federal Anti-Terrorism and Emergency Assistance Program (AEAP) funds for victim compensation to the state. The Department of Justice's Office for Victims of Crime recently recognized the Commission's Mass Violence Response Plan on its website as a model plan. The Commission continues to work with and provide training to state and county emergency management agencies to ensure that victim services are included in their response plans for mass casualty incidents to ensure that victims and survivors receive the support and assistance they need. The Commission responded to and provided compensation assistance to the victims and survivors of two recent incidents in Hawai'i – the Pearl Harbor Naval Base shooting in December 2019 and the Hibiscus Drive incident in January 2020.

#### Funding Shortfall:

In 1998, the legislature established the Commission's special fund and created the compensation fee to act as the primary source of funding for the Commission and to eliminate the need for general funds. No state general funds have been appropriated for victim compensation since FY 2003, and the Commission has been funded solely from non-tax revenue, primarily the compensation fee, and matching federal Victims of Crime Act (VOCA) funds.

While the legislature created the compensation fee to act as the funding source for the Commission, over the years falling revenue collections caused by the failure of judges to order the compensation fee in all eligible cases has resulted in significant compensation fee revenue shortfalls for the Commission.

Concerns about compensation fee revenue shortfalls brought about by judges failing to order the compensation fee in all eligible cases and the resulting negative impact on the financial stability of the Commission have been the subject of the Commission's budget testimony and annual report every year. The compensation fee collection shortfalls over the years have effectively deprived the Commission of the funding reserve it needs to survive the pandemic. In addition, the current pandemic-related court closures have further severely limited the Judiciary's compensation fee collections. The Commission has again reached out to the Judiciary to request that judges follow the statute and order the compensation fee in all eligible cases, and the Judiciary has committed to address the shortfall in compensation fee collections.

The Commission has done everything possible to reduce its expenses to the bone. Only half of the Commission's compensation positions are currently filled. Benefits for crime victims and their survivors have been limited and reduced. Additionally, the Commission has, for some time, routinely requested that medical providers accept reduced payments from the Commission as payment in full for the services rendered to uninsured violent crime victims.

Without the infusion of general funds, the Commission's Compensation Program will close next fiscal year and violent crime victims in Hawai'i will have nowhere to turn for help with their crime-related medical, dental, and mental health expenses and lost earnings nor will there be

assistance for funeral expenses available to bury a loved one killed in a violent crime incident. The safety net that the Commission provides to the community will be gone.

Thank you for providing the Commission with the opportunity to testify in strong opposition to the elimination of the \$676,222.00 one-year general fund appropriation to the Commission for compensation to assist violent crime victims. The Commission requests that in addition to the funding being reinstated into the budget, because the Commission is special funded, the following provision be included to enable the Commission to expend the general funds: *That the general fund appropriation be deposited as a cash infusion into the crime victim compensation special fund for the payroll and operations of the crime victim compensation commission.*



**HB-200-HD-1**

Submitted on: 3/27/2021 8:40:11 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Cynthia Bartlett	Testifying for Hawaii Autism Foundation	Oppose	No

Comments:

Hawaii Autism Foundation supports autistic children and adults throughout Hawaii and is continually monitoring for needs and services which allow them to be a productive member of our society, have jobs and thrive. **We strongly oppose HB200 HD1 which would eliminate HTH501, an entire division called the Developmental Disabilities Division (DDD) which serves people with intellectual and/or developmental disabilities (I/DD).**

This division has a singular focus on the needs of Hawaii's DD and I/DD population. **This vulnerable population suffered injustice and inequity for many years in Hawaii.** They were locked away here in our state and incorrectly identified as mentally ill and hopeless when they were not. **They were silently oppressed and excluded. Marginalized behind closed doors where the public was mostly unaware.**

**The DDD funded by HTH501 currently focuses on this population.** They develop and monitor individualized service plans and community engagement and track fiscal budgets and outcomes. This specialized monitoring is what keeps the progressive gains moving forward for this population. Losing this dedicated and focused division would be an even worse injustice.

HB200 HD1 would dissolve the division and merge funds and administration personnel into the more broad **Administration of Behavioral Health which serves a completely different need. Behavioral Health serves substance abuse and mental illness. The systems are fundamentally different and serve vastly different needs.**

**I/DD persons are NOT mentally ill and do not need a heavily medical model or a model of recovery. They need more lifetime support.**

This reorganization might look practical on paper but this closure would result in reduced coordination and accountability across case management, community resources, outcomes and compliance, and further harm our already vulnerable and marginalized persons.

**We ask that the language in measure HB200 HD1 be removed and replaced with the language in Senate Bill SB1229. Thank you.**

DAVID Y. IGE  
GOVERNOR OF HAWAII



ELIZABETH A. CHAR, M.D.  
DIRECTOR OF HEALTH

**STATE OF HAWAII**  
STATE COUNCIL  
ON DEVELOPMENTAL DISABILITIES  
PRINCESS VICTORIA KAMĀMALU BUILDING  
1010 RICHARDS STREET, Room 122  
HONOLULU, HAWAII 96813  
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543  
March 29, 2021

The Honorable Donovan Dela Cruz, Chair  
Senate Committee on Ways and Means  
Thirty-First Legislature  
State Capitol  
State of Hawaii  
Honolulu, Hawaii 96813

Dear Senator Dela Cruz and Members of the Committee:

SUBJECT: HB 200 HD1 – RELATING TO THE STATE BUDGET

The position and views expressed in this testimony do not represent nor reflect the position and views of the Department of Health (DOH).

The State Council on Developmental Disabilities (DD) **DOES NOT SUPPORT HB 200 HD1 specifically for HTH 501.**

We bring to your attention the recommendations made to HTH501 (the Developmental Disabilities (DD) Division) budget by the House Finance Committee. The House version of the Executive Biennium Budget in HB 200 HD1 essentially dissolves the DD system. This is very alarming to us. We do not know of any state who hasn't cut services to individuals with intellectual and developmental disabilities (I/DD) after they dissolved their DD system. By trend, once these states dissolved their DD system, they rolled their Home and Community Based Services, Medicaid Waiver program, into managed care, cutting services for individuals with I/DD even further.

We are also concerned with the lack of transparency from the Department of Health. The reorganization plan for their Behavioral Health Administration was not vetted or shared with self-advocates, their families, providers, agencies, or community stakeholders. Therefore, we do not know what the potential impact would be to individuals with I/DD. For these reasons we respectfully request HTH501 be restored as it was in the initial HB200.

Thank you for the opportunity to provide testimony opposing HB 200 HD1, specifically for HTH 501.

Sincerely,

A handwritten signature in blue ink that reads "Daintry Bartoldus".

Daintry Bartoldus, Executive Administrator

TO: Senate Committee on Ways and Means

FROM: Katy Chen, President/CEO  
Emily Lau, Vice President of Mission Services  
Kevin Bardsley-Marcial, Director of Intellectual Disability Services

DATE: March 29, 2021, 9:00 am  
Via Videoconference

RE: Testimony on HB 200 HD 1  
Relating to the State Budget

POSITION: Request to defer HTH 501 in HB 200 HD1

Chair Dela Cruz, Vice Chair Keith-Aragan, and Members of the Ways and Means Committee,

Thank you for the opportunity to submit testimony on this bill and provide comments on HB 200, HD1, relating to The State Budget.

We are writing on behalf of Goodwill Hawaii, a non-profit organization serving people with intellectual and developmental disabilities for over 60 years in the state of Hawai'i. We want to request a deferment on the budget bill HB 200, HD1 so that we may properly provide some comments to this bill, specifically regarding the funding to HTH 501 about Developmental Disabilities Division (DDD).

Goodwill Hawaii is a current provider of the Home & Community-Based (HCBS) Medicaid Waiver services and Long-term Adult and Support and Resources (LASR) Services, helping people with intellectual/developmental disabilities increase skills, build relations, access the communities, and develop independence. We serve over 300 people with intellectual/developmental disabilities annually. DDD currently handles the H&CBS Wavier and LASR service contracts. Goodwill works with DDD closely to make sure the best services are provided to the people we serve. The sudden significant reduction in budget to DDD in HB 200, HD1 was a surprise to us. The huge reduction indicates a major reorganization of DDD that we and the people we serve were not aware of. We are concerned about the impact the reorganization will have on the HCBS Medicaid Waiver Program and the services to people with intellectual and developmental disabilities. As a service provider, we represent the interest of the people we serve. We need to make sure any changes will not negatively affect them. Since we have heard nothing about the reorganization, we do not know the reasoning and the rationale behind it. We want to be given the opportunity to understand the reduction and to provide input and comments to it. We also think the people we serve, their families, and advocates, should also have opportunities to give input and feedback to the proposed reorganization.

We understand that time is of essence. **We respectfully request that the committee defer this bill for a few days** to give the Department of Health (DOH) time to present and discuss the reorganization with stakeholders so we can understand the impact and provide feedback.

Thank you for the opportunity to comment and thank you for your time and consideration.

Sincerely,

Katy Chen  
President/CEO

Emily Lau  
Vice President of Mission Services

Kevin Bardsley-Marcial  
Director of Intellectual Disability Services

Executive Director  
Cindy Shimomi-Saito

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Nadine Tenn Salle, M.D.

Joshua A. Wisch

**Date:** March 28, 2021

**To:** The Honorable Donovan Dela Cruz, Chair  
The Honorable Gil Keith-Agaran, Vice Chair  
Senate Committee on Ways & Means

**From:** Cindy Shimomi-Saito, Executive Director  
The Sex Abuse Treatment Center  
A Program of Kapi'olani Medical Center for Women & Children

**RE:** Comments regarding HB 200 HD1, Relating to the State Budget

**Hearing:** Monday, March 30, 2021, Via videoconference

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

The Sex Abuse Treatment Center (SATC) submits the following comments regarding HB 200 HD1, Relating to the State Budget.

The Sex Abuse Treatment Center (SATC) is very appreciative of the support received from the legislature thus far; we respectfully ask for continued understanding of the need for funding restoration of \$714,000 to ensure 24/7 crisis services for victims of sexual assault.

We also respectfully ask for your consideration in reinstating the \$676,222 in general funds needed by the Crime Victim Compensation Commission (CVCC) to keep its doors open. The CVCC is a vital part of the recovery of many victims, including those seen at the SATC, as it can help to mitigate the physical, mental, and financial impacts of victimization. Last year alone, the CVCC supported 279 clinical service hours at the SATC which equates to approximately 9% of direct service therapy hours provided; the assistance was provided to those who did not have access to health insurance, or who were unable to cover insurance co-payments. The CVCC serves as an important safety net for sexual assault victims, and all victims of violent crimes; reinstatement of the funds would maintain this critical program.

Thank you for the opportunity to provide testimony.



Hawaii  
**Children's Action Network Speaks!**  
Building a unified voice for Hawaii's children

*Hawai'i Children's Action Network Speaks! is a nonpartisan 501c4 nonprofit committed to advocating for children and their families. Our core issues are safety, health, and education.*

To: Senator Dela Cruz, Chair  
Senator Keith-Agaran, Vice Chair  
Senate Committee on Ways and Means

Re: **HB 200 HD1- Relating to the state budget**  
9:00AM, March 29, 2021

Chair Dela Cruz, Vice Chair Keith-Agaran, and committee members,

On behalf of HCAN Speaks!, thank you for the opportunity to provide comments on House Bill 200 HD1, relating to the state budget.

It is no easy task to balance the budget after the devastating year our state has endured. We acknowledge the difficult decisions that must be made and thank you for working to restore and preserve services and programs to our most vulnerable communities. Cutting programs and services during an economic downturn harms our families and prolongs our weakened economic state. To avoid cuts, the state should adopt progressive revenue raising measures that can also help right our unequal tax system.

### **Specific Programs Requests**

#### HMS 305

- We request the budget for HMS 305 be restored to previous years' amount. The current draft of the budget bill funds the Preschool Open Doors (POD) program through federal funds, which may enforce different eligibility standards and will make POD duplicative to other child care subsidies. We are requesting the program be funded through ARPA funds or general funds so the integrity of the program can be preserved. Additionally, we request the budget of HMS 302 be maintained so the state can continue the much-needed child care services it supports. There will be no economic recovery without child care.
- Preschool Open Doors is a state funded program with the purpose to provide early childhood services to low- and moderate- income families that contribute to school readiness by providing up to a year of experience in a preschool program prior to the child entering kindergarten.
- The eligibility requirements for Preschool Open Doors (POD) are less restrictive and able to serve families ineligible for the other child care subsidy, Child Care Connect Hawaii.
- Preschool Open Doors is one the ways Act 46 (2020) will expand preschool opportunities to underserved children. Act 46 set the goal of having 50% of all underserved children having access to a program by 2027. Cutting POD now risks the state's ability to meet that goal and its larger goal of serving all underserved children by 2032.
- POD served 1,441 children in FY 2020.

#### HTH 560 POS Contracts for Early Intervention Services



## Hawaii

# Children's Action Network Speaks!

Building a unified voice for Hawaii's children

- Proposed budget: -\$1,292,018
- Early Intervention Services (EIS) contracts provide services to a child who has a delay in development or is at-risk of developing a delay. EIS services cover 5 domain areas: physical, cognitive, communication, social or emotional, and adaptive.
- In fiscal year 2019, service providers saw over 1,700 children across the state.
- Children who participate in EIS have shown to make positive progress in all of the domain areas and families benefit from understanding their role and rights to assist their child. EIS are critical to help children and families integrate into future environments, including academic, community and employment. Without these services, children will not reach their full potential.

### EDN 600 and EDN 612

- We support the restoration of the Charter schools' budget for this fiscal year and restoring the base funding for the next budget biennium. Without a restoration of funding the schools may have to serve less children which would further impact our keiki.

### EDN 700

- We support the Executive Office on Early Learning's budget as presented in the budget draft. EOEL is statutorily responsible for the overall development of the State's early childhood system to ensure a spectrum of high-quality development and learning opportunities for children throughout the State, from prenatal care to kindergarten. It is imperative that the state continue to fund EOEL at its requested level so that we continue to build out and strengthen our early childhood system.

### Positions

- HMS 301  
Child Protective Services (CPS) positions were cut or had their financing altered and that will impact the state's ability to investigate and assist families involved in CPS. Beyond the harm that will occur in our community, the delay in processing may also impact federal funding through the Family First Services Prevention Act, which requires states act in a "timely" manner.
- HMS 302  
The unfunded positions in the Child Care Programs Office jeopardizes the health and safety of children in regulated care and undermines the Office's ability to move funding to families and providers. The state will receive over \$100M through the Child Care Development Block grant due to the federal aid packages. For the state to meet the requirements of the funding and ensure it is used effectively and efficiently, the CCPO must have the staff to do so.
- HTH 560  
Permanent Registered Nurse IV #38232  
This position is the clinical support for children with special needs. This position is currently filled and serving children and their families in our community. Without this position, children and families will be underserved and potentially harmed from the lack of clinical support that is not available elsewhere.



— H a w a i i —  
**Children's Action Network Speaks!**  
**Building a unified voice for Hawaii's children**

Programs that serve our communities and families, like our family violence prevention and intervention programs or early intervention programs, have already seen a reduction in their budgets for this current fiscal year. Restoration of funding for these critical services should be restored and maintained in the future as our community begins to heal after the impact of the pandemic.

**For these reasons, HCAN Speaks! respectfully requests that your committee vote to pass this bill and act in accordance of the requests above.**

Kathleen Algire  
Director of Early Learning and Health Policy



**HB-200-HD-1**

Submitted on: 3/28/2021 2:29:35 AM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kristen Alice	Testifying for HOPE Services Hawai'i	Comments	No

Comments:

Hope Services will provide comments via oral testimony.

**Testimony of The Nature Conservancy  
Comments on HB 200 HD1, RELATING TO THE STATE BUDGET.**

**Committee on Ways and Means  
Monday, March 29, 2021, 9:00 AM  
Conference Room 211 Via Teleconference**

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

The Nature Conservancy (TNC) supports funding for the Department of Land and Natural Resources (DLNR) to enhance, protect, conserve and manage Hawai'i's natural resources.

TNC is opposed to the proposed reductions from the DLNR budget request for LNR407 CIP. These funds provide critical funding for the protective (animal exclusion) fencing that provides long-term conservation of watershed forests statewide. Fencing keeps forests healthy so they can withstand long term climate changes or episodic threats like Rapid 'Ōhi'a Death (ROD). Some sites where unfenced forests are being damaged by ungulates have 40-115 times more ROD-suspected mortality than adjacent fenced forests. Additionally, protection helps reduce erosion, prevent extinction of endangered species, increase carbon storage in native forests, and protect Hawai'i's fresh water. Continuing investment in this vital resource will have immense long-term impacts for our forests and far beyond.

TNC supports and appreciates proposed investments in aquatic resources under line LNR153, LNR403, and LNR805. These investments in programs to support our marine and coastal resources will ensure that the reefs that line our coasts, which are environmental, economic, recreational, and cultural treasures, will continue to support our island lifestyle and livelihoods. Each year, our reefs provide flood protection to people, property, and jobs valued at more than \$836 million, support nearshore fisheries worth \$13.4 million, and contribute more than \$1.2 billion through reef-related tourism to the state's economy. We must continue to make the vital investments to protect and sustainably manage our aquatic resources.

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

Mahalo for the opportunity to provide comments on HB 200 HD1.

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*The Nature Conservancy of Hawai'i is a non-profit organization dedicated to the preservation of the lands and waters upon which all life depends. The Conservancy has helped protect more than 200,000 acres of natural lands in Hawai'i and Palmyra Atoll. We manage 40,000 acres in 13 nature preserves and work in over 50 coastal communities to help protect and restore the nearshore reefs and fisheries of the main Hawaiian Islands. We forge partnerships with government, private parties, and communities to protect forests and coral reefs for their ecological values and for the many benefits they provide to people.*

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## of Hawaii

To: Hawaii State Senate Committee on Ways and Means

Hearing Date/Time: Monday March 29, 9AM

Re: HB200 HD1

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

Members of AAUW of Hawaii thank you for this opportunity to testify with comment for HB200 HD1 which appropriates state funds for fiscal years 2021-2022 and 2022-2023.

We request that \$6.9M in HMS 305 be funded through state general funds. The Preschool Open Doors (POD) program served over 1400 children during the year 2020, providing much needed care to low and moderate income families. The current draft of the budget bill funds POD using federal funds which may compromise the ability for the program to function as intended.

We also request that the budget of HMS 302 be maintained to provide much needed child care services it supports.

The American Association of University Women (AAUW) of Hawaii is a state-wide organization made up of six branches (Hilo, Honolulu, Kauai, Kona, Maui, and Windward Oahu) and includes over 3800 supporters statewide. As advocates for gender equity, AAUW of Hawaii promotes the economic, social, and physical well-being of all persons.

Please support much needed child care so the parents can fully participate in economic recovery. Thank you for your consideration.

A handwritten signature in blue ink, appearing to read "Younghee Overly".

Younghee Overly

Public Policy Chair, AAUW of Hawaii

publicpolicy-hi@aauw.net



Elder Care 808  
(808) 754-1599  
emelyn@eldercare808.com

March 28, 2021

**Senate Committee on Ways and Means  
Hearing, Monday, March 29, 2021  
Testimony in Opposition to HB 200 HD1**

Dear Members of the Senate Committee on Ways and Means,

Thank you for the opportunity to submit testimony in opposition to HB 200 HD1 because this bill will change how the State Health Planning & Development Agency (SHPDA) is to perform its statutory functions as an independent regulatory agency of the Department of Health (DOH).

My name is Emelyn S. Kim and I have a consulting business, Elder Care 808 that provides counseling and assistance to caregivers of older adults. Also, I am the Chair of the Health Planning Council, West Oahu Subarea (WOSAC). As a volunteer, I believe citizen involvement in government is integral part of a healthy democracy. One of my duties and responsibilities is to assist in the review of the Certificate of Need (CON) applications from service providers and make recommendations as to whether these proposals meet the certificate of need criteria of DOH.

I oppose this bill because it proposes that SHPDA be placed directly under the DOH causing a conflict of interest. DOH is a service provider because it regulates the State Hospital and other medical facilities. Therefore, this bill would jeopardize the independent regulatory nature of requiring or approving CON applications to establish or expand hospitals or other health facilities. DOH should not be allowed to regulate itself.

Respectfully submitted,

A handwritten signature in cursive script that reads "Emelyn S. Kim".

Emelyn S. Kim, MS  
Consultant

Monday, March 30, 2021; 9:00 am  
Via Video Conference

**Senate Committee on Ways and Means**

To: Senator Donovan Dela Cruz, Chair  
Senator Gilbert Keith-Agaran, Vice Chair

From: Michael Robinson  
Vice President, Government Relations & Community Affairs

Re: **Comments on HB 200, HD1  
Relating to The State Budget**

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My name is Michael Robinson, and I am the Vice President of Government Relations & Community Affairs at Hawai'i Pacific Health. Hawai'i Pacific Health is a not-for-profit health care system comprised of its four medical centers – Kapi'olani, Pali Momi, Straub and Wilcox and over 70 locations statewide with a mission of creating a healthier Hawai'i.

HPH writes to provide **comments** on HB 200, HD1. The purpose of this testimony is to address the omission of the budget line item for the State Health Planning and Development Agency (SHPDA). In prior years, SHPDA has had its own line item in the budget under item in the Department of Health budget ("HTH 906"). HB 200, HD1 contains no budget line item supporting SHPDA previously. We request that a line item with adequate funding be inserted into the bill to support SHPDA ("HTH 906") to allow for the requirements of HB 224 HD1 SD1 to be satisfied.

Chapter 323D, Hawaii Revised Statutes (HRS), the Health Planning and Resources Development and Health Care Cost Control Law, was enacted to promote accessibility for all the people of the State to quality health care services at reasonable costs. Among other things, this law established the State Health Planning and Development Agency or SHPDA. The purpose of SHPDA is to "promote accessibility for all the people of the State to quality health care services at reasonable cost.

Under HRS Section 323D-11, the relationship between SHPDA and the Department of Health (DOH) is for "administrative purposes only". Thus, at the time it was created, the legislature intended that SHPDA remain independent of the DOH, maintaining a separation of interests to avoid any potential conflict with the executive branch and the health care provider marketplace. Currently SHPDA's status as an attached entity to the DOH ensures relative independence in its program to promote statewide health planning according to objective principles and guided by community input. However, in the absence of its own budget line item, the separation of interests between SHPDA and the DOH is blurred, leading to an appearance of impropriety and a potential conflict of interest.

SHPDA supports the most economical and efficient use of the health care system and resources through coordinated community planning of new health care services and construction. SHPDA

administers the Certificate of Need Program (CON), implements the Health Services and Facilities Plan, and promotes the sharing of facilities or services by health care providers to achieve economies of scale and restrict unusual costly services. SHPDA is also tasked with preparing the state health services and facilities plan, an important function in the changing climate of health care today. The highly specialized and technical duties SHPDA performs cannot be replicated by another state agency or department. Maintaining the fiscal integrity of SHPDA is vital to addressing the health care needs of our communities and diverse populations.

Faced with responding to significant health issues in the State caused by the COVID-19 pandemic, SHPDA is in the best position with the knowledge and expertise to respond rapidly to the changing environment of healthcare in the State. However, it will be unable to do so without its line item in the budget.

Thank you for the opportunity to testify.

**Monday March 30, 2021 at 9:30 pm**

**Senate Committee on Ways and Means**

To: Senator Donovan Dela Cruz, Chair  
Senator Gilbert Keith-Agaran, Vice Chair

From: Wesley Lo  
Chief Executive Officer  
Ohana Pacific Health/Hale Makua Health Services

Re: **Comments on HB 200, HD1**  
**Relating to the State Budget**

My name is Wesley Lo, and I am the Chief Executive Officer of Ohana Pacific Health and Hale Makua Health Services. We are locally owned and managed post-acute care healthcare provider. Our combined operations represent the largest post-acute care services in the State of Hawaii, and includes over 950 Nursing home beds across all four major islands, as well as a 2 Adult Residential Care Homes, 3 Home Health Agencies, 3 Adult Day Health Agencies and a Care Management Company.

Thank you for the opportunity to provide **comments** on HB 200, HD1.

HB 200, HD1 has omitted the budget line item for the State Health Planning and Development Agency (SHPDA). In prior years, SHPDA has had its own line item in the budget under item no. HTH 906. **We request that a line item with adequate funding be inserted into the DOH budget (“HTH 906”) to allow SHPDA to remain an attached agency as considered in HB 224 HD1 SD1.**

Chapter 323D, Hawaii Revised Statutes (HRS), the Health Planning and Resources Development and Health Care Cost Control Law, was enacted to promote accessibility for all the people of the State to quality health care services at reasonable costs. Among other things, this law established the State Health Planning and Development Agency or SHPDA. The purpose of SHPDA is to “promote accessibility for all the people of the State to quality health care services at reasonable cost”.

SHPDA administers the Certificate of Need Program (CON), implements the Health Services and Facilities Plan, and promotes the sharing of facilities or services by health care providers to achieve economies of scale and restrict unusual costly services. SHPDA is also tasked with preparing the state health services and facilities plan, an important function in the changing climate of health care today.

SHPDA’s role in the planning for the future healthcare delivery system is critical as Healthcare costs across the nation are spiraling out of control, the landscape is dramatically shifting, and the healthcare and economic complexities are increasing exponentially. There are many special interests entering into the market, which are more driven by economic motives as opposed to a “quality healthcare services at a reasonable cost”. The highly specialized and technical duties SHPDA performs cannot be replicated by another state agency or department. Maintaining the fiscal integrity of SHPDA is vital to addressing the health care needs of our communities and diverse populations.

In addition, with the various special interests in this sector, **it is critical that SHPDA maintain its independence and retain its own budget line item (“HTH 906”)** to avoid any potential conflict of interest and ensure that the State continues to “promote accessibility for all the people of the State to quality health care services at reasonable cost”.

Thank you for the opportunity to testify.



Desiree and Aubrey McKenzie  
95-510 Wikao Street G106  
Mililani, Hawaii 96789  
(808) 554-8127

March 28, 2021

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

FR: Desi and Aubrey McKenzie, Hawaii Ambassadors, National Down Syndrome Society

**RE: HB 200, HD 1 Relating to State Budget**  
**Hearing Date: Monday, March 29, 2021**  
**Time: 9:00 a.m.**  
**Place: Videoconference, We wish to Testify**

POSITION: Strongly Oppose

My name is Desi McKenzie and I am here to speak on behalf of my daughter, Aubrey McKenzie, age 22, who like myself, is a voting stakeholder and constituent of Senator Dela Cruz. Aubrey happens to have multiple disabilities. In two days, she and myself, her single Mother, will have been homebound for a year as a result of the COVID-19 pandemic--without adequate supports which should be provided to our family by her Medicaid Waiver through the HI DOH Developmental Disabilities Division.

It was absolutely devastating to receive an email from the HI DOH DDD division this past Thursday evening, after the close of business on the last business day of the week, with the subject line "HB200 HD1 Elimination of the DD Division. Unclear as to what will happen with the Waiver Program"—and notice of a hearing to take place at 9:00am on the following business day.

We, stakeholders and constituents, should have been given appropriate notice so that we parents (myself a single parent) of adults and children with disabilities, who are on the front line taking care of our children with extremely high needs—are able to provide meaningful input without placing our children at risk. As I write this email, being my child's only caregiver right now--I am forced to choose between attending to her needs or providing critical stakeholder input.

The disabled population in our state continues to be marginalized, and though our leaders from the top at the HI DOH DDD Division have tried their best on our behalf, there can be no doubt that with the events of the past three days--there appears to be an intentional lack of transparency and stakeholder engagement of the very people who are the most vulnerable in our state.

This is the first time, in almost ten years of advocacy here in the state of Hawai'i that my daughter and I have seen this happen. As a proactive stakeholder and constituent this is an unconscionable breach of trust.

Per my mentors at both the National Down Syndrome Society and the National Down Syndrome Congress our state will be receiving significant funding to support Home and Community Based Services through the American Rescue Plan. Hawai'i has also received funding from the CARES Act.

It should be noted that we have been very proud of our Hawaii Developmental Disabilities Division as Hawaii has been one of the states that others have used as a model.

I sit here deeply concerned that any short-sighted action that would be taken to gut the Hawaii Developmental Disabilities Division without meaningful discussion from all stakeholders, most significantly with those who are on the frontline who will directly be impacted by these actions—will be an egregious mistake which will have long lasting detrimental consequences to your constituents.

I implore you to slow down, and to respect and listen with your head and hearts to ALL the voices of your constituents with disabilities and their families--who so rely even more heavily upon each of you--to do what is pono for them.

Respectfully,

Desi and Aubrey McKenzie, Hawaii NDSS Ambassadors,

**HB-200-HD-1**

Submitted on: 3/28/2021 8:46:05 AM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Robert Childs	Testifying for Immersive Wellness Medicine	Oppose	No

Comments:

**As a practicing doctor in Hawaii for 43 years I have worked with autistic and intellectual and developmental disabilities directly (I/DD). Hawaii has made a lot of progress towards inclusion from the days when they were set aside with little hope. The HTH501 is a separate Department within the DOH with a separate medicaid budget and separate administration that has brought great success to our I/DD Hawaiians.**

**Il have witnessed the work of case managers creating individualized service plans and goals and milestones that are implemented and audited for accuracy and outcomes. This separate division is called the Department of Developmental Disabilities (DDD) is a separate division under HTH501 that supports this group.**

**I oppose HB200 HD1 because it is a reorganization and puts the separate division of DDD at risk of being moved under another larger division and there has not yet been a plan in writing. This process needs input from the community first to determine how any reorganization will affect the I/DD individuals who are now being well served.**

**I ask that the language in measure HB200 HD1 be removed and replaced with the language in Senate Bill SB1229.**

**HB-200-HD-1**

Submitted on: 3/28/2021 8:46:09 AM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Liza Yogi	Testifying for DD Council	Oppose	No

Comments:

As a parent and member of the Developmental Disabilities Council, I am opposing HB200.

We all know that we are a growing population and many have not received proper services.

Capping the expenditures is not realistic and is due to face a destructive effect to our DD community.

As of now, we had budget cuts that affected staffing who are supposedly the guardians of the system that extends the grace and compassion of our administration to the Develpmentally and Disabled individuals. There are many areas of funds that may be capped because they do not directly involve Human lives. We cannot generalize the needs of our people.

If we were to cut or cap the expenditures that are already existing, what will become of the system that is not adequately funded in the future? There will be many who will give up because of overwhelming effects. The burden will be too heavy to bear if they are not supported enough to continue their tasks. Our DD Division needs to have more budget for future needs that are coming in like the aging population of the baby boomers.

You must be selective and careful with the choice of passing a bill such as this!

Sincerely,

Liza TH Yogi



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
Senate Committee on Ways and Means  
March 29, 2021 at 9:00 a.m.

by  
Kalbert K. Young  
Vice President for Budget and Finance/Chief Financial Officer  
and  
Michael Ng  
Director, University Budget Office  
University of Hawai'i System

### HB 200 HD1 – RELATING TO THE STATE BUDGET

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

Thank you for the opportunity to present testimony today on House Bill (HB) 200 House Draft (HD) 1, Relating to the State Budget, which appropriates funds for the operating and capital improvement budget of the Executive branch for fiscal years (FY) 2021-2022 and 2022-2023.

The University of Hawai'i (UH) **supports** this bill and respectfully requests the **restoration of funding** for Athletics that is part of the current UH operating budget and had previously been part of the State Budget.

The biennium budget proposal approved by the Board of Regents (BOR) recognizes the financial condition of the State and does not include any requests for additional general fund appropriations. The BOR request only the restoration of general fund support for the Athletics programs at Mānoa and Hilo and the Hawai'i Promise Program at the Community Colleges. Although these items were in previous base budgets of the Executive Branch and are in the current UH budget, they are not in the current FY21 State operating budget because this money was instead appropriated to UH for FY21 through a separate appropriation act. More detailed comments are below, noting that while the Hawai'i Promise Program for the Community Colleges is funded with federal American Rescue Plan Act funds in HB 200 HD1, Athletics faces a \$4.0 million reduction from current appropriations.

The HD1 of the budget made considerable changes to UH's budget and those changes and a brief statement of the impacts are provided below:

General Fund Reductions Partially Offset with American Rescue Plan Funds

*UOH100 Seq. 60-001, UOH110 Seq. 60-001, UOH210 Seq. 60-001, UOH700 Seq. 60-001, UOH800 Seq. 60-001, UOH900 Seq. 31-001, UOH900 Seq. 60-001*

The House kept the general fund reductions from the Executive Budget request but offset those with American Rescue Plan Funds (“V-Funds”). It appears that the House provided V-Funds in an amount that would cover 80% of the general fund reductions proposed in the Executive Budget for each program ID. While we are never happy to see any reduction to our base budget, we understand the financial constraints and accept that UH, like the rest of State government, must make do with less while Hawai‘i’s economic recovery is still in progress.

We appreciate the support by the House to limit the reductions to the UH budget from those proposed in the Executive Budget, but have a few concerns. The first is that it is unclear whether or not these V-Funds would count as State support for the Maintenance of Effort provision in Section 2004 of the American Rescue Plan:

**SEC. 2004. MAINTENANCE OF EFFORT AND MAINTENANCE OF EQUITY.**

*(a) STATE MAINTENANCE OF EFFORT.—*

*(1) IN GENERAL.—As a condition of receiving funds under section 2001, a State shall maintain support for elementary and secondary education, and for higher education (which shall include State funding to institutions of higher education and State need-based financial aid, and shall not include support for capital projects or for research and development or tuition and fees paid by students), in each of fiscal years 2022 and 2023 at least at the proportional levels of such State’s support for elementary and secondary education and for higher education relative to such State’s overall spending, averaged over fiscal years 2017, 2018, and 2019.*

It may be entirely possible that V-Funds will count as State support. We anticipate that guidance will be forthcoming – it simply is not clear at this point in time. Because Section 2004 governs the Elementary and Secondary School Emergency Relief Fund (ESSER) and other funding for education in the three COVID relief acts, it is important to comply with the maintenance of effort provision.

Additionally, we respectfully request that fringe benefits from salaries paid for by V-Funds be paid for by the State general fund. If the intent is to offload current general fund expenditures by the departments to V-Funds, it is important to note that the fringe benefits costs associated with that payroll amount are already being picked up by the general fund. A similar provision existed in Act 162, Session Laws of Hawai‘i 2009:

SECTION 162. Provided that for the use of Federal Stabilization funds the Department of Education and the University of Hawaii shall not be required to pay

fringe benefit costs to the Department of Budget and Finance.

We again express our appreciation for the support provided by the House in limiting the damage to public higher education in Hawai'i that would be incurred by the proposed reductions in the Executive Budget and want to highlight these considerations.

#### Na Pua No'eau Transfers

*UOH100 Seq. 31-001, UOH210 Seq. 30-001, UOH700 Seq. 30-001, UOH800 Seq. 30-001*

In 2012, the Legislature provided 6.0 general funded positions and funds to institutionalize Na Pua No'eau, a program to identify gifted and talented Hawaiian youth (K-12) and to provide them with educational enrichment opportunities. By 2018, Na Pua No'eau was fully institutionalized and integrated at various UH campuses: Hilo, Mānoa, West O'ahu, Maui College, and Kaua'i Community College. These transfers would move the positions and funds from UOH900 to the respective campuses that currently run these programs, as requested in the BOR budget proposal, thereby increasing budget transparency and accountability.

#### Athletics Funding

*UOH100 Seq. 100-001 and UOH210 Seq. 100-001, and UOH210 Seq. 1001-001*

The impact of cutting \$4.0 million from the UH Athletics program budgets would be devastating to our student-athletes and athletic programs and would negatively impact student athlete enrollment and retention. As noted above, most of this is current funding that was previously in the base operating budget of the State but was subsequently provided through a separate appropriations act. This cut to athletics would be coming on top of severe impacts already being experienced by the Athletics Department as a result of the pandemic, including the cancellation and reduction in the number of team events and the COVID protocols that do not allow any fans to be in attendance. While the department has already faced significant reductions to its budget because of the pandemic (~\$8.7 million), the loss of fan-related revenues (e.g., ticket sales, concession revenues), media revenues, and NCAA and conference distributions. These revenue reductions more than offset any cost reductions (e.g., less travel), resulting in an overall negative impact from the pandemic of (~\$5.6 million). The combined impact of the loss of funding from the Legislature, layered on top of the ongoing and continuing impact of the pandemic, will require significant changes to the UH's athletic program.

Significant cuts would need to be made that would have major impacts on the student-athlete experience, competitive performance, and access for fans and the community. The following are some cuts that may be necessary in order to offset the

lost revenue. Student-athletes would be impacted by a reduction in operating costs like scholarships (cost of attendance and summer school), student supplemental meals, recruiting and team apparel and equipment. Any reduction in scholarships means that student-athletes would have less money to pay for their education and living expenses. Cutbacks in other areas, such as supplemental meals, will impact student-athlete health and wellness. Teams may also be required to reduce the number of student-athletes on their roster resulting in fewer opportunities to participate in sports at the NCAA Division I level. It might also become necessary to eliminate one or more sports.

The Hilo Athletics program currently has 12 sports and NCAA regulations require an institution to have a minimum of 10 sports to maintain NCAA status.

Reducing guarantees that fund opponents travel from the mainland to Hawai'i for non-conference games will reduce competitive opportunities and impact post-season opportunities for our teams. Reducing squad sizes for our travel to the mainland to compete will impact our competitive equity and the health and safety of student-athletes, and less student-athletes available to compete leading to increased fatigue and potentially injury. Further reductions in recruiting budgets will reduce our ability to compete for the best prospects to enroll at the UH.

The additional \$105,895 provided to UH-Hilo is a one-time lump sum and will not help restore the operating budget.

#### Transfer of UOH110 into UOH100

*UOH110 Seqs. 1000-001, 1000-002, and 1000-003 and UOH100 Seqs. 1000-001, 1000-002, and 1000-003*

The UH does not object to these transfers. This action restores the integration of JABSOM FTE and funding as part of the UH Mānoa campus, as was the case prior to the separation executed by the Legislature beginning in FY 2012.

#### Three (3) additional positions for HIMB

*UOH100 Seq. 1001-001*

The UH is greatly appreciative for the additional positions and funding in support of the UH Mānoa Hawai'i Institute of Marine Biology (HIMB). These positions will be beneficial for maintaining safe and effective research operations at the Institute and will help address important facilities and research infrastructure issues. The funding for coastal assessment will also help assess critical seawall infrastructure and identify environmentally beneficial and sustainable solutions in the face of climate change that can inform and assist the entire State.



### Additional Funding for the Cancer Center

*UOH100 Seq. 1002-001*

HB1297 HD2 eliminates the ability for the Cancer Center to use cigarette tax revenues for “research and operating expenses” (page 14, lines 14 and 15). As explicitly enabled by current law, the Cancer Center uses cigarette tax revenues in excess of its debt service obligations for operations and maintenance of its facilities. With the elimination by HB1297 HD2 of this authorization, the funding provided by this House Draft of the budget is absolutely necessary to replace with general fund the revenue that had been committed by the State for this purpose from cigarette tax revenues.

### Reduce funds for Motor Vehicles

*UOH100 Seq. 1003-001, UOH210 Seq. 1002-001*

The UH at Mānoa requires the use of motor vehicles to function in normal business activities. Many of the motor vehicle expenditures on Special Funds are purchases by Transportation Services which helps to operate fleet services supplying rental vehicles to the campus. Without the Special Fund ceiling we would not be able to purchase new vehicles for the rental program. Additionally, the Revolving Fund ceiling is necessary to provide for the purchases of vehicles for many of the research based programs like HIMB and CTAHR which often operate off campus and also may require specialized vehicles to operate on rough terrain. Because of these impacts, we respectfully request that Mānoa’s non-general fund ceilings not be reduced.

There is no impact for the reduction at UH-Hilo.

### Transfer-in of PISCES from DBEDT

*UOH210 Seq. 1000-001*

HB 200 HD 1 transfers the Pacific International Space Center for Exploration Systems (PISCES) program from DBEDT to UH Hilo along with associated general fund programming. UH is agreeable to this transfer and notes that the funding is essential if PISCES is to continue its operations and meet its core objectives of economic development, workforce development, and applied research. If the funding is not provided UH Hilo will be unable to continue the program

### Additional American Rescue Plan Funds

*UOH100 Seq. 1004-001 and UOH881 Seq. 1000-001*

The UH is appreciative of these additional resources, which will help the University of Hawai’i Economic Research Organization (UHERO) and the Aquarium.

Hawaii Promise Program  
UOH800 Seq. 100-001

Provided that these V-Funds can replace general funds with no significant impact to the UH or the State, the UH is appreciative of this funding and will continue to operate the Hawai'i Promise Program within our Community Colleges.

Additional Ceiling for Research and Training Revolving Fund (RTRF)  
UOH900 Seq. 100-001

UH programs have been actively seeking federal and private contract and grants, with many of these being awarded. In anticipation of additional RTRF funds, and to be proactive to not exceed our current ceiling, we are seeking to increase our revolving fund ceiling. The additional ceiling will allow us to continue to seek federal and private contract and grant opportunities, and use any overhead funds earned to facilitate additional research and training projects, create additional research and training grants, and to provide funds for discoveries and inventions. Without a ceiling increase, this would limit UOH900's ability to spend revolving funds that are used to further research and training for the University programs.

For the Capital Improvements Projects (CIP) section of the budget, the BOR approved a request totaling \$228.0 million for FY22 and \$232.5 million for FY23. The House Draft of the budget provided \$170.7 million for FY22 and \$204.5 million for FY23. A breakout of the projects (in millions of dollars) is listed below:

Campus	Project Title	Board		HD1	
		FY22	FY23	FY22	FY23
System	Renew, Improve, and Modernize	110.5	110.5	48.5	110.5
CCs	Capital Renewal & Deferred Maintenance	25.0	25.0	15.0	35.0
CCs	Minor CIP	25.0	25.0	15.0	35.0
Hilo	Renew, Improve, and Modernize	24.0	13.5	10.0	15.0
Mānoa	Manoa Mini Master Plan Phase 2	60.0	-	60.0	-
CCs	Honolulu CC Technology Renovations	15.0	-	15.0	-
Aquaria	Waikiki Aquarium	1.5	9.0	1.5	9.0
CCs	ADA Upgrades	14.0	14.0	-	-
UHWO	Renew, Improve, and Modernize	3.0	3.0	-	-
CCs	WinCC Agriphartmatech Bioprocessing Facility	3.0	-	3.0	-
Mānoa	Central Admin Facility with Parking	4.0	-	-	-
UHWO	Planning Projects	0.5	0.5	-	-
CCs	Kapiolani CC - Koki'o	2.5	30.0	-	-
CCs	Maui College Vocational Tech	-	2.0	-	-
Mānoa	CTAHR - Waiale'e Research Station			1.6	
Hilo	Mauna Kea Telescope Removal (Hoku Kea)			1.1	
	<b>Total</b>	<b>288.0</b>	<b>232.5</b>	<b>170.7</b>	<b>204.5</b>

While the House did not provide everything in the BOR-approved request, this amount appears to be sufficient to achieve a majority of the UH's priority projects for this biennium and make sufficient progress in addressing deferred maintenance and modernization of UH's campuses. Additionally, while the CTAHR Waiale'e Research Station and Mauna Kea Telescope Removal projects were not included in the BOR-approved request, these projects align with the UH's priorities and strategic plans and appreciate these legislative initiatives.

We understand that although there have been significant positive improvements to the State's general fund outlook in recent months – notably the American Rescue Plan and the Council on Revenues forecast – that there are still considerable challenges facing Hawai'i and we look forward to working with the Legislature to overcome those challenges in the weeks to come.

Thank you for this opportunity to testify.

**LATE**

**HB-200-HD-1**

Submitted on: 3/28/2021 9:00:11 AM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodee Haole	Testifying for K.E.L.I.I. FOUNDATION	Oppose	No

Comments:

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Committee on Ways and Means:

I am writing on behalf of the KEIKI EDUCATION LIVING INDEPENDENT INSTITUTE (K.E.L.I.I.) OPPOSING HB200 HD1.

I am the founder and a Mother of a 28 year old severe Autistic Son (Kelii). He has severe violent behaviors, I started this Non profit due to the lack of services that was provided by the DOH for these types of young adults and children, so I am not only an advocate, a provider but I LIVE THIS LIFE AND IT IS NOT EASY! We strongly oppose HB200 HD1 because removing HTH501 will dissolve our DD Division. It has no budget transparency and no plan shared with the stakeholders. We want to delay any decision until the community and parents can review and comment on this proposed complete reorganization.

If this HB200 HD1 passes the House budget totally gut Developmental Disabilities HTH501 and Child Adolescent Mental Health HTH460.

HTH501 (Developmental Disabilities) went from a budget of \$87M and 193 positions to \$2.9M and 24 positions. CAMD went from \$42M and 156 positions to \$5.9M and 34 positions. It looks like the Alcohol and Drug abuse division got a huge increase and the adult mental health outpatient are absorbing the budgets.

I believe DOH-BHA is trying to use the budget to reorganize the department in July this year! This will create chaos for PARENTS AND FAMILIES that rely on the support to survive, this marginalizes and discriminates against our specific developmental disability community.

I respectfully request that the language in measure HB200 HD1 be removed and replaced with the language in Senate Bill SB1229;

We do not want this funding rolled into general state money under the Administration of Behavioral Health with Eddie Mersereau and Dr. Char at The Department of Health. There is no transparent plan and no budget for the services for the population that the DD waiver program covered. If there was a presentation shown to the senate finance committee, none of us parents were able to see it or comment on it.

Mahalo for considering our request on HB200 HD1

Respectfully yours,

Melodee Haole Founder of K.E.L.I.I. FOUNDATION



PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

March 29, 2021

**LATE**

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

FROM: Christy MacPherson, Director, PHOCUSED

SUBJECT: Testimony: Relating to State Budget

Hearing: March 29, 2021 at 9:00 am  
Via videoconference

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means,

Thank you for the opportunity to provide **comments** on HB200, HD1.

PHOCUSED is a nonpartisan project of Hawai'i Appleseed Center for Law and Economic Justice and comprises health and human service organizations and the people they serve across the State of Hawai'i. We have been collaborating on advocacy pertaining to critical procurement and service delivery issues that directly impact our providers.

PHOCUSED has the following recommendation:

- Restoration of budget cuts to social services for the following reasons:
  - We have seen significant increases in the need for mental health, domestic violence, homelessness/housing, medical and financial services since the onset of the pandemic. Health and Human Service organizations will continue to provide critical services for our community during our recovery from the COVID-19 pandemic.
  - The data we gained from the Great Recession shows that state budget reductions resulted in higher unemployment, shrunken economies, and fewer private sector jobs. *States who did the opposite saw economic growth.* (Hawai'i Budget & Policy Center, January 2021).

Thank you again for the opportunity to submit testimony on HB200, HD1.

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PHOCUSED IS A PROJECT OF HAWAII APPLESEED

733 BISHOP STREET, SUITE 1180 • HONOLULU, HI 96813 • (808) 587-7605 • PHOCUSED.ORG

*501 C3 Partners  
335 Merchant Street #2537  
Honolulu, HI 96804*

To: Senate Committee on Ways and Means  
Date: March 29, 2021  
Time: 9:00 a.m.  
Place: Conference Room #211

**LATE**

Re: HB 200, HD1 – Relating to the State Budget

**COMMENTS RELATING TO THE ELIMINATION  
OF THE WORKFORCE DEVELOPMENT COUNCIL (LBR-135)**

501c3 Partners is a boutique, workforce development consulting firm that assists community rehabilitation programs and other nonprofit organizations in developing client specific apprenticeship program for incumbent and entry level workers for their organizations. Our program creates registered apprenticeships for individuals with disabilities, and assist in accommodating their workforce development needs.

WIOA funding is used to support the on-the-job training component of those apprenticeship programs. WIOA funds can used pay for the cost of related classroom instruction for the apprentice, including tuition, books, supplies, fees, uniforms, tools and other required items

These funds can also be used to provide basic skills training and pre-apprenticeship programs can be provided under WIOA to prepare participants to enter apprenticeship programs. WIOA also underwrites, in part, special needs services for tutoring, mentoring, and work experience can be used in combination with pre-apprenticeship and apprenticeship programs.

In addition to the administration of funding to Title I programs, the Council serves as the State Workforce Investment Board for purposes of the federal Workforce Innovation and Opportunity Act of 2014, Public Law No. 113-128, and functions as an “information clearinghouse” for all workforce development programs in the State, including workforce training and education programs.

It also plays a pivotal role in preparing and overseeing the comprehensive state plan for workforce development in Hawaii, and for advising the Governor on state policies and funding priorities that it believes should be adopted by the state government in order to address the unmet workforce and economic development needs across the state.

We would like to make the committee aware of a possible unattended consequence of losing federal dollars by removing Workforce Development Council Staff. Many members of the Workforce Development Council, by federal statute, have mandatory seats on other boards and commissions. Attached is a copy of Title 20 Social Services, regarding membership on the State Rehabilitation Council (re: Title – 20 State Rehabilitation Council membership).

In closing we would respectfully request that the Ways and Means committee restore the 6 position that were transferred out as well as the 5 position that were eliminated.

Respectfully submitted,  
George Massengale & Rene Berthiaume  
General Partners

Attachment: Title 20



**2015 Hawaii Revised Statutes  
DIVISION 1. GOVERNMENT**

**TITLE 20. SOCIAL SERVICES**

**348. Vocational Rehabilitation**

**348-8 State rehabilitation council.**

**Universal Citation:** [HI Rev Stat § 348-8 \(2015\)](#)

**§348-8 State rehabilitation council.** (a) There is established within the department a state rehabilitation council. The council shall consist of twenty-one members appointed by the governor as provided in section 26-34 and without regard to section 78-4. The members shall include:

- (1) At least one representative of a parent training and information center;
- (2) At least one representative of the client assistance program;
- (3) At least one qualified vocational rehabilitation counselor with knowledge of and experience with vocational rehabilitation programs, who shall serve as an ex officio, nonvoting member if employed by the vocational rehabilitation division of the department;
- (4) At least one representative of community rehabilitation program service providers;
- (5) Four representatives of business, industry, and labor;
- (6) Representatives of disability advocacy groups representing a cross section of individuals with physical, cognitive, sensory, and mental disabilities, and parents, family members, guardians, advocates, or authorized representatives of individuals with disabilities who have difficulty in representing themselves or are unable due to their disabilities to represent themselves;
- (7) Current or former applicants for or recipients of vocational rehabilitation services;
- (8) At least one representative of the state educational agency responsible for the public education of students with disabilities;
- (9) At least one representative of the state workforce development council; and
- (10) The administrator of the vocational rehabilitation division of the department, who shall be an ex officio, nonvoting member;

provided that the council shall include at least one member from each county; and provided further that a majority of the council members shall be persons who have disabilities and are not employed by the vocational rehabilitation division of the department. The council members shall elect a chairperson from the membership. Each member of the council shall serve a three-year term but may not serve more than two

consecutive full terms. Any vacancy occurring in the council membership shall be filled in the same manner as the original appointment, except that the governor may delegate the authority to fill such a vacancy to the remaining members of the council after making the original appointment.

(b) The council members shall serve without compensation but shall be reimbursed for reasonable expenses, including travel expenses, necessary for the performance of their duties.

(c) The council, after consulting with the state workforce development council, shall advise the vocational rehabilitation division of the department on eligibility, order of selection, extent, scope, and effectiveness of services provided, and performance of state agencies that affect or that potentially affect the ability of individuals with disabilities in achieving employment outcomes. The council shall develop, agree to, and review state goals and priorities, advise the vocational rehabilitation division of the department regarding authorized activities, and assist in the preparation of the state plan and amendments to the plan, applications, reports, needs assessment, and evaluations. The council shall conduct a review and analysis of the effectiveness of, and consumer satisfaction with, the performance by the vocational rehabilitation division of the department, vocational rehabilitation services provided by state agencies, and other public and private entities, and employment outcomes achieved by eligible individuals receiving services, including the availability of health and other employment benefits in connection with employment outcomes. The council shall prepare and submit an annual report to the governor on the status of vocational rehabilitation programs within the State and make the report available to the public.

(d) The council shall coordinate with other councils within the State including the state council on developmental disabilities, the state council on mental health, the advisory panel of individuals with disabilities in education, and the state workforce development council. The council shall establish working relationships between the vocational rehabilitation division of the department and other councils and coordinate other functions as deemed appropriate under federal law.

(e) If there is a disagreement between the council and the vocational rehabilitation division of the department, the disagreement shall be resolved by the governor. [L 1993, c 197, pt of §1; am L 1994, c 126, §§1, 2; am L 1999, c 154, §1; am L 2000, c 4, §3; am L 2001, c 175, §8; am L 2010, c 4, §5]

*Note: The statewide council on independent living is repealed in 2009.*



HAWAI'I STATE  
**COALITION AGAINST  
DOMESTIC VIOLENCE**

March 29, 2021

Members of the Senate Committee on Ways & Means:

Chair Donovan M. Dela Cruz  
Vice Chair Gilbert S.C. Keith-Agaran  
Sen. J. Kalani English  
Sen. Kurt Fevella  
Sen. Lorraine R. Inouye  
Sen. Dru Mamo Kanuha  
Sen. Michelle N. Kidani  
Sen. Sharon Y. Moriwaki  
Sen. Maile S.L. Shimabukuro  
Sen. Brian T. Taniguchi  
Sen. Glenn Wakai

**LATE**

Re: HB200 HD1 Relating to the State Budget - Comments

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Committee on Ways and Means:

The Hawai'i State Coalition Against Domestic Violence ("HSCADV") engages communities and organizations to end domestic violence through education, advocacy, and action for social justice. HSCADV is a statewide partnership of domestic violence programs and shelters. On behalf of HSCADV and our 23 member programs statewide, I respectfully submit comments on HB200 HD1. This bill eliminates funding for two critical programs that serve victims of domestic violence.

**Crime Victim Compensation Commission**

We respectfully request your assistance in reinstating the Crime Victim Compensation Commission (the "Commission") request in House Bill 200, House Draft 1, for \$676,222.00 in general funds, to supplement the Commission's special fund with general funds so the Commission can continue its operations during the first year of fiscal biennium 2021-2023. The funds were included in House Bill 200 but removed in House Draft 1.

**Without the entire amount of the requested general funds, Hawai'i will become the only state nation-wide without a crime victim compensation program and compensation will no longer be available for Hawai'i's violent crime victims, including victims of domestic violence.** The Commission will cease operations and the safety net (in place for victim needs such as medical care, trauma counseling, funeral and burial costs, plus) that the Commission currently provides to victims of violent crime will vanish. This will have a devastating impact on victims who are already suffering the economic impact of the COVID-19 pandemic.

The Hawai'i State Legislature established the Crime Victim Compensation Commission in 1967 as a safety net for violent crime victims. The Commission assists victims of violent crimes with medical costs, counseling costs, lost wages, and funeral and burial expenses not covered by other sources. Many victims would not be able to receive rehabilitation services, counseling services, or bury a loved one without compensation awarded by the Commission. The Commission was only the third organization of its kind in the country when it was established; today, all 50 states have compensation programs.

The Commission has processed well over 30,000 victim applications and has awarded over thirty-one million dollars (\$31,000,000.00) in compensation to violent crime victims for medical, dental, and mental health expenses, lost earnings, and funeral and burial expenses. In addition, the Commission has saved crime victims over two million six hundred thousand dollars (\$2,600,000.00) in medical expenses for services sought for their crime-related injuries (by negotiating with providers to accept reduced payments).

Without the \$676,222.00 funding request through the general fund, the Commission will have to close its doors and Hawai'i will be the only state without a Crime Victim Compensation Program. Violent crime victims will have nowhere to turn to for help with their crime-related medical, dental, and mental health expenses nor will they be able to bury a loved one killed in a violent crime incident. The safety net that the Commission currently provides to the community will be gone.

#### **Victim/Witness Assistance Program**

We respectfully request your assistance in amending HB200 HD1 and restoring funding to the Victim/Witness Assistance Program (the "Program").

The Program is a key component of our systems response to domestic violence. The criminal justice system is complex and often intimidating for the average citizen. The Programs help victims navigate this complexity and provide vital services such as:

- crisis counseling;
- assistance with filings;
- court accompaniment;
- social service referrals; and
- application for Crime Victims Compensation.

In 1986, the Legislature enacted section 28-111, Hawaii Revised Statutes ("H.R.S."), to establish the Victim Witness Assistance Program on a statewide basis. This statute established the program in the Department of Attorney General, for the purpose of providing information, assistance, and support services to the victims and witnesses of crimes committed in Hawaii.

HSCADV  
HB200 HD1, WAM  
March 29, 2021  
Page 3 of 3

The Legislature created H.R.S. Chapter 801D, Rights of Victims and Witnesses in Criminal Proceedings with the intent to provide equal access to justice for both defendants and victims. **Any significant reduction in funds allocated for this state-created program—and certainly a complete elimination of funds—would have a severe impact on domestic violence victims’ right to information and leave them with little to no guidance or support through the judicial process;** these are the key functions of the Program and the very cornerstones of H.R.S. Chapter 801D.

Thank you for the opportunity to submit testimony on this important matter.

Sincerely,  
Angelina Mercado, Executive Director



**LATE**

**THE SENATE  
THE THIRTY-FIRST LEGISLATURE  
REGULAR SESSION OF 2021**

**COMMITTEE ON WAYS AND MEANS**  
Senator Donovan Dela Cruz, Chair  
Senator Gilbert Keith-Agaran, Vice Chair

Monday, March 29, 2021, 9:00 AM  
Conference 211 and Via Videoconference

**Re: Testimony on HB200 HD1 – RELATING TO THE STATE BUDGET**

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

The United Public Workers, AFSCME Local 646, AFL-CIO (“UPW”) is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents 1,500 members in the private sector.

UPW **would like to provide the following comments on** HB200 HD1, which appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2021-2022 and 2022-2023.

As the exclusive bargaining representative for Bargaining Units 1 and 10, our members include public employees in non-supervisory blue collar-type positions and public employees in institutional, health and correctional positions. While we are appreciative that the Legislature has been able to produce a balanced budget for the upcoming biennial timeframe, we are concerned regarding some of the cuts to department positions that have been proposed in the HD1 as it will have an impact on our members. After Congress passed the American Rescue Plan Act and President Joe Biden signing it into law, Governor Ige announced that furloughs and layoffs would no longer be necessary as a result. UPW remains opposed to any type of furloughs or layoffs as these public sector workers have continued to provide critical support to our economy throughout the COVID pandemic.

We hope that the Legislature will be able to work together to address these concerns and we appreciate the opportunity to submit this testimony.

Date: March 28, 2021

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

**LATE**

From: Early Childhood Action Strategy

Re: HB200, Relating to the State Budget

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Early Childhood Action Strategy (ECAS) is a statewide cross-sector partnership designed to improve the system of care for Hawai'i's youngest children and their families. ECAS partners are working to align priorities for children prenatal to age eight, streamline services, maximize resources, and improve programs to support our youngest keiki.

**ECAS** urges the committee to revisit provisions within the proposed budget. Specifically:

HMS 305

- Preschool Open Doors is a state funded program helping to provide early childhood care and learning services to low and moderate income families, contributing to school readiness by providing up to a year of preschool experience before children enter kindergarten. In FY2020, POD served 1,441 children.
- The current draft of the proposed budget includes funding for the preschool open doors program, but it appears that plans to fund the program draw upon emergency federal funds. This may compromise the ability of the program to function as intended and we are requesting that the funding be restored to state general funds.
- Preschool Open Doors is one of the ways Act 46 (2020) will expand preschool opportunities for underserved children. Cutting POD undermines the state's ability to implement Act 46 and its larger goal of providing early learning opportunities to all underserved children by 2032.

EDN 600 and EDN 612

- We support the restoration of the Charter schools' budget for this fiscal year and restoring the base funding for the next budget biennium. Without a restoration of funding the schools may have to serve less children which would further impact our keiki.

EDN 700

- 
- We support the Executive Office on Early Learning’s budget as presented in the budget draft. EOEL is statutorily responsible for the overall development of the State's early childhood system to ensure a spectrum of high-quality development and learning opportunities for children throughout the State, from prenatal care to kindergarten. It is imperative that the state continue to fund EOEL at its requested level so that we continue to build out and strengthen our early childhood system.

Thank you for the opportunity to present testimony concerning HB200.



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



FROM: Keku DePonte  
WIOA Year-Round Youth Services Program Coordinator/Manager

RE: HB 200 HD1 – LBR 135 State Budget

Position: Oppose, Request Amendments

My name is Keku DePonte and I am the WIOA Year-Round Youth Services Program Coordinator/Manager for the County of Maui (includes Moloka'i and Lana'i).

I am writing to oppose HB 200 specific to eliminating key positions from WDC that has been supportive to the Maui Youth Program for implementing services for our disadvantaged Youth and maintaining continued WIOA funding for our state.

Since I started in late 2018, navigating the WIOA requirements and understanding the complex structure has been a barrier and as a result has impacted services to our Youth and in the long run will affect our economic climate and burden other support services in supplementing services in providing Youth opportunities towards obtaining a high school equivalency, Work Experience, and transition towards Post-Secondary education and Industry-Recognized Credentials. The WDC Staff slated to be eliminated such as the WIOA Data & Information Coordinator and Employment Analysts who work directly with the County Local Workforce Development Boards and us at the Program level have been an invaluable source for us to modernize services and advocate on our behalf to the DOLETA with barriers unique to our respective counties so that we can deliver outcomes and maintain performance levels for our state. Without these supports in place, our state would be impacted in continued WIOA funding and ensuring adaptation for our state's economic and workforce needs.

I urge the Members of the Senate Committee on Ways and Means, Chair Dela Cruz, and Vice-Chair Keith-Agaran to revisit the appropriations that are funded through general funds and prioritize key program exempt positions that could be dually effective in supporting WDD and WIOA concurrently to maximize staff skills and the mission of DLIR.

Thank you for the opportunity to testify and provide the Committee my experience working with the WDC.

**BEN DYRE FAMILY LIMITED PARTNERSHIP**

**PO Box 40**

**KILAUEA, HI 96754**

March 25, 2021

Testimony of The Kauai Watershed Alliance (KWA)  
Supporting Funding for the Department of Land and Natural Resources  
HB 200, HD1 & HB 54, HD1\_RELATING TO THE STATE BUDGET.  
Senate Committee on WAM  
Monday, March 29, 2021, 9:00 AM, Room 211 & Video Conference

**LATE**

To Whom It May Concern:

Thank you for your support in funding for watershed protection to conserve Hawaii's unique and remarkable resources. Please help us continue this important work again! We ask you to please restore these watershed initiative CIP requests, which are under the LNR407 line item. They provide *critical* funding for the protective (animal exclusion) fencing that provides long-term conservation of watershed forests statewide.

The Kauai Watershed Alliance (KWA) has been actively managing portions of the mauka watershed on Kauai since 2003. We, as members, make up a diverse group of public and private entities that own land within the mountainous watershed and understand the importance of protecting and preserving the forests that capture fresh water—our most precious resource.

We are honored to be a part of the KWA, as our family recognizes the necessity of natural resource stewardship. We understand that the source of our pure water is a system of healthy forested watersheds, which capture rain and cloud moisture and deliver it efficiently to aquifers and surface sources for subsequent consumption in our daily lives and for the benefit of our island economy and the future generations.

An investment made in our natural resources and native Hawaiian forested watersheds through supporting the Department of Land and Natural Resources is one of generational thinking, as we all have the opportunity now to protect these resources for years come. Our natural resources are more easily protected than restored, which would be at a great cost.

Warmly,

Holly Dyre

General Partner, Ben Dyre Family Limited Partnership

cell: (808) 651-9952

**LATE**

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

FROM: Michele Fukumoto

RE: HB 200 HD1 Relating to State Budget

POSITION: Strong Opposition

I am writing to respectfully request the restoration of the Workforce Development Council (LBR 135) into the State Budget as originally proposed in HB 200; restoring 6 positions that were transferred out and restoring 5 positions that were eliminated.

The Workforce Development Council (WDC) is a required component under WIOA and serves to support workforce development and economic development throughout the State of Hawaii. The WDC is an advisory commission comprised of individuals from both the public and private sector, each bringing a wealth of knowledge and industry specific expertise that is valuable for the development of high quality programs and services for individuals entering the workforce.

The Council is also responsible for developing and overseeing the unified state plan to address workforce development and to provide a range of employment, education, training, and related services to enable individuals to secure better paying jobs and provide employers with skilled workers to compete in a global society.

During this time, there are many Hawaii residents out of work and looking for employment and / or in need of supports and services provided by Title I programs, agencies or partners administered by the WDC. This is not the time to cut essential programs and services for displaced workers, who need it now more than ever to survive the pandemic and be able to provide a better quality of life for themselves and their families.

Thank you for this opportunity to provide testimony in support of restoring the funding of the Workforce Development Council, LBR 135 into the state budget.

Respectfully submitted for consideration,

Michele Fukumoto  
MCSA Farrington

**HB-200-HD-1**

Submitted on: 3/29/2021 12:11:31 AM

Testimony for WAM on 3/29/2021 9:00:00 AM

**LATE**

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Barbara J. Service	Individual	Support	No

Comments:

I am encouraging the passage of HB200, SD1, especially to ensure that the Hawaii Crime Victims Compensation Commission is funded.

Mahalo for the oportunity to provide testimony.

Barbara J. Service

Senior Advocate

Member, Women's Coalition

Var

**National Association of Crime Victim Compensation Boards**  
**P.O. Box 16003, Alexandria, VA 22302**  
**(703) 780-3200**

Dan Eddy  
*Executive Director*

March 26, 2021



The Honorable Donovan M. Dela Cruz  
Chair, Senate Committee on Ways and Means  
Hawaii State Capitol Room 208  
415 South Beretania Street  
Honolulu, Hawaii 96813

Re: Hawai'i Crime Victim Compensation Commission, Supplemental Funding

Dear Chairperson Dela Cruz:

I am writing to urge the Hawai'i Senate to act now to prevent Hawai'i from becoming the first and only state to cease operating a crime victim compensation program to pay for the costs of recovering from violent crime. All 50 states provide this crucial assistance, and it is particularly important now as so many people struggle with economic issues relating to the pandemic. Without the supplemental funds requested by the Hawai'i Crime Victim Compensation Commission, the program will be unable to pay violent crime victims and their families for the actual costs of medical care, counseling, lost wages and support, and funerals. It is vital that Hawai'i ensures that citizens of your state do not suffer needlessly in the traumatic aftermath of violent crime.

The Hawai'i Crime Victims Compensation Commission has a proud history. Hawai'i was the third state in the country to create a compensation program for victims, after only California and New York. For more than 50 years, Hawai'i's program, and those in all 50 states, DC, Puerto Rico, and the Virgin Islands, have helped hundreds of thousands of victims cope with the costs of crime. In 1984, Congress saw the great value of these programs, and began providing supplemental grants to help states pay for more victims, with better benefits. But these Federal grants depend entirely on a state investing its own money into compensating its victims – they are calculated as a percentage (currently 60%) of what the state can pay out in its own funding. Without Hawai'i investing in this program, these Federal funds will disappear entirely. Again, grants through the Victims of Crime Act of 1984 are available only as a percentage of what the state spends in its own funding; there is no "base" amount at all.

We respectfully request that Hawai'i take this crucial step forward, and continue to help crime victims recover from trauma without suffering a further economic crisis. Thank you for your kind consideration of this matter.

Yours truly,

*Dan Eddy*



AMERICANS FOR DEMOCRATIC ACTION

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OFFICERS	DIRECTORS			MAILING ADDRESS
John Bickel, President	Melodie Aduja	Chuck Huxel	Stephen O'Harrow	P.O. Box 23404
Alan Burdick, Vice President	Juliet Begley	Jan Lubin	Lyn Pyle	Honolulu
Marsha Schweitzer, Treasurer	Ken Farm	Jenny Nomura		Hawai'i 96823
Doug Pyle, Secretary	Stephanie Fitzpatrick	Dave Nagaji		

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March 28, 2021

TO: Chair Dela Cruz and members of WAM Committee

RE: HB200 HD1 Relating to the State Budget

Support for hearing on March 29

Americans for Democratic Action is an organization founded in the 1950s by leading supporters of the New Deal and led by Patsy Mink in the 1970s. We are devoted to the promotion of progressive public policies.

We support HB200 HD1 for the most part. We defend social programs that benefit those in need in our society. In this pandemic there are many. Education, health care, environmental protection, unemployment compensation, et al. need a lot of support these days.

Not to in any way diminish our support for the programs too many to name, we do wish to give a special pitch for the Preschool Open Doors program. It served 1,441 children in FY 2020. It is a state-funded program with the purpose to provide early childhood services to low and moderate income families that contribute to school readiness by providing up to a year of experience in a preschool program prior to the child entering kindergarten. We request the MOF for the restored \$6.9M in HMS 305 be funded through state general funds. The current draft of the budget bill funds the Preschool Open Doors program using federal funds that may compromise the ability of the program to function as intended.

Thank you for your favorable consideration.

Sincerely,  
John Bickel, President



**LATE**

**HB-200-HD-1**

Submitted on: 3/29/2021 8:22:48 AM  
Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Chipper Wichman	Testifying for Kauai Watershed Alliance	Support	No

Comments:

Mahalo for your past support for funding for watershed protection in Hawai'i. Please help us continue this important work by again! We ask you to please restore these watershed initiative CIP requests, which are under the LNR407 line item. They provide critical funding for the protective (animal exclusion) fencing that provides long-term conservation of watershed forests statewide.

The Kauai Watershed Alliance (KWA) has been actively managing portions of the mauka watershed on Kauai since 2003. We as members make up a diverse group of public and private entities that own land within the mountainous watershed and understand the importance of protecting and preserving the forests that capture fresh water—our most precious resource.

An investment made in our natural resources and native Hawaiian forested watersheds through supporting the Department of Land and Natural Resources is one of generational thinking, as we all have the opportunity now to protect these resources for years come. Our natural resources are more easily protected than restored, which would be at a great cost.

Thank you for your consideration and support.

Sincerely, Chipper Wichman, President of the National Tropical Botanical Garden and member of KWA.



**S E A C**  
**Special Education Advisory Council**  
1010 Richards Street Honolulu, HI 96813  
Phone: 586-8126 Fax: 586-8129  
email: spin@doh.hawaii.gov  
March 23, 2021

**LATE**

**Special Education  
Advisory Council**

Ms. Martha Guinan, *Chair*  
Ms. Dale Matsuura, *Vice Chair*  
Ms. Ivalee Sinclair, *Vice Chair*

Ms. Andrea Alexander  
Ms. Brendelyn Ancheta  
Ms. Virginia Beringer  
Ms. Mary Brogan  
Ms. Deborah Cheeseman  
Ms. Annette Cooper  
Mr. Mark Disher  
Dr. Kurt Humphrey  
Ms. Tina King  
Ms. Bernadette Lane  
Ms. Cheryl Matthews  
Ms. Kaili Murbach  
Ms. Carrie Pisciotto  
Ms. Kau'i Rezentos  
Ms. Rosie Rowe  
Dr. David Royer  
Mr. James Street  
Mr. Francis Taele  
Mr. Steven Vannatta  
Ms. Lisa Vegas  
Ms. Jasmine Williams  
Ms. Susan Wood

Ms. Annie Kalama, *liaison to  
the Superintendent*  
Dr. Bob Campbell, *liaison to  
the military community*

Amanda Kaahanui, Staff  
Susan Rocco, Staff

Senator Donovan M. Dela Cruz, Chair  
Committee on Ways and Means  
State Capitol  
Honolulu, HI 96813

RE: HB 200, HD 1 - RELATING TO THE STATE BUDGET

Dear Chair Dela Cruz and Members of the Committee,

The Special Education Advisory Council (SEAC) **supports the intent of HB 200, HD 1** funding for the Hawaii Department of Education. However, we have serious concerns over cuts to special education and student support services. The House draft has reduced the Department's EDN 150 request by nearly \$8 million dollars. It also carries over an additional reduction of \$4 million in EDN 150 dollars (part of an overall good-faith reduction of \$100.2 million in FY 2021) despite assurances that this reduction would be non-recurring.


While it is difficult for SEAC to ascertain exactly which positions and which programs are in jeopardy given little detail in the budget sheets, it is clear that any funding lost to supporting our most vulnerable students is likely to have an added negative impact on student achievement, as well as teacher recruitment and retention. This is especially true at this point in time when the Department has a greater need of resources to try to mitigate significant skill losses borne by special education students due to service delivery challenges during the pandemic.

SEAC is additionally concerned that any reduction in special education funding can be seen by the US DOE as a failure to meet Maintenance of Effort requirements under the Individuals with Disabilities Education Act (IDEA) that the Department fund special education and related services at or above the amount spent in the previous year. For these reasons, we ask your committee to make the EDN 150 budget 'whole' to help meet our commitment to special education students.

Mahalo for the opportunity to offer our support and input.

Respectfully,

  
Martha Guinan  
Chair

  
Ivalee Sinclair  
Legislative Committee





**HAWAII**

STATE FOUNDATION on  
CULTURE and the ARTS

No. 1 Capitol District Building  
250 South Hotel Street  
Second Floor  
Honolulu, HI 96813

Governor  
David Y. Ige

Comptroller  
Curt T. Otaguro

Chairperson  
Lloyd I. Unebasami

Commissioners  
Susan Browne  
Nalani Brun  
Jane Clement  
Ronald Michioka  
Karen Tiller Polivka  
Clyde Sakamoto  
Sherman Warner  
Allison Wong

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**TESTIMONY OF THE STATE FOUNDATION ON CULTURE AND THE ARTS  
TO THE SENATE COMMITTEE ON WAYS AND MEANS**

**Monday, March 29, 2021, 9:00 a.m. CR 211**

**H.B. 200 H.D. 1/H.S.C.R. 1122**

**RELATING TO THE STATE BUDGET**

Chair Donovan Dela Cruz and members of the Committee, the State Foundation on Culture and the Arts (SFCA), provides the following **COMMENTS** on H.B. 200 H.D. 1/H.S.C.R. 1122. Changes to the State Foundation on Culture and the Arts (SFCA) proposed in H.B. 200, H.D.1 include reduction of two vacant positions, transfers the King Kamehameha Celebration Commission and the Bishop Museum line item, to the State Foundation on Culture and the Arts (AGS881/LA).

**Personnel Reductions**

1. Position #48121: Arts Program Specialist III, Collections Manager of the Art in Public Places Program
  - a. Funding Source: 100% Works of Art Special Fund, S-319-M (1.00 MOF B) and Budgeted Amount: \$59,616

Elimination of this position would not generate General Fund savings as the salary and collective bargaining are from the Works of Art Special Fund, S-319-M (MOF B). Collections management of the Art in Public Places Collection of over 6,300 relocatable and 400 permanent works of art includes the following duties: preservation, inventory, condition reporting, handling and transportation of works of art with the mission to ensure the arts are available to all people in Hawaii, regardless of their economic or geographic location.

2. Position #21352: Office Assistant III
  - a. Funding Source: 75% Works of Art Special Fund, S-319-M (0.75 MOF B) and Budgeted Amount: \$22,680

Elimination of this position would not generate General Fund savings as 75% of the salary and collective bargaining are from the Works of Art Special Fund, S-319-M (0.75 MOF B). Office Assistant III provides clerical support to the agency including the tracking 1% revenue from CIP projects.

**Transfers**

The State Foundation on Culture and the Arts supports the following transfers-in to AGS881/LA:

<b>King Kamehameha Celebration Commission</b>
<ul style="list-style-type: none"> <li>• 1 Permanent Position #122889, \$59,860 (MOF A)</li> <li>• 1 Temporary Position #103501, \$70,175 (MOF T)</li> </ul>
<b>Bishop Museum</b>
<ul style="list-style-type: none"> <li>• Funds for Bishop Museum, \$626,000 (MOF A)</li> </ul>

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



**HB-200-HD-1**

Submitted on: 3/25/2021 3:22:59 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
cheryl B.	Individual	Comments	No

Comments:

Comments

Question ? IF we have to move funds and we are in need of \$\$ for resources for the people of our islands, then how can the legislature allocate 1 million \$ plus for decommissioning at telescope that should have already had funds? Why is the tax payer held responsible for this when our monies should go for helping people?

**HB-200-HD-1**

Submitted on: 3/25/2021 4:18:28 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Gerald Ohta	Individual	Comments	No

Comments:

Oppost eliminating SHPDA as an independent agency. It was created initially to avoid the conflicts of interests possiblities that will arise with state agency providers

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

FROM: JASON BRADSHAW, WDC MEMBER

RE: HB 200 HD1 Relating to State Budget (Monday, March 29, 2021)

POSITION: COMMENTS

I am writing to respectfully request the **restoration of the Workforce Development Council (LBR 135) into the State Budget as originally proposed in HB 200**; restoring 6 positions that were transferred out and restoring 5 positions that were eliminated. The Council is almost entirely funded with federal funds.

The Workforce Development Council (WDC) was established as the State Board as **required** under the Workforce Innovation and Opportunity Act of 2014 (WIOA). The WDC is comprised of local private-sector leaders who provide industry expertise so that Hawaii's workforce development system prepares a workforce with the skills valued by employers.

The WDC is an active board, with eight standing committees, which meet between the quarterly Council meetings. The committees invite stakeholders statewide to participate, providing valuable perspectives from the private sector, various state and county agencies, community organizations, and service providers. These committees make program and policy recommendations. WDC staff is responsible for providing staff services to the Council and its committees. The staff also provides WIOA subject matter expertise and serves as a resource to the members.

The WDC administers WIOA's Title I programs: Adult, Dislocated Worker, and Youth which serve disadvantaged adults, homeless individuals, individuals with disabilities, those with low levels of literacy, dislocated workers, veterans, displaced homemakers, long-term unemployed, out-of-school youth, youth exiting foster care, and formerly justice-involved individuals. The WIOA Title I programs are unique because they offer federally-funded training to enable individuals to be trained in in-demand industries to meet the needs of our local employers. Another feature of the programs is the ability to provide supportive services, to pay for books,

testing costs, uniforms, tools, interview clothes, transportation, and child-care while an individual is attending training.

The programs receive approximately \$6 million annually and because Hawaii's unemployment is so high, that amount will increase to approximately \$8 million for the year starting July 1, 2021. The WDC is almost entirely funded by these federal funds. Eliminating the WDC or diminishing the capability of the Council by reducing needed staffing puts those \$8 million in jeopardy.

The economic situation today requires a strong and innovative workforce development system. This is not the time to cut essential programs that assist displaced employees with training, skill development, and provides individualized employment services so that they may find a job with higher wages to improve the quality of life for themselves and their families.

Thank you for this opportunity to provide testimony in support of restoring the funding of the Workforce Development Council, LBR 135 into the state budget.

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

FROM: Paul Marx – Member of the WDC Employer Engagement Committee

RE: HB 200 HD1 Relating to State Budget

POSITION: Strong Opposition with Amendments

I am writing to respectfully request the restoration of the Workforce Development Council (LBR 135) into the State Budget as originally proposed in HB 200; restoring 6 positions that were transferred out and restoring 5 positions that were eliminated. The Council is almost entirely funded with federal funds.

The Workforce Development Council (WDC) was established as the State Board as **required** under the Workforce Innovation and Opportunity Act of 2014 (WIOA). The WDC is comprised of local private-sector leaders who provide industry expertise so that Hawaii's workforce development system prepares a workforce with the skills valued by employers.

The WDC is an active board, with eight standing committees, which meet between the quarterly Council meetings. The committees invite stakeholders statewide to participate, providing valuable perspectives from the private sector, various state and county agencies, community organizations, and service providers. These committees make program and policy recommendations. WDC staff is responsible for providing staff services to the Council and its committees. The staff also provides WIOA subject matter expertise and serves as a resource to the members.

The efforts by the voluntary employer engagement committee have improved the access to the job board/website for both the employee and employer. Employers, such as Zippies Restaurants, have worked with the committee to improve and strengthen the connection in order to get qualified employees back to work.

The WDC administers WIOA's Title I programs: Adult, Dislocated Worker, and Youth which serve disadvantaged adults, homeless individuals, individuals with disabilities, those with low levels of literacy, dislocated workers, veterans, displaced homemakers, long-term unemployed,

out-of-school youth, youth exiting foster care, and formerly justice-involved individuals. The WIOA Title I programs are unique because they offer federally-funded training to enable individuals to be trained in in-demand industries to meet the needs of our local employers. Another feature of the programs is the ability to provide supportive services, to pay for books, testing costs, uniforms, tools, interview clothes, transportation, and child-care while an individual is attending training.

The programs receive approximately \$6 million annually and because Hawaii's unemployment is so high, that amount will increase to approximately \$8 million for the year starting July 1, 2021. The WDC is almost entirely funded by these federal funds. Eliminating the WDC or diminishing the capability of the Council by reducing needed staffing puts those \$8 million in jeopardy.

The economic situation today requires a strong and innovative workforce development system. This is not the time to cut essential programs that assist displaced employees with training, skill development, and provides individualized employment services so that they may find a job with higher wages to improve the quality of life for themselves and their families.

Thank you for this opportunity to provide testimony in support of restoring the funding of the Workforce Development Council, LBR 135 into the state budget.

Paul Marx  
Member of the WDC Employer Engagement Committee

**HB-200-HD-1**

Submitted on: 3/26/2021 11:53:18 AM

Testimony for WAM on 3/29/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jeffrey Krepps	Individual	Oppose	No

Comments:

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

My name is Jeffrey Krepps and I have worked with individuals with intellectual and developmental disabilities (I/DD) for over twenty years. While I am for the intent of this appropriation legislation. There appears to be a major question for families and stakeholder concerned about the services and rights of individuals with developmental disabilities. HB 200, HD1 appears to gut the budget of the Developmental Disabilities Division by approximately 4500%! HB 200 HD1 reduces Developmental Disabilities Division positions by over 170 and reduces the \$92,811,202 budget to \$2,902,271.

**I would recommend the committee DELAY** taking action on this measure, or extract the Department of Health budget until it can provide the community and the legislature answers as to how this rubic for budgeting was established. These funds affect the lives of some of our most vulnerable community members. The public has not been provided the opportunity for feedback.

Jeffrey Krepps

Kailua-Kona, Hawai'i



**HB-200-HD-1**

Submitted on: 3/26/2021 1:46:16 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sheryl Nojima	Individual	Oppose	No

Comments:

TO: Senator Donovan M. Dela Cruz, Chair

Senator Gilbert S.C. Keith-Agaran, Vice Chair

and Members of the Senate Committee on Ways and Means

DATE: March 26, 2021, 9:00 AM via videoconference

FROM: Sheryl E. Nojima, PhD, PE

RE: HB 200 HD1 - Relating to State Budget

POSITION: Strong Opposition with Amendments

I have been a small business owner in Hawaii since 2003 and have served on the Workforce Development Council over the past 5 years. I am writing to respectfully request the restoration of the Workforce Development Council (LBR 135) into the State Budget as originally proposed in HB 200. I was disappointed to learn that the Legislature would consider eliminating or transferring positions associated with Workforce Development Council (WDC), given the current economic situation with Hawaii's unemployment situation among the worst, if not *the* worst in the nation.

I trust you are aware that the WDC was established as a State Board as **required** under the Workforce Innovation and Opportunity Act of 2014 (WIOA). Members of the council are local private-sector leaders who serve on a voluntary basis, providing industry expertise so that Hawaii's workforce development system prepares a workforce with the skills valued by employers.

A significant amount of the work accomplished by the WDC is achieved through the commitment of eight active standing committees, which meet between the quarterly Council meetings. I previously served as vice chair of the Data Management and Technology Committee from 2017 - 2020. This committee has been instrumental in leading the development of the single sign-on system enabling the convenience of a one-stop shop for job seekers throughout the state. All of the WDC committees invite stakeholders from across the state to participate, providing valuable perspectives from

the private sector, various state and county agencies, community organizations, and service providers. These committees make program and policy recommendations.

Currently, the WDC staff is responsible for providing support services to the Council and its committees. The staff also provides WIOA subject matter expertise and serves as a resource to the members. Without the current executive director and her staff, the burden of tracking all relevant legislation and ensuring compliance with all WIOA mandates will fall onto the shoulders of the volunteer board. This will be difficult for volunteer members like myself who will have to expend additional time on top of running our own businesses and organizations. I foresee that the WDC could potentially lose many valuable members, putting Hawaii at a great disadvantage. Whereas, the current board brings the necessary expertise and perspective to enrich the outcomes that are currently being achieved.

For example, the WDC administers WIOA's Title I programs - Adult, Dislocated Worker, and Youth which serve disadvantaged adults, homeless individuals, individuals with disabilities, those with low levels of literacy, dislocated workers, veterans, displaced homemakers, long-term unemployed, out-of-school youth, youth exiting foster care, and formerly justice-involved individuals. The WIOA Title I programs are unique because they offer federally-funded training to enable individuals to be trained in in-demand industries to meet the needs of our local employers. Another feature of the programs is the ability to provide supportive services, to pay for books, testing costs, uniforms, tools, interview clothes, transportation, and child-care while an individual is attending training.

The programs receive approximately \$6 million annually and because Hawaii's unemployment is so high, that amount will increase to approximately \$8 million for the year starting July 1, 2021. The WDC is almost entirely funded by these federal funds. Eliminating the WDC or diminishing the capability of the Council by reducing needed staffing puts the \$8 million in jeopardy if not properly administered.

The economic situation today requires a strong and innovative workforce development system. This is not the time to cut essential programs that assist displaced employees with training, skill development, and provides individualized employment services so that they may find a job with higher wages to improve the quality of life for themselves and their families.

Thank you for this opportunity to provide testimony opposing HB 200 HD1 and in support of restoring the funding of the Workforce Development Council, LBR 135 into the state budget.

**HB-200-HD-1**

Submitted on: 3/26/2021 4:34:08 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Justin Murakami	Individual	Comments	No

Comments:

Good morning Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means:

I am writing to respectfully request that the Committee please amend H.B. 200 H.D. 1, Relating to The State Budget, to include \$676,222.00 in general funds for the State of Hawaii Crime Victim Compensation Commission (the Commission) to sustain its operations in fiscal year 2021-2022. These amounts were initially included in the original draft of H.B. 200 (PSD 613).

The Commission serves as a safety net for survivors of violent crimes in Hawaii and payor of last resort for their medical costs, mental health needs, lost wages, and other expenses resulting from their victimization, helping hundreds of individuals and families each year. As recently as 2019, the Hawaii State Legislature recognized the Commission's critical importance to local communities, and expanded its mandate under state law to allow assistance for surviving family members of homicide victims and children who witness domestic violence.

Unfortunately, pandemic-related court closures have exacerbated longstanding shortfalls in the collection of Crime Victim Compensation Fees assessed to convicted criminals, the Commission's primary source of funding. While the Commission has done everything possible to reduce expenses—including staff reductions and limits on crime victim benefits—it no longer has the reserves to continue operation. It's closure at the end of the current fiscal year 2020-2021 would leave Hawaii in the unenviable position of being the only state in the country without a functioning crime victim compensation program.

The requested general funds will serve as a necessary one-year bridge: providing survivors of crime in Hawaii ongoing access to support through the end of fiscal year 2021-2022, while allowing the Commission to return to solvency during the post-pandemic recovery.

Thank you for this opportunity to provide testimony requesting amendment to H.B. 200 H.D. 1.

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

FROM: Derek K. Mukai, P.E., CCM

RE: HB 200 HD1 Relating to State Budget

POSITION: Strong Opposition with Amendments

I am a principal at a local engineering company and currently serve as the President-Elect of the American Council of Engineering Companies Hawaii, Chair of the Waipahu High School Academy of Engineering, and a Board Member on the Waipahu High School Industrial & Engineering Technology Academy, Construction Management Association of America Hawaii Chapter, and University of Hawaii Engineering Alumni Association. I am writing to respectfully request the restoration of the Workforce Development Council (LBR 135) into the State Budget as originally proposed in HB 200; restoring 6 positions that were transferred out and restoring 5 positions that were eliminated. I was heartbroken to learn the Legislature would consider eliminating the Workforce Development Council (WDC) at a time when so much progress is being made at the local and national level with regards to Workforce Development programs.

Through my participation in these organizations, I see firsthand how critical it is to connect students, teachers, and administrators to Hawaii's workforce to fill the needs of the local business community and plan for the future. The engineering industry is a perfect example where there are ample work opportunities but a shortage of engineers to fill vacant positions in the private and government sectors. Significant strides are being made through the Chamber of Commerce, University of Hawaii, Department of Education, and industry leaders, to expose students to work-base learning opportunities at the elementary, middle, and high school levels. However, it takes the support of stakeholders like the Workforce Development Council to keep progressing toward a more sustainable workforce in Hawaii. I urge you to keep WDC intact by restoring Workforce Development Council (LBR 135) into the State budget.

Thank you for this opportunity to provide testimony.

**HB-200-HD-1**

Submitted on: 3/26/2021 8:46:44 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Cory Harden	Individual	Oppose	No

Comments:

Aloha legislators,

Please delete the contents of HB 200 and replace them with SB 1229.

I have an adult child who is blind and has intellectual disabilities. She depends on disability services for almost everything.

HB200 will be a disaster for her and thousands of others.

HB 200 cuts staff numbers for Developmental Disabilities Division, allocates no Title XIX matching funds for the Medicaid Waiver program, and leaves no way for the Medicaid Home and Community Based Waiver Program to be implemented. The reorganization plan was not vetted through self-advocates or stakeholders.

What will happen to my daughter?

mahalo,

Cory Harden, Hilo

**HB-200-HD-1**

Submitted on: 3/27/2021 12:14:19 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Matthew Cohen	Individual	Oppose	No

Comments:

I am a parent of a developmentally disabled young man.

I ask that the language in measure HB200 HD1 be removed and replaced with the language in Senate Bill SB1229,

**I oppose HB200 HD1** because removing HTH501 will dissolve our DD Division. It has no budget transparency and no plan shared with the stakeholders. We want to delay any decision until the community and parents can review and comment on this proposed complete reorganization.

I do not want this funding rolled into general state money under the Administration of Behavioral Health with Eddie Mersereau and Dr. Char at The Department of Health. There is no transparent plan and no budget for the services for the population that the DD waiver program covered.

No one contacted the community and parents, agencies and the Advocacy groups and if there was a presentation shown to the senate finance committee none of us parents were able to see it and comment on it. I want this halted and the community be given an opportunity to give comment.

**HB-200-HD-1**

Submitted on: 3/27/2021 1:11:43 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Shana Metsch	Individual	Comments	No

Comments:

March 27, 2021

**TO:** Rep. Sylvia Luke, Chair

Rep. Ty J.K. Cullen, Vice Chair

Members of the House Committee on Finance

**FROM:** Shana Metsch

**SUBJECT:** Testimony: Relating to the State Budget

**PURPOSE:** Deferral to HB200

Thank you for the opportunity to submit **comments** to HB200 HD1, specifically regarding funding to HTH501, which I oppose the dismantlement of the Developmental Disabilities Division without transparency from the state. It is not clear how the cuts to DD will affect participants with disabilities that rely on the DD for their Home and Community-Based Services. Does this mean there will no longer be an H&CBS Medicaid Waiver Program? What is the plan for H&CBS? Are they going to become part of the state health plan? If so, we need to remember the Amendment to a §1915(c) Home and Community-Based in 2018, which cut certain services to children in the waiver and "transitioned" to the state health plans, didn't work out well for most participants.

No facts or data has been provided about drastic DD cuts. It will be a blindsided hit to self-advocates, families, and providers. We respectfully request a deferral to this bill and provide information in writing to all parties possibly being affected to make an informed decision on whether we support it.

Kind Regards,

Shana Metsch

3647 Kaweonui Road

Princeville, HI 96722

[shanametsch@yahoo.com](mailto:shanametsch@yahoo.com)



**HB-200-HD-1**

Submitted on: 3/27/2021 1:12:49 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Sandra Kahalewai	Individual	Oppose	No

Comments:

I am opposed to HB200 HD1 and ask that it be replaced with the language from Senate Bill SB1229.

I oppose dissolving the DD Division. We have not been able to review or comment on this reorganization and we want any decision delayed until all stakeholders have the opportunity to review and comment on it.

My son receives important waiver services from them and the push should be to expand the services of this division. They are helping him learn to be more independent. I can't help but wonder if you are trying to sneak this in because the disabled won't notice. Are you trying to marginalize them more than they already are?

This bill needs to be stopped and any plans you have for reorganization need to be publicly shared and all the stakeholders informed so it can be reviewed and commented on.

**Martha Ross, MSW, ACSW**  
**PO Box 482**  
**Waimanalo, HI 96795**  
**E: mrossresults@hawaii.rr.com**

**TO:** Senator Donovan Dela Cruz, Chair  
Senator Gilbert Keith-Agaran, Vice Chair  
And Members of the Senate Committee on Ways and Means

**FROM:** Martha Ross, MSW, ACSW

**RE:** HB 200 HD1 Relating to State Budget

**Position:** Strong Opposition, Request Amendments

My name is Martha Ross and I am writing this testimony to respectfully request you restore the Workforce Development Council (WDC), (LBR 135), in the State Budget, at the levels originally proposed in HB 200. I strongly oppose HB 200 HD1 as it is because it eliminates the WDC, jeopardizing a significant amount of federal dollars from President Obama's Workforce Innovation and Opportunity Act of 2014 (WIOA), and crippling Hawaii's existing public-private sector workforce development system recovery strategy. An amendment to restore WDC is requested as described above.

I had the opportunity to work with the WDC in 2015. During that time WDC's Executive Director and staff worked diligently together with the appointed WDC Council Members, Core and Mandatory Partners, Governor, Attorney General, the Director of DLIR and key WIOA federal officials to assure Hawai'i fully complied with the WIOA legal requirements, and restored the federally mandated WDC to be independent of the Workforce Development Division (WDD). In fact, at that same time, in addition to reconstituting WDC, a fire wall had to be created between WDC and WDD to show compliance with WIOA federal regulations.

WDC has a federally mandated role, distinct from the role of the WDD. This distinct role of WDC includes among other duties: 1) assisting the Governor by convening WIOA Core and Partners, and stakeholders at state and county levels to develop our state's WIOA 5-year plan every four years; 2) assisting the county WIOA boards; 3) administering programs that assist disadvantaged adults and dislocated workers who receive training and find jobs through the American Job Center; 4) issuing policies and procedures for the Adult, Dislocated Workers and Youth programs and monitoring implementation of these programs by the counties; 5) WIOA plan implementation oversight; 6) applying for emergency grants; and 7) assuring compliance with federal guidelines to receive the respective federal funds.

WDC must be in place for our state to receive annual federal funds based on our state's unemployment rate, anticipated to be \$8 million effective July 1, 2021, and assure WIOA plan implementation is in compliance with WIOA federal regulations. WDC has its own set of very important, but separate, responsibilities and duties.

In 2021, the federally mandated, primarily federally funded WDC, through its Executive Director, Staff, along with WIOA Core and Mandatory Partners and strong statewide public and private sector WDC Council Members, has the expertise, experience and composition necessary to successfully strengthen Hawai'i's workforce development system for economic re-growth in this challenging time.

In our state, we are all working hard, together, to recover economically from the devastation of the coronavirus pandemic. We need the annual infusion of millions of dollars in federal WIOA funds which are jeopardized by the elimination of WDC. We also need the expertise of the current WDC Executive Director and staff, WIOA Core and Mandatory Partners and the statewide public-private sector WDC Council Members to make Hawai'i's workforce system better for workers, job seekers, businesses and all employers.

In short, elimination of the federally mandated WDC harms Hawai'i's path to economic recovery because Hawai'i will lose an annual pocket of federal funds needed to improve our workforce development system for workers, job seekers, businesses, all employers and our economy.

Finally, WDC is already mobilizing a large statewide public-private sector workforce, education and employer partnership and strategy. They are all working together, using data and real experience from each county and statewide. Why would we dismantle this now? We need WDC's expertise more than ever to help us recover, innovate and flourish successfully despite the devastation caused by the coronavirus pandemic.

Mahalo for the opportunity to testify.

**HB-200-HD-1**

Submitted on: 3/27/2021 1:34:48 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Richard Sears	Individual	Oppose	No

Comments:

I OPPOSE BILL [HB200 HD1](#)

I have been informed this bill is an attempt to dissolve the Developmental Disability (DD) Division and defund the program or move the funding into the Administration of Behavioral Services.

I oppose this action. As a parent of a child with developmental disability who depends on the services offered and managed by the Developmental Disability Division I, nor any other parents to my knowledge, have been warned or advised of this action. Since the bill appears to be an appropriation bill, I find few references to this action in the text even when conducting key word searches but am concerned it is buried inside the bill or at least its impact is. I do notice HTH501 holds a funding line, but without the baseline it is difficult to determine the impact or how that funding will be distributed.

Since this action is somewhat breathless in that I am told testimony must be submitted within 24 hours of my writing this, I would like to see fuller disclosure to all stakeholders of concern if this action is indeed true.

I oppose this total re organization of funding as there was no ability for community or parent input to date which speaks to a total lack of transparency in this bill or its impact. I also question whether the Administration of Behavioral Health has a plan to absorb these services and maintain a budget for the population the DD waiver program covered. The impact of reducing the services to those most discriminated against and marginalized amongst our population cannot be overstated.

To my knowledge the community, parents, agencies, and the Advocacy groups have not been warned of this action and if there was a presentation shown to the senate finance committee no one has been informed to allow comment on the impact. This action, if true, needs to be ceased until suitable comment can be provided by those most impacted,

If my information is totally incorrect, I am anxious to be informed of any changes that are being considered.

I appreciate the ability to comment.



**HB-200-HD-1**

Submitted on: 3/27/2021 1:46:37 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Carrie Williams	Individual	Oppose	No

Comments:

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

FROM: Carrie Williams, Mililani

RE: HB 200 HD1 – State Budget

POSITION: Strong Opposition to Amendments for Budget Item #16.

I am writing as a parent of a child with intellectual and developmental disabilities and oppose budget item #16 HTH 501 —Developmental Disabilities of HB 200, HD1.

My concerns are as follows:

- HB 200, HD1 significantly reduces positions within the Developmental Disabilities Division from over 193 (HTH 200) to 24. This is a reduction of approximately 169 positions.
- HB 200 HD1 significantly reduces the division’s operating budget from \$87,837,341 for FY 22 and \$93,837,341 for FY 23 (HB 200) to \$2,930,271 for FY 22 and FY 23. This is a reduction of nearly \$85 million in FY 22 and a reduction of nearly \$91 million in FY 23.
- I am unclear of where the Title XIX federal matching funds for the Medicaid Waiver program are allocated in this budget.

This budget reduction suggests a reorganization but I am concerned about the impact of dismantling a system without presenting plans to, and seeking input from, self-advocates (individuals with intellectual/developmental disabilities), their families, provider agencies, and other stakeholders.

The pandemic has disproportionately impacted people with intellectual/developmental disabilities throughout our state who rely on Medicaid Waiver Home and Community Based Services to access a self-determined quality of life.

I urge you to reconsider and reinstate the budgeted funds and positions for HTH 501 ~Developmental Disabilities as originally presented in SB1299 and HB200. I further urge you to reconsider and defer decision making on any potential plans to reorganize and/or eliminate the Department of Health, Developmental Disabilities Division until individuals with intellectual/developmental disabilities, their families, provider agencies, and other stakeholders have the opportunity to fully understand the potential impacts of a change of this magnitude and provide feedback.

Thank you for this opportunity to provide testimony.

**HB-200-HD-1**

Submitted on: 3/27/2021 1:48:55 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Roger Mussman	Individual	Oppose	No

Comments:

I am with the Arc of Kona and I oppose budget item number 16: HTH 501 - Developmental Disabilities. Positions and funding for DD Division have been significantly reduced almost to the point of elimination. This is extremely concerning. We are unsure of where the Title XIX matching funds for the Medicaid Waiver program went. We do not know how Medicaid Home and Community Based Services will be implemented. We do not know the impact this will have on the individuals with intellectual and developmental disabilities that receive these services. We do not know what the reorganization plan is as it was not communicated to participants/self-advocates and other stakeholders.

We urge you to reconsider and reinstate the budgeted funds and positions for HTH-501 Developmental Disabilities as presented in SB 1299. We further urge you to reconsider and defer decision making on any potential plans to reorganize and/or eliminate DD Division until self-advocates/participants, family members, providers, and other stakeholders have the opportunity to fully understand the potential impacts of a change of this magnitude and can provide feedback.

Thank you for the opportunity to provide testimony.



**HB-200-HD-1**

Submitted on: 3/27/2021 2:17:57 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Alexandria Doggett	Individual	Oppose	No

Comments:

I am with the Arc of Kona and I oppose budget item number 16: HTH 501 - Developmental Disabilities. Positions and funding for DD Division have been significantly reduced almost to the point of elimination. This is extremely concerning. We are unsure of where the Title XIX matching funds for the Medicaid Waiver program went. We do not know how Medicaid Home and Community Based Services will be implemented. We do not know the impact this will have on the individuals with intellectual and developmental disabilities that receive these services. We do not know what the reorganization plan is as it was not communicated to participants/self-advocates and other stakeholders.

We urge you to reconsider and reinstate the budgeted funds and positions for HTH-501 Developmental Disabilities as presented in SB 1299. We further urge you to reconsider and defer decision making on any potential plans to reorganize and/or eliminate DD Division until self-advocates/participants, family members, providers, and other stakeholders have the opportunity to fully understand the potential impacts of a change of this magnitude and can provide feedback.

Thank you for the opportunity to provide testimony

**HB-200-HD-1**

Submitted on: 3/27/2021 2:28:13 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Paula Bailey Whitaker	Individual	Oppose	No

Comments:

My name is Paula Whitaker, and I am a parent of an adult child with a disability. I am writing in opposition to HB200 HD1 due to lack of transparency and unclear information.

This bill does not speak clearly to the fate of the DDD department and programs. I cannot find anything that helps me know what will happen to the DD Division if this bill is passed. What will happen to my son's case manager? What provisions are being made with 150 cut case worker positions? What about the funding for his H&CBS Medicaid Waiver Program? This is terrifying to me. Many families, mine included, depend on this waiver to provide essential services to our children with disabilities.

I did notice there is a SB2018, that tells of a reorg withing the Behavioral Health Administration which includes the DD Division, but it gives no details. I respectfully request you hold another hearing for this bill after SB2018 is heard by FIN, in hopes we will be able to get the details of what this reorg is, and the Department of Health has an opportunity to explain to individuals like myself, my son, and his provider, what is going on.

When legislation or budgeting effects Hawaii's disability community, the disability community should have input. I've seen no evidence of this regarding this bill. The DD community is an important part of our Hawaii O'hana. Please do not make a decision about them without including them (and their families) in the process.

Once the disability community is included, the details about DDD are clarified, and questions are answered, I will be able to make an informed decision and express my support or opposition for HB200 HD1, specifically pertaining to the changes within the Behavioral Health Administration. I strongly urge you to take these steps before making a decision.

Respectfully,

Paula Whitaker

To the Hawaii State Legislature,

**I oppose HB200 HD1** because removing HTH501 will dissolve the DD Division. I do not want this funding rolled into general state money under the Administration of Behavioral Health with Mr. Eddie Mersereau and Dr. Elizabeth Char at The Department of Health. There is no transparent plan and no budget for the services for the population that the DD waiver program covered.

No one contacted the current participants, parents, guardians, or the advocacy groups. If there was a presentation shown to the finance committee none of us were able to see it and or comment on it.

As a parent and guardian of a disabled autistic adult, I am concerned about my child's future. Many of you are probably aware that this is a neurological condition, which like genetic disorders is a life long situation. This is a very vulnerable group and I am very concerned about him and his other disabled peers.

His current Waiver program allows him to fill some of his days in an Adult Day Program. He is also able to be out in the community accessing all the different resources that you and I enjoy, with a caregiver. This keeps him busy and fulfilled but also is guiding him to be a participant in our vibrant, multicultural community. His case manager has contacted us monthly during this past year making sure that he has been able to adjust to the closing of so many of his usual activities during the Covid Pandemic. He has been able to participate in multiple Zoom sessions daily with trained staff and other participants, through the Telehealth Program. If it were not for these sessions his mental health would have been severely impacted. Life during these times is still not easy, which we all can attest to but without the continued services through Telehealth, it would have been much worse.

I would like you to delay any decision until the community and parents can review and comment on this proposed complete reorganization. If that fails, I ask that the language in measure HB200 HD1 be removed and replaced with the language in Senate Bill SB1229.

Please think of the future of our disabled population and let them not be discriminated or marginalized any more than they have been in the past.



**HB-200-HD-1**

Submitted on: 3/27/2021 3:45:40 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Xandria Tobara	Individual	Oppose	No

Comments:

I am with the Arc of Kona and I strongly oppose budget item number 16: HTH 501 - Developmental Disabilities. Positions and funding for DD Division have been significantly reduced almost to the point of elimination. This is extremely concerning. I am unsure of where the Title XIX matching funds for Medicaid Waiver program went and we do not know how Medicaid Home & Community Based Services will be implemented. We do not know the impact this will have on the individuals with intellectual and developmental disabilities that receive these services. We also do not know what the reorganization plan is as it was not communicated to the participants, self-advocates, and other stakeholders.

We urge you to reconsider and reinstate the budgeted funds and positions for HTH-501 Developmental Disabilities as presented in SB 1299. We further urge you to reconsider and defer decision making on any potential plans to reorganize and/or eliminate DD Division until participants, self-advocates, and other stakeholders have the opportunity to fully understand the potential impact of a change of this magnitude and can provide feedback.

Thank you for the opportunity to provide testimony.

COMMENTS on HB 200 HD 1 to the Senate Committee on Ways and Means

Monday, March 29, 2021

Aloha Chair Dela Cruz and Members of the Committee:

I am interested in appropriations in this bill related to services for people with developmental disabilities. I do not have a developmental disability, but serving the DD community properly is the right thing to do.

On page 24, lines 9-15 appear to reduce the staff budget to only 24 full time staff within the Developmental Disabilities Division. This may leave the Division unable to serve its constituency.

If there is a reorganization plan, it appears that the Developmental Disability community stakeholders were not involved in developing or vetting it.

The DD Council tells us that they are unsure of where the Title XIX matching funds for the Medicaid Waiver program went. They do not know how the Medicaid Home and Community Based Waiver Program will be implemented. They do not know the impact this will have on the services to individuals with intellectual and developmental disabilities.

These Medicaid Waiver services support people with Developmental Disabilities with the care that they need in their homes or in community-based settings. Medicaid typically pays for services in healthcare institutional settings, so the waiver program allows these services to be provided out in the community.

If there is some provision in the recent federal stimulus that provides funding for Medicaid Waiver services for people with developmental disabilities in a way that does not require state matching funds, it would be soothing to know about this. If there is some other plan to fund the DD Medicaid Waiver services, the community is hoping to learn what that is.

I don't directly have a horse in the race, but I want my fellow people to be served properly. Since they don't know why their appropriation has been removed from the budget bill, there are a lot of people who are very upset right now.

Mahalo for your leadership and kokua.

Justin MH Salisbury

March 27, 2021

To Whom it May Concern,

I am with the Arc of Kona and I oppose budget item number 16: HTH 501 - Developmental Disabilities. Positions and funding for DD Division have been significantly reduced almost to the point of elimination. This is extremely concerning. We are unsure of where the Title XIX matching funds for the Medicaid Waiver program went. We do not know how Medicaid Home and Community Based Services will be implemented. We do not know the impact this will have on the individuals with intellectual and developmental disabilities that receive these services. We do not know what the reorganization plan is as it was not communicated to participants/self-advocates and other stakeholders.

We urge you to reconsider and reinstate the budgeted funds and positions for HTH-501 Developmental Disabilities as presented in SB 1299. We further urge you to reconsider and defer decision making on any potential plans to reorganize and/or eliminate DD Division until self-advocates/participants, family members, providers, and other stakeholders have the opportunity to fully understand the potential impacts of a change of this magnitude and can provide feedback.

Thank you for the opportunity to provide testimony.

Jeri Raymond, MA MFT  
Senior Employment Specialist  
Arc of Kona  
PO Box 127  
Kealahou, HI 96750  
808-323-2626 (office)



**HB-200-HD-1**

Submitted on: 3/27/2021 5:58:43 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Deborah Kobayakawa	Individual	Oppose	No

Comments:

Date: March 27, 2021

TO: The Honorable Donovan M. Dela Cruz,  
Chair

The Honorable Gilbert S.C. Keith-Agaran, Vice  
Chair

And Members Senate Committee on Ways and Means

From: Deborah Kobayakawa, Parent

P.O. Box 5305 Kaneohe, HI 96744

**Re: HB 200, HD 1, Relating to the State Budget**

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and members:

I am the parent of a 30 old son with ID/DD whose entire life is contingent on his Case Management through the Developmental Disabilities Division. He relies on services and employment supports provided through the Medicaid Wavier Program. I am very concerned about the proposed reorganization of the DD Division and must oppose HB-200 HD-1 at this time until more information is provided.

While I understand that our state has to make budget cuts, the process being used to do this is not something that I can support. I must strongly oppose the proposed reorganization of the DD Division and HB-200 HD-1 until full transparency is made

available to all self-advocates, families, and stakeholders. We need to be provided with something in writing so that we are informed of what these changes are and how they will impact those we serve and love.

If this proposed reorganization occurs how will the DD Division continue to meet the needs of our participants and consumers? What is the impact going to be for all consumers who are receiving Home and Community Based Services? As a parent I need to see this in writing and understand what this will look like for my son. For such a large of amount of money to be reduced from the DD Division budget I cannot understand how my son's services and life won't be impacted negatively.

Please go back to the original bill, HB-200 and defer any proposed changes in the organization of the DD Division until parents, self-advocates and stakeholders have something in writing so that we can make sense out of the proposed changes related to this bill. I must be my son's voice and the voice of his peers to ensure they continue receiving the supports and services that works for them to have the life they want.

Respectfully,

Deborah Kobayakawa, Parent

March 27, 2021

TO: Senator Donovan M. Dela Cruz and Ways and Means Committee

FROM: Yuki Lei Tanaka-Pabo, community member

RE: HB 200 HD1

Relating to State Budget

POSITION: Strong Opposition with Amendments

I, Yuki Lei Tanaka-Pabo, am a parent of a child with a disability, community member, but most importantly, humbly ask that the language in measure HB200 HD1 be removed and replaced with the language in Senate Bill SB1229, because it marginalizes and discriminates against our specific developmental disability community. I oppose HB200 HD1 because removing HTH501 will dissolve our Development Disabilities (DD) Division. It has no budget transparency and no plan shared with the stakeholders. We want to delay any decision until the community and parents can review and comment on this proposed complete reorganization.

We do not want this funding rolled into general state money under the Administration of Behavioral Health with Mr. Eddie Mersereau and Dr. Char at The Department of Health. There is no transparent plan and no budget for the services for the population that the DD waiver program covered. No one contacted the community and parents, agencies, and the Advocacy groups. If there was a presentation shown to the Senate Finance Committee, none of us parents were able to see it, and/or comment on it.

Thank you for this opportunity to provide testimony.

Sincerely,

Yuki Lei Tanaka-Pabo

**HB-200-HD-1**

Submitted on: 3/27/2021 7:56:58 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Anna Malone	Individual	Oppose	No

Comments:

Dear Sir/Madam,

I am a resident of Hawaii for over 20 years, and I have been raising my son with Autism since he was diagnosed in 2003. We had sought help because we were hopeless with this incurable condition. Eventually, with help from his doctors and social workers, we reached out to the Department of Health, Developmental Disability Division. Since then, my son has to receive some services through the DDD division. My son is non-verbal and has a limitation of helping himself, and he does not understand the danger. Therefore, he needs continuous adult supervision to help him.

I read the bill HB200 HD1 to re-structure the organization and funding. **I oppose HB200 HD1** because removing HTH501 will dissolve the DD Division. There is no transparent plan and no budget for the services for the population that the DD waiver program covered. No one contacted the community and parents, agencies, and the Advocacy groups, and if there was a presentation shown to the senate finance committee none of us parents were able to see it and comment on it. I want this halted, and the community is given an opportunity to give our real-life comments, not as just a number to discuss.

The Waiver program of the DDD division has been helping our disability community very much. **For our disability community, the DDD services are an essential part of people with special needs, and taking it away from them is equivalent to taking fundamental rights from them. It will fall in the discrimination and marginalization of our disabled population.** There is no budget transparency and no plan shared with the stakeholders. We want to delay any decision until the community and parents can review and comment on this proposed complete reorganization. I do not want this funding rolled into general state money under the Administration of Behavioral Health with Eddie Mersereau and Dr. Char at The Department of Health.

Therefore, I ask that the language in measure HB200 HD1 be removed and replaced with the language in Senate Bill SB1229.

Thank you for your attention to this matter.

Respectfully,

Anna Malone

**HB-200-HD-1**

Submitted on: 3/27/2021 8:41:13 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Patricia Coon	Individual	Oppose	No

Comments:

I strongly oppose HB200 HD1 due to the lack of "language" being left out. It is my understanding that the intent of this bill is to cut a significant amount of staff from the Developmental Disabilities Division. I find this totally unacceptable. I also am questioning why specific rhetoric was left out of the proposed bill and request that the contents of this proposed bill be replaced with the Senate version namely SB1229. This is disturbing to be that something of this magnitude would even be considered. HB200 HD1 would destroy most of which has been accomplished. My daughter is on the waiver program and needs to continue to improve her skills or will be on State support for the rest of her life which is unacceptable. She is learning how to function in the community as a productive member of society. Do not approve HB200 HD1. It must be replaced with the Senate version SB1229. Mahalo- Patricia Coon, RN, BSHA

**HB-200-HD-1**

Submitted on: 3/27/2021 8:50:55 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
chazlynn takaki	Individual	Oppose	No

Comments:

I am with the Arc of Kona and I oppose budget item number 16: HTH 501 - Developmental Disabilities. Positions and funding for DD Division have been significantly reduced almost to the point of elimination. This is extremely concerning. We are unsure of where the Title XIX matching funds for the Medicaid Waiver program went. We do not know how Medicaid Home and Community Based Services will be implemented. We do not know the impact this will have on the individuals with intellectual and developmental disabilities that receive these services. We do not know what the reorganization plan is as it was not communicated to participants/self-advocates and other stakeholders.

We urge you to reconsider and reinstate the budgeted funds and positions for HTH-501 Developmental Disabilities as presented in SB 1299. We further urge you to reconsider and defer decision making on any potential plans to reorganize and/or eliminate DD Division until self-advocates/participants, family members, providers, and other stakeholders have the opportunity to fully understand the potential impacts of a change of this magnitude and can provide feedback.

Thank you for the opportunity to provide testimony.

**HB-200-HD-1**

Submitted on: 3/27/2021 9:02:52 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
barbara	Individual	Oppose	No

Comments:

I am writing to strongly oppose HB200. In its original form it was fine-- but the changes made in the House Finance bill changed the bill significantly, removing 170 positions and moved the Medicaid Waiver state funds to an unknown site. To do so without consulting with those people impacted by such change--those people with Developmental Disabilities -- seems unconscionable. DOH bureaucrats may glibly state that the DD functions can successfully be allocated to other bureaucratic entities, but discussion with the families of people with Developmental Disabilities will tell you that the DD division is seen as an important source of information and a partner in effecting change within the system. This marginalized and underrepresented population need the DD to continue to encourage, administer and advance programs that help people with Developmental Disabilities achieve their full potential.

The language in SB200 is superior and should replace that in HB 200.

Sincerely,

Barbara Poole-Street



**HB-200-HD-1**

Submitted on: 3/27/2021 9:09:32 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Michelle Lam	Individual	Oppose	No

Comments:

Aloha, my name is Michelle Lam and I have an adult daughter who is disabled with Rett's Syndrome, Autism, and PTSD. At 25, Brittany is functioning at about the age of a toddler. She needs and is benefiting from services with the DDD Division. These services assist her in the home and the community. Her needs span from home and community in all aspects ranging from self care, independence, mental, physical, social, etc. I am very concerned with changes being proposed to current services. It is extremely difficult to have her challenges in our live, but we have to try and pull through it each and every day. Consistency is something that we strive with for success in Brittany's needs, please don't take that away from us.

I ask that the language in measure HB200 HD1 be removed and replaced with the language in Senate Bill SB1229, it marginalizes and discriminates against our specific developmental disability community.

I oppose HB200 HD1 because removing HTH501 will dissolve our DD Division. It has no budget transparency and no plan shared with the stakeholders. We want to delay any decision until the community and parents can review and comment on this proposed complete reorganization.

We do not want this funding rolled into general state money under the Administration of Behavioral Health with Eddie Mersereau and Dr. Char at The Department of Health. There is no transparent plan and no budget for the services for the population that the DD waiver program covered.

No one contacted the community and parents, agencies and the Advocacy groups and if there was a presentation shown to the senate finance committee none of us parents were able to see it and comment on it. Please give us the opportunity to be part of any proposed changes that will impact our lives and the lives of our children. Thank you.

Sincerely,

Michelle Lam



**HB-200-HD-1**

Submitted on: 3/27/2021 10:27:27 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
rachel tanaka	Individual	Oppose	No

Comments:

"I ask that the language in measure HB200 HD1 be removed and replaced with the language in Senate Bill SB1229,

**I oppose HB200 HD1** because removing HTH501 will dissolve our DD Division. It has no budget transparency and no plan shared with the stakeholders. We want to delay any decision until the community and parents can review and comment on this proposed complete reorganization.

1. do not want this funding rolled into general state money under the Administration of Behavioral Health with Eddie Mersereau and Dr. Char at The Department of Health. There is no transparent plan and no budget for the services for the population that the DD waiver program covered.

No one contacted the community and parents, agencies and the Advocacy groups and if there was a presentation shown to the senate finance committee none of us parents were able to see it and comment on it. I want this halted and the community be given an opportunity to give comment.

The IDD population is vulnerable. Qualifications were adjusted several years ago and has negatively affected them. Support services are so valuable to the well being of our individuals. My daughter receives Medicare Waiver services. Without theses services my daughter would be struggling to achieving her hopes & dreams. She has a ways to go but needs the support from the waiver program.

Thank you,

Rachel Tanaka



Joyce Allen  
[Joycem.allen@gmail.com](mailto:Joycem.allen@gmail.com)  
808-286-3921

March 27, 2021

State of Hawaii Legislature  
Ways and Means Committee  
Senator Donovan Dela Cruz  
Senator Keith-Agaran

Re: HB 200, HD1 – RELATING TO STATE BUDGET

Dear Senators:

I oppose HB200 HD1 because removing HTH501 will dissolve our Developmental Disabilities Division (DDD). It has no budget transparency and no plan shared with the community, parents, agencies, advocacy groups and other stakeholders. Until the community and parents can review and comment on this proposed complete reorganization any decision HB200 should be delayed.

My child diagnosed with Autism has benefited from the services provided by DDD and having these services cut discriminate and marginalize our most vulnerable population. It is very concerning that the DDD funding is in jeopardy.

I do not want this funding rolled into the general state money under the Administration of Behavioral Health with Eddie Mersereau and Dr. Char at the Department of Health, There is no transparent plan and no budget for the services for the population the DDD waiver program covered. I ask that the language in HB200 HD1 be removed and replaced with the language in Senate Bill SB1229.

Again, I oppose HB200 HD1 and any decision should be delayed. Thank you for your consideration.

Very truly yours,

*/s/ Joyce Allen*

Joyce Allen (Parent and Guardian)

**HB-200-HD-1**

Submitted on: 3/28/2021 12:06:51 AM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jeanette White	Individual	Oppose	No

Comments:

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Committee on Ways and Means,

I am writing to you because of the concerns I have for the future of my autistic son. HB200 HD1 has many families worried about the changes this bill will bring. Behavior health for camhd and substance abuse is very different then behavior health for Autism and other developmental disabilities. It takes specialized understanding of individuals like my son to really provide the much needed support that is required.

I'm asking that the language in measure HB200 HD1 be removed and replaced with the language in Senate Bill SB1229, it marginalizes and discriminates against our specific developmental disability community. I oppose HB200 HD1 because removing HTH501 will dissolve our DD Division. It has no budget transparency and no plan shared with the stakeholders. We want to delay any decision until the community and parents can review and comment on this proposed complete reorganization. We do not want this funding rolled into general state money under the Administration of Behavioral Health with Eddie Mersereau and Dr. Char at The Department of Health. There is no transparent plan and no budget for the services for the population that the DD waiver program covered. No one contacted the community and parents, agencies and the Advocacy groups and if there was a presentation shown to the senate finance committee none of us parents were able to see it and comment on it.

Very respectfully,

Jeanette White

**HB-200-HD-1**

Submitted on: 3/28/2021 12:57:29 AM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Malia Kamaka	Individual	Oppose	No

Comments:

I am with the Arc of Kona and I oppose budget item number 16: HTH 501- Developmental Disabilities. Positions and funding for DD Division have been significantly reduced almost to the point of elimination. We are unsure of where the Title XIX matching funds for the Medicaid Waiver program went. We do not know how Medicaid Home and Community Based Services will be implemented. We do not know the impact this will have on the individuals with intellectual and developmental disabilities that receive these services. We do not know what the reorganization plan is as it was not communicated to participants/self advocates and other stakeholders.

We urge you to reconsider and reinstate the budgeted funds and positions for HTH-501 Developmental Disabilities as presented in SB 1299. We further urge you to reconsider and defer decision making on any potential plans to reorganize and or eliminate DD Division until self-advocates, participants, family members , providers and other stakeholders have the opportunity to fully understand the potential impacts of a change of this magnitude and can provide feedback!

I urge your reconsideration because of the impacts on an extremely fragile part of our Community. Thank you for the ability to provide testimony

**HB-200-HD-1**

Submitted on: 3/28/2021 6:06:21 AM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Franz	Individual	Comments	No

Comments:

. I am writing to oppose and request delaying decision on the following budget item in HB 200, HD1 scheduled for hearing on March 29, 2021 at 9:00AM: HTH 501 – Developmental Disabilities, Page 24, Item No. 16 • We support the original version of Senate budget that was SB 1229 that provided the funding and necessary support for people with disabilities and their families. • We are concerned that the HB 200 HD1 reduces HTH 501 – Developmental Disabilities Division positions by over 170 and reduces the \$92,811,202 budget to \$2,902,271. • We are unsure where the Title XIX federal matching funds for the Medicaid Waiver program is allocated. • We do not know how this will impact services to individuals with intellectual and developmental disabilities. • We are concerned about the impact of dismantling and re-organizing a system without presenting plans to stakeholders or seeking input from self-advocates (people with developmental disabilities and their families) or stakeholders. • The pandemic has disproportionately impacted people with developmental disabilities in Hawaii who rely on Medicaid Waiver services to enjoy a self-determined quality of life. We need a return to normalcy and not another year of continual changes and complex systems. In summary, please revert the contents of HTH501- Developmental Disabilities to the original version of SB 1229 and defer decision making on any plans to eliminate the Developmental Disabilities Division until people with developmental disabilities, their families, and other stakeholders have an opportunity to understand impacts and provide feedback. Thank you for your valuable time and consideration



**HB-200-HD-1**

Submitted on: 3/28/2021 6:35:55 AM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Joe Ratliff	Individual	Comments	No

Comments:

I ask that the language in measure HB200 HD1 be removed and replaced with the language in Senate Bill SB1229, it marginalizes and discriminates against our specific developmental disability community.

I oppose HB200 HD1 because removing HTH501 will dissolve our DD Division. It has no budget transparency and no plan shared with the stakeholders. We want to delay any decision until the community and parents can review and comment on this proposed complete reorganization.

We do not want this funding rolled into general state money under the Administration of Behavioral Health with Eddie Mersereau and Dr. Char at The Department of Health. There is no transparent plan and no budget for the services for the population that the DD waiver program covered.

No one contacted the community and parents, agencies and the Advocacy groups and if there was a presentation shown to the senate finance committee none of us parents were able to see it and comment on it.

Sincerely,  
Joe Ratliff

**HB-200-HD-1**

Submitted on: 3/28/2021 7:33:29 AM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lisa Purdom	Individual	Oppose	No

Comments:

I am with the Arc of Kona and I oppose budget item number 16: HTH 501 - Developmental Disabilities. I have worked in this industry for over 20 years and this is discerning for our participants. Positions and funding for DD Division have been significantly reduced almost to the point of elimination. We are unsure of where the Title XIX matching funds for the Medicaid Waiver program went. We do not know how Medicaid Home and Community Based Services will be implemented. This is very questionable of how this will benefit our people with disabilities. Also this has not been brought to the families or the participants of what impact this will have on our community.

We strongly urge you to reconsider and reinstate the budgeted funds and positions for HTH-501 Developmental Disabilities as presented in SB 1299. We further urge you to reconsider and defer decision making on any potential plans to reorganize and/or eliminate DD Division until self-advocates/participants, family members, providers, and other stakeholders have the opportunity to fully understand the potential impacts of a change of this magnitude and can provide feedback.

Thank you for the opportunity to provide testimony.

**HB-200-HD-1**

Submitted on: 3/28/2021 7:41:30 AM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Marisol Malagon Silva	Individual	Oppose	No

Comments:

I am with the Arc of Kona and I oppose budget item number 16: HTH 501 - Developmental Disabilities. Positions and funding for DD Division have been significantly reduced almost to the point of elimination. This is extremely concerning. We are unsure of where the Title XIX matching funds for the Medicaid Waiver program went. We do not know how Medicaid Home and Community Based Services will be implemented. We do not know the impact this will have on the individuals with intellectual and developmental disabilities that receive these services. We do not know what the reorganization plan is as it was not communicated to participants/self-advocates and other stakeholders.

We urge you to reconsider and reinstate the budgeted funds and positions for HTH-501 Developmental Disabilities as presented in SB 1299. We further urge you to reconsider and defer decision making on any potential plans to reorganize and/or eliminate DD Division until self-advocates/participants, family members, providers, and other stakeholders have the opportunity to fully understand the potential impacts of a change of this magnitude and can provide feedback.

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

FROM: Karen Wong

RE: HB 200 HD1 Relating to State Budget

POSITION: Strong Opposition with Amendments

I am writing to respectfully request the restoration of the Workforce Development Council (LBR 135) into the State Budget as originally proposed in HB 200; restoring 6 positions that were transferred out and restoring 5 positions that were eliminated.

The Workforce Innovation and Opportunity Act of 2014 (WIOA) requires the Department of Labor, Department of Education (Adult Education), Wagner Peyser, and the Division of Vocational Rehabilitation to serve as mandatory partners in the execution of WIOA for Hawaii.

The Workforce Development Council (WDC) was established as the State Board as **required** under the WIOA. The WDC is comprised of local private-sector leaders who provide industry expertise so that Hawaii's workforce development system prepares a workforce with the skills valued by employers.

The WDC is an active board, with eight standing committees, which meet between the quarterly Council meetings. The committees invite stakeholders statewide to participate, providing valuable perspectives from the private sector, various state and county agencies, community organizations, and service providers. These committees make program and policy recommendations. WDC staff is responsible for providing staff services to the Council and its committees. The staff also provides WIOA subject matter expertise and serves as a resource to the members.

I currently serve as a Board member and am the Vice Chair of the Finance Committee. I am also the Vice President of Administration for Lanakila Pacific, a Hawaii-based non-profit organization that provides valuable training and work experience for adults with disabilities who would otherwise have difficulty securing a job and have nearly 80 individuals with disabilities currently on staff. We couldn't do this without our valuable partners such as WDC.

The WDC administers WIOA's Title I programs: Adult, Dislocated Worker, and Youth which serve disadvantaged adults, homeless individuals, individuals with disabilities, those with low levels of literacy, dislocated workers, veterans, displaced homemakers, long-term unemployed, out-of-school youth, youth exiting foster care, and formerly justice-involved individuals. The WIOA Title I programs are unique because they offer federally-funded training to enable individuals to be trained in in-demand industries to meet the needs of our local employers. Another feature of the programs is the ability to provide supportive services, to pay for books, testing costs, uniforms, tools, interview clothes, transportation, and child-care while an individual is attending training.

The programs receive approximately \$6 million annually and because Hawaii's unemployment is so high, that amount will increase to approximately \$8 million for the year starting July 1, 2021. The WDC is almost entirely funded by these federal funds. Eliminating the WDC or diminishing the capability of the Council by reducing needed staffing puts those \$8 million in jeopardy.

The economic situation today requires a strong and innovative workforce development system. This is not the time to cut essential programs that assist displaced employees with training, skill development, and provides individualized employment services so that they may find a job with higher wages to improve the quality of life for themselves and their families.

Thank you for this opportunity to provide testimony in support of restoring the funding of the Workforce Development Council, LBR 135 into the state budget.

**HB-200-HD-1**

Submitted on: 3/28/2021 8:35:50 AM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lynette Young-Pak	Individual	Oppose	No

Comments:

To All:

I ask that the language in measure HB200 HD1 be removed and replace with the language in Senate Bill SB1229,

I vehemently oppose HB200 HD1 because removing HTH501 will dissolve our DD Division. It has no budget transparency and no plan was shared with the stakeholders. We want to delay any decision until the community and parents can review and comment on this proposed complete reorganization.

I do not want this funding rolled into general state money under the Administration of Behavioral Health with Eddie Mersereau and Dr. Char at the Department of Health. There is no transparent plan and no budget for the services for the population that the DD waiver program covers.

No one contacted the community and parents, agencies and the Advocacy groups and if there was a presentation shown to the senate finance committee none of us parents were able to see it and comment on it. I want this halted and the community be given an opportunity to give comment.

I find it appalling that elected officials would try to pass such legislation without letting the stakeholders affected. This is clearly discrimination and marginalization of one of our most vulnerable populations. The DD Division serves this population which my son is a part of. Without their help and support he would not have been able to get the job he currently has or be able to catch the bus on his own, giving him at least a little bit of independence and mobility and making him a contributing member of his community.

Thank-you,

Lynette Young-Pak

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

FROM: Evan Nakatsuka

RE: HB 200 HD1 - Relating to State Budget

POSITION: Opposition with Amendments

I am writing to respectfully request the restoration of the Workforce Development Council (LBR 135) into the State Budget as originally proposed in HB 200; restoring 6 positions that were transferred out and restoring 5 positions that were eliminated.

The Workforce Innovation and Opportunity Act of 2014 (WIOA) requires the Department of Labor, Department of Education (Adult Education), Wagner Peyser, and the Division of Vocational Rehabilitation to serve as mandatory partners in the execution of WIOA for Hawaii.

The Workforce Development Council (WDC) serves as the State Board that is required under WIOA. The Council is comprised of local private-sector leaders, the Department of Education, the University of Hawaii Community College System, County officials, service providers, and community organizations who serve as leaders in the execution of WIOA for Hawaii's workforce preparation program.

I currently serve as co-chair of the WDC subcommittee for Opportunity Populations (people with barriers to employment), and I also work as the Director of Workforce Programs for Lanakila Pacific a Hawaii-based non-profit 501 (c) (3) organization offering assistance programs and operating social enterprises to build independence and improve the quality of life for individuals with cognitive, physical, social or age-related challenges. Through the work I do with employees of Lanakila Pacific's social enterprises, I have seen firsthand how people with disabilities have prepared for and gained employment through the Statewide Workforce Development system that the WDC oversees.

Eliminating the WDC or diminishing the capability of the council by reducing needed staffing limits the employment services and programs available to disadvantaged adults, homeless individuals, individuals with disabilities, those with low levels of literacy, dislocated workers, veterans, displaced homemakers, long-term unemployed, out-of-school youth, youth exiting foster care, and formerly justice-involved individuals. A workforce development system that empowers people from these vulnerable populations plays a crucial role in our economic recovery.

Thank you for this opportunity to provide testimony in support of restoring the funding of the Workforce Development Council, LBR 135 into the state budget.

**HB-200-HD-1**

Submitted on: 3/28/2021 8:56:12 AM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
sheryl	Individual	Oppose	No

Comments:

Dear Sit/Ma'am,

I ask that the language in measure HB200 HD1 be removed and replaced with the language in Senate Bill SB1229, it marginalizes and discriminates against our specific developmental disability community.

I oppose HB200 HD1 because removing HTH501 will dissolve our DD Division. It has no budget transparency and no plan shared with the stakeholders. We want to delay any decision until the community and parents can review and comment on this proposed complete reorganization.

We do not want this funding rolled into general state money under the Administration of Behavioral Health with Eddie Mersereau and Dr. Char at The Department of Health. There is no transparent plan and no budget for the services for the population that the DD waiver program covered.

No one contacted the community and parents, agencies and the Advocacy groups and if there was a presentation shown to the senate finance committee none of us parents were able to see it and comment on it.

Sincerely,  
Sheryl Cunningham



**HB-200-HD-1**

Submitted on: 3/28/2021 8:59:37 AM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Janet K. Takushi	Individual	Oppose	No

Comments:

Dear Senators and Representatives,

The separation of DD services from other agencies is vital as this Vulnerable group of people

receive special funds from the Federal Government. It has been a practice here in Hawaii to use these funds for other special pet projects, against Federal Law. If this division is grouped with other agencies its specified monies are open to abuse.

**HB-200-HD-1**

Submitted on: 3/28/2021 9:00:36 AM

Testimony for WAM on 3/29/2021 9:00:00 AM



<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
kanoë Davis	Individual	Oppose	No

Comments:

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Committee on Ways and Means:

I am writing on behalf of myself and Ohana, to respectfully request that the language in measure HB200 HD1 be removed and replaced with the language in Senate Bill SB1229; it marginalizes and discriminates against our specific developmental disability community.

We strongly oppose HB200 HD1 because removing HTH501 will dissolve our DD Division. It has no budget transparency and no plan shared with the stakeholders. We want to delay any decision until the community and parents can review and comment on this proposed complete reorganization.

We do not want this funding rolled into general state money under the Administration of Behavioral Health with Eddie Mersereau and Dr. Char at The Department of Health. There is no transparent plan and no budget for the services for the population that the DD waiver program covered.

No one contacted the community, parents, agencies, or the Advocacy groups. If there was a presentation shown to the senate finance committee, none of us parents were able to see it or comment on it.

On a personal note, I have a 10 year old son with Epilepsy, severe to moderate Intellectual Disability, Autism, and ADHD. The services he receives is crucial to our family.

Mahalo for considering our request to remove the language in measure HB200 HD1 and replace it with the language in Senate Bill SB1229.

Mahalo nui loa,

Kanoë Davis and Ohana

**HB-200-HD-1**

Submitted on: 3/28/2021 11:10:13 AM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
meghan boone	Individual	Oppose	No

Comments:

I ask that the language in measure HB200 HD1 be removed and replaced with the language in Senate Bill SB1229, it marginalizes and discriminates against our specific developmental disability community.

I oppose HB200 HD1 because removing HTH501 will dissolve our DD Division. It has no budget transparency and no plan shared with the stakeholders. We want to delay any decision until the community and parents can review and comment on this proposed complete reorganization.

We do not want this funding rolled into general state money under the Administration of Behavioral Health with Eddie Mersereau and Dr. Char at The Department of Health. There is no transparent plan and no budget for the services for the population that the DD waiver program covered.

No one contacted the community and parents, agencies and the Advocacy groups and if there was a presentation shown to the senate finance committee none of us parents were able to see it and comment on it.

Sincerely,

Meghan Boone

**HB-200-HD-1**

Submitted on: 3/28/2021 1:04:06 PM

Testimony for WAM on 3/29/2021 9:00:00 AM



<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Chris Brown	Individual	Oppose	No

Comments:

I ask that the language in measure HB200 HD1 be removed and replaced with the language in Senate Bill SB1229, it marginalizes and discriminates against our specific developmental disability community.

I oppose HB200 HD1 because removing HTH501 will dissolve our DD Division. It has no budget transparency and no plan shared with the stakeholders. We want to delay any decision until the community and parents can review and comment on this proposed complete reorganization.

We do not want this funding rolled into general state money under the Administration of Behavioral Health with Eddie Mersereau and Dr. Char at The Department of Health. There is no transparent plan and no budget for the services for the population that the DD waiver program covered.

No one contacted the community and parents, agencies and the Advocacy groups and if there was a presentation shown to the senate finance committee none of us parents were able to see it and comment on it.

Sincerely,

Chris Brown

**LATE**

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

FROM: Leslie Wilkins, Chair, Workforce Development Council

RE: HB 200 HD1 Relating to State Budget

DATE: March 29, 2021 at 9:00 a.m.

POSITION: Strong Opposition with Amendments

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Committee Members,

My name is Leslie Wilkins, I am currently serving in volunteer leadership, as chair of the Workforce Development Council (WDC), an appointed position by the Governor. I am deeply concerned by the HB 200 HD1 which proposes to eliminate the Workforce Development Council (LBR 135) by transferring six employees to the Workforce Development Division (WDD) and eliminating five positions, which are almost entirely federally funded. This action would save very little state general funding (\$164,000), and instead risk compliance with more than \$6 million in U.S. Department of Labor funding. More importantly, it would dismantle critical and legally required infrastructure to retrain and reskill Hawaii's workforce at a time it is needed most. I am requesting the Senate committee to restore WDC (LBR 135) to the proposed levels in the original HB 200.

The federal Workforce Innovation and Opportunity Act (WIOA) is the regulatory authority that expressly mandates the current Workforce Development Council structure, staffing expertise, and the private sector led volunteer board representing key sectors of our economy. The WDC board informs expenditures to assure training investments are meeting the needs of in demand and future workforce skills, monitors performance and financial compliance. Deconstructing any of the above puts Hawaii seriously out of compliance, cripples our state's ability to effectively deploy current federal funding, and dismantles the infrastructure that is poised to accept and disseminate the expected additional \$8 million federal workforce funding July 1, 2021 to support training for recovery. The expertise of the current WDC leadership has a proven track record of aggressively seeking and securing additional federal funding beyond the formulaic funding to meet targeted needs.

Rest assured the current Workforce Development Council (WDC) is not duplicative of the Workforce Development Division (WDD) of the DLIR. The proposed reassignment of select staff and position elimination would not be a cost-saving consolidation or efficiency restructure—instead just opposite. In 2015, the U.S. Department of Labor found DLIR is serious non-compliance for housing WDC functions within WDD. DLIR was cited for conflict of interest and no required firewall in the accounting and oversight of federal WIOA funds.

Stepping backwards with HB 200 HD1 would recreate the same non-compliant structure and jeopardize funding. Hawaii's current WDC structure, separated accounting and oversight, trained staff and volunteer leadership have all been methodically designed and built at the instruction of U.S. Dept. of Labor and WIOA regulations to maximize the effectiveness of operations.

As a neighbor island member of the voluntary Workforce Development Council/Board, I have witnessed first-hand the technical expertise developed by WDC staff and how uniquely valuable their mentoring is to the success of the County Workforce Boards and the American Job Centers across the state. WIOA is complex, requiring rigorous reporting and compliance. Having access to WDC staff members to share technical assistance and individual guidance for our County staff and partners is critical to providing quality service to our residents in their communities.

Of note is how the volunteer WDC Board Members have engaged and provided insights into the training needs for existing sectors and for targeted sectors to diversify and grow our economy. As mandated by WIOA, the board members must be senior executives from a cross-section of industry, making up over 51% of the Board. Our members have provided essential leadership and have developed robust committees, which have leveraged WDC's work through strong private sector partnerships.

We understand the critical budget challenges facing our state, but HB 200 HD1 is not a solution. It instead risks serious costs in delays of services to our most vulnerable and devastated residents, and potential loss of federal resources at a time we need a proven infrastructure to support our workforce during these unprecedented times. Please restore HB 200, without the proposed restructuring cuts of HD1. Thank you for this opportunity to testify. If you have further questions, I am happy to answer.

Sincerely,



Leslie Wilkins  
WDC Board Chair  
[lesliewilkins1@gmail.com](mailto:lesliewilkins1@gmail.com)  
Mobile: 808-280-0376  
508 Kulaiwi Drive  
Wailuku, HI 96793



**LATE**

**HB-200-HD-1**

Submitted on: 3/28/2021 3:22:13 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Timothy Miyao	Individual	Oppose	No

Comments:

Honorable Committee on Ways and Means,

Please oppose HB 200 HD1. This legislation reduces program funding and would result in people losing their jobs.

Thank you for your time and consideration.



**LATE**

**HB-200-HD-1**

Submitted on: 3/28/2021 4:10:44 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Susan Rocco	Individual	Oppose	No

Comments:

My son Jason, who has significant intellectual disabilities and health challenges, turns 40 years old today. I am taking time from the celebration of this milestone to express my **deep concern** regarding defunding of the Developmental Disabilities Division (HTH 501) and express my **strong opposition** to the decimation of this essential state agency.

Jason's services through the Developmental Disabilities Medicaid Waiver are case managed by DDD staff and funded through a federal-state match. They have been a literal lifeline to Jason for the past twenty years, because I am a single parent without extended family and Jason requires one-on-one supervision while I work for the Department of Health. It appears from the House draft that DDD personnel have been almost completely eliminated, with only 24 staff positions remaining.

Although there is no detail in the budget summary, word through the Coconut Wireless is that Department of Health top leadership is attempting to reorganize DDD by rolling the bulk of its funding into the Administration of Behavioral Health Services which provides services for children and adults with mental health conditions and substance abuse. I mention this as hearsay, because, to my knowledge, there has been no formal information provided to stakeholders like me and my family. This secretive move is diametrically opposed to the federal requirement that consumers of federally funded services be consulted and involved in the planning, implementation, and evaluation of programs and policies. Within the Department of Health, there is also a DDD Medicaid Waiver Policy Advisory Committee that includes members who are self-advocates and family members, and I don't think this group was consulted prior to this reorganization proposal.

I implore your Committee to **put this reorganization on hold** and **maintain DDD funding** at or above the level of recent years budgets until recipients of services and their families can be briefed on the details of such a move and a process for evaluating its feasibility and suitability in serving Hawaii's vulnerable population of individuals with developmental disabilities be established. It goes without saying that this process includes representation from self-advocates and family members so our State can continue its commitment to our children's health, safety and quality of life.

Respectfully,

Susan Rocco

(808) 284-2580

March 26, 2021

**LATE**

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

FROM: Bernadette Howard   
State Director for Career and technical Education (CTE)

RE: HB 200 HD1 Relating to State Budget

POSITION: Strong Opposition with Amendments

I am writing to respectfully request the restoration of the Workforce Development Council (LBR 135) into the State Budget as originally proposed in HB 200; restoring 6 positions that were transferred out and restoring 5 positions that were eliminated.

Others will testify on the importance of supporting the WDC from the workforce development perspective. I want to bring the perspective of the education and training community – specifically as it relates to the state’s Career Pathway System developed to link Hawaii’s workforce agencies and CTE.

Under the US Department of Education’s *Strengthening CTE in the 21<sup>st</sup> Century Act*, often referred to as Perkins V, the Workforce Development Council (WDC) and the UH Community Colleges are required partners. As such we work hand-in-glove to prepare our citizens with the skills valued by employers.

The education community is an integral part of the work of the WDC and vice versa. A representative of the UH President is a member of the Council, as is a representative from the DOE Community School for Adults and the Office of the State Director for CTE. Hawaii’s WIOA and Perkins State Plans were intentionally aligned so as to ensure we improve services to clients, reduce duplication, and increase the impact of the federal and state funds under which we each operate. Equally important, local private-sector leaders provide industry expertise so that Hawaii’s Career Pathway System prepares our workforce for today’s jobs.

One of the ways we collaborate is through 8 established standing committees. When we were each developing our State Plans, both the WDC and CTE committed to providing membership on all eight of the standing committees. WDC staff is responsible for providing staff services to the Council and its committees. The staff also provides WIOA subject matter expertise and serves as a resource to the members. I serve on the Sector Partnerships & Career Pathways and the Employer Engagement subcommittees and I can attest that we have found ways to increase impact, make policy recommendations, and reduce duplication over these last 5 years.

The economic situation today requires a strong and innovative workforce development system. This is not the time to cut essential programs that assist our citizens with training, skill development, and individualized employment services. This is not the time to eliminate the WDC or diminish the capability of the Council.

Thank you for this opportunity to provide testimony in support of restoring the funding of the Workforce Development Council, LBR 135 into the state budget.

**LATE**

**HB-200-HD-1**

Submitted on: 3/28/2021 5:21:10 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Stephanie Ratliff	Individual	Oppose	No

Comments:

To whom it may concern,

I ask that the language in measure HB200 HD1 be removed and replaced with the language in Senate Bill SB1229, it marginalizes and discriminates against our specific developmental disability community.

I oppose HB200 HD1 because removing HTH501 will dissolve our DD Division. It has no budget transparency and no plan shared with the stakeholders. We want to delay any decision until the community and parents can review and comment on this proposed complete reorganization.

We do not want this funding rolled into general state money under the Administration of Behavioral Health with Eddie Mersereau and Dr. Char at The Department of Health. There is no transparent plan and no budget for the services for the population that the DD waiver program covered.

No one contacted the community and parents, agencies and the Advocacy groups and if there was a presentation shown to the senate finance committee none of us parents were able to see it and comment on it.

Sincerely,

Stephanie Ratliff



Hunt Development Group, LLC  
737 Bishop Street, Suite 2750  
Honolulu, Hawaii 96813  
Office: 808-585-7900

**LATE**

Senator Donovan Dela Cruz, Chair  
Senator Gilbert Keith-Agaran, Vice Chair  
Committee on Ways and Means

**RE: HB 200 HD1 – Relating to the State Budget – Comments re HCDA funding  
March 29, 2021; Via Videoconference; 9:00 A.M.**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and members of the committee,

Hunt Companies – Hawaii appreciates this opportunity to provide comments on HB 200 HD1 relating to the State budget. We respectfully request that funding be restored for the Hawaii Community Development Authority (HCDA).

As the State continues to recover from the economic woes created by the Coronavirus, development and construction have played a major role in getting our people back to work. As Carl Bonham recently reported, there are 70,000 people in Hawaii still unemployed. Hunt Companies – Hawaii is in the process of updating our Kalaeloa master plan, and will be submitting several project applications to HCDA. A fully funded and staffed HCDA office will ensure that projects are reviewed and approved in a timely fashion, and jobs are consistently provided.

We ask for your favorable consideration in restoring HCDA’s staff and funding. Thank you.

Steven W. Colón  
President – Hawaii Division

RE: HB 200, HD 1 – RELATING TO THE STATE BUDGET



Dear Chair Dela Cruz and Members of the Committee,

My son Roger, who has autism and intellectual disabilities receives services from the Developmental Disabilities Division. I am **gravely** concerned about the defunding of the Developmental Disabilities Division (HTH 501) and express my **strong opposition** to the decimation of this essential state agency.

Roger receives services through the Developmental Disabilities Medicaid Waiver that is case managed by DDD staff and funded through a federal-state match. DDD has been and continues to be an integral part of my son Roger's life for over 12 years. It appears from the House draft that DDD personnel have been almost completely eliminated, with only 24 staff positions remaining.

We are hearing that top leadership in the Department of Health is planning to reorganize DDD into the Administration of Behavioral Health Services which provides services for children and adults with mental health conditions and substance abuse. This major concern was brought to our attention just a few days ago and we feel blindsided. There has been no formal information provided to us as consumers.

***This secretive move is diametrically opposed to the federal requirement that consumers of federally funded services be consulted and involved in the planning, implementation, and evaluation of programs and policies. Within the Department of Health, there is also a DDD Medicaid Waiver Policy Advisory Committee that includes members who are self-advocates and family members, and I don't think this group was consulted prior to this reorganization proposal.***

I urge your Committee to **put this reorganization on hold** and **maintain DDD funding** at or above the level of recent years budgets until recipients of services and their families can be briefed on the details of such a move and a process for evaluating its feasibility and suitability in serving Hawaii's vulnerable population of individuals with developmental disabilities be established. It goes without saying that this process includes representation from self-advocates and family members so our State can continue its commitment to our children's health, safety and quality of life.

Respectfully,

Susan Wood  
(808) 756-0179

**HB-200-HD-1**

Submitted on: 3/28/2021 7:44:23 PM

Testimony for WAM on 3/29/2021 9:00:00 AM



<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Brandi Picardal	Individual	Oppose	No

Comments:

To the Honorable Legislative members,

I, Brandi Picardal, strongly oppose HB200.

It is my understanding that this bill will make budget cuts to the DDD. I oppose any such bill that makes budget cuts to an already strained department. Budget cuts to DDD will cause pain and problems for children with disabilities who already do not get the services they desperately need.

Please reconsider this bill and do not continue with it the way it is currently written.

Sincerely,

Brandi Picardal

**HB-200-HD-1**

Submitted on: 3/28/2021 8:04:31 PM

Testimony for WAM on 3/29/2021 9:00:00 AM



<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Laura Kahiapo	Individual	Oppose	No

Comments:

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Committee on Ways and Means:

I am writing as a very concerned citizen.

I am a Mother of a 30 year old severe Autistic Son, named Jeremiah. He has severe violent behaviors, Because of this situation, we placed our son in an ICF facility so my family could heal from the stressful environment we endured for so many years. My husband, Kawika Kahiapo, and I, strongly oppose HB200 HD1 because removing HTH501 will dissolve our DD Division. It has no budget transparency and no plan shared with the stakeholders. We want to delay any decision until the community and parents can review and comment on this proposed complete reorganization.

If this HB200 HD1 passes the House budget totally gut Developmental Disabilities HTH501 and Child Adolescent Mental Health HTH460.

HTH501 (Developmental Disabilities) went from a budget of \$87M and 193 positions to \$2.9M and 24 positions. CAMD went from \$42M and 156 positions to \$5.9M and 34 positions. It looks like the Alcohol and Drug abuse division got a huge increase and the adult mental health outpatient are absorbing the budgets.

I believe DOH-BHA is trying to use the budget to reorganize the department in July this year! This will create chaos for PARENTS AND FAMILIES that rely on the support to survive, this marginalizes and discriminates against our specific developmental disability community.

I respectfully request that the language in measure HB200 HD1 be removed and replaced with the language in Senate Bill SB1229;



We do not want this funding rolled into general state money under the Administration of Behavioral Health with Eddie Mersereau and Dr. Char at The Department of Health. There is no transparent plan and no budget for the services for the population that the DD waiver program covered. If there was a presentation shown to the senate finance committee, none of us parents were able to see it or comment on it.

Mahalo for considering my request on HB200 HD1.

Respectfully yours,

Laurie Kahiapo

# alzheimer's association®

## ALOHA CHAPTER

1670 Makaloa Street, Suite 204-316, Honolulu, Hawaii 96814  
Phone: 808.591.2771 Fax: 808.591.9071 [www.alz.org/hawaii](http://www.alz.org/hawaii)

March 29, 2021

Honorable Senator Donovan Dela Cruz  
Chair, Senate Committee on Ways and Means  
Hawaii State Capitol, Conference Room 211, 9:00 A.M.  
415 South Beretania Street  
Honolulu, Hawaii 96813

**LATE**

### **RE: HB200 HD1 RELATING TO THE STATE BUDGET**

Dear Chair Donovan Dela Cruz and members of the Committee:

I am submitting testimony today to **comment** on HB200 HD1. This measure includes funding for the Alzheimer's Disease and Related Dementia Services Coordinator position within the Executive Office on Aging – finally correcting the small error Act 127, Session Laws of Hawaii 2019 which previously held up funding. The Alzheimer's Association – Hawaii is strongly in favor of the continued inclusion of funding for this position within the budget.

The position of Alzheimer's Disease and Related Dementia Coordinator was added into Hawaii Revised Statutes by Act 214, Session Laws of Hawaii 2013. That same year, the State of Hawaii recognized the public health crisis of Alzheimer's Disease and developed Hawaii 2025: State Plan on Alzheimer's Disease and Related Dementias. Unfortunately, while the Alzheimer's Disease and Related Dementia Services Coordinator position remains unfilled, insufficient progress is being made towards adopting the recommendations and strategies. The Alzheimer's Association – Hawaii believes that the inclusion of funding for this position is appropriate and is housekeeping.

Alzheimer's disease is a growing epidemic and is now the nation's sixth leading cause of death. Here in Hawaii, more than 29,000 individuals live with Alzheimer's disease or a related dementia. Additionally, there has been a 294% increase in Alzheimer's deaths in Hawaii since the year 2000. This position would help Hawaii to become dementia capable by coordinating efforts to adopt the recommendations and strategies of Hawaii 2025: State Plan on Alzheimer's Disease & Related Dementias.

Ian Ross  
Public Policy and Advocacy Manager  
[iaross@alz.org](mailto:iaross@alz.org) | Phone: (808) 591-2771 x1333

**HB-200-HD-1**

Submitted on: 3/29/2021 3:13:46 AM

Testimony for WAM on 3/29/2021 9:00:00 AM



<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Nikki-Ann Yee	Individual	Support	No

Comments:

I urge the legislature for HB200 HD1 to continue funding for the Hawaii Crime Victim Compensation Commission. We do not want to become the first state to balance the COVID-19 budget crisis by ceasing a crime victim compensation program. It is important because it serves as a payor of last resort for crime victims with lost wages, medical and mental health costs, and other financial burdens caused by their victimization, helping between 500-700 individuals and families each year. Thank you for the opportunity to submit testimony.

**HB-200-HD-1**

Submitted on: 3/29/2021 6:30:27 AM

Testimony for WAM on 3/29/2021 9:00:00 AM



Submitted By	Organization	Testifier Position	Present at Hearing
Ann S Freed	Individual	Support	No

Comments:

Aloha, Chair Dela Cruz, Vice Chair Keith-Agaran and members,

I am writing to ask that you include a item which has been overlooked in the current budget: The Crime Victims Compensation Program. The program, which has lost it's funding sources is about to close, which will be a further tragedy upon victims of violent crime.

Please amend H.B. 200 H.D. 1, Relating to The State Budget, to include \$676,222.00 in general funds for the State of Hawaii Crime Victim Compensation Commission (the Commission) to sustain its operations in fiscal year 2021-2022. These amounts were initially included in the original draft of H.B. 200 (PSD 613).

The Commission serves as a safety net for survivors of violent crimes in Hawaii and payor of last resort for their medical costs, mental health needs, lost wages, and other expenses resulting from their victimization, helping hundreds of individuals and families each year. As recently as 2019, the Hawaii State Legislature recognized the Commission's critical importance to local communities, and expanded its mandate under state law to allow assistance for surviving family members of homicide victims and children who witness domestic violence.

Unfortunately, pandemic-related court closures have exacerbated longstanding shortfalls in the collection of Crime Victim Compensation Fees assessed to convicted criminals, the Commission's primary source of funding. While the Commission has done everything possible to reduce expenses—including staff reductions and limits on crime victim benefits—it no longer has the reserves to continue operation. It's closure at the end of the current fiscal year 2020-2021 would leave Hawaii in the unenviable position of being the only state in the country without a functioning crime victim compensation program.

The requested general funds will serve as a necessary one-year bridge: providing survivors of crime in Hawaii ongoing access to support through the end of fiscal year 2021-2022, while allowing the Commission to return to solvency during the post-pandemic recovery.

Please Help,

Mahalo, Ann S. Freed in Mililani

**HB-200-HD-1**

Submitted on: 3/29/2021 8:00:48 AM

Testimony for WAM on 3/29/2021 9:00:00 AM



Submitted By	Organization	Testifier Position	Present at Hearing
Tanya Smith-Johnson	Individual	Comments	No

Comments:

Dear Ways and Means Committee,

I urge the legislature to continue funding the Hawaii Crime Victim Compensation Commission which impacts the lives of some of the most vulnerable in Hawaii. This fund serves as a last resort payor for crime victims who have endured lost wages, medical and mental health costs as well as other financial burdens caused by their victimization. This fund has helped hundreds of families including those who have to endure the pain of having a family member murdered and children who have witnessed domestic violence. We can not balance the budget on these families backs. We can not re-victimized them again. If the current draft is passed that is exactly what we will be doing as a state. Do we really want to be the first state to balance their budget this way. Please amend to include the funding of Hawaii Crime Victim Compensation Commission.

Tanya Smith-Johnson, MS, CPM

tanya.smithjohnson@gmail.com

**LATE**

**HB-200-HD-1**

Submitted on: 3/29/2021 8:09:53 AM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
cecilia vargas	Individual	Oppose	No

Comments:

My son is an adult with autism and has benefited greatly from vocational rehab services.

He has been on the wait list several years to get help. Once his name came up he was able to get a job at Safeway in bakery where he worked 5 years and is now at Times working full time in bakery. He lost his SSDI since he is a productive member of the community. Occasionally we desperately need help from Voc Rehab (DVR) when he doesn't understand what is expected or needs further training at work. He has been fired and rehired with the help of Voc Rehab. WE have had to sit at the Voc rehab office daily for a week before we were heard. Cutting their budget would send my son to the streets if it had not been for their continued help.

Many of the other parents in my support group are still on the wait list for over 5 years and their adult kids are stuck at home. they were not as fortunate as my son to get services. they even have college degrees and cannot get help without a job coach to help them in the interview and training. I even know some who are now homeless while they wait for services.

Any budget cut would greatly affect our community.

Cecilia Vargas

**LATE**

**HB-200-HD-1**

Submitted on: 3/29/2021 8:35:23 AM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Vera Zambonelli	Individual	Oppose	No

Comments:

Please continue the funding allocated for the Hawaii Crime Victim Compensation Commission which serves as a payor of last resort for crime victims with lost wages, medical and mental health costs, and other financial burdens caused by their victimization, helping between 500-700 individuals and families each year.

We need to do better.



**LATE**

**HB-200-HD-1**

Submitted on: 3/29/2021 9:40:44 AM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Tira Kamaka	Individual	Oppose	No

Comments:

To: Senator Donovan M. Dela Cruz, Chair

Senator Gilbert S.C. Keith-Agaran, Vice Chair

Members of the Committee on Ways and Means

Date: March 29, 2021, 9:00 am, Room 211 and Videoconference

RE: Testimony **OPPOSING** HB 200, HD1

**HTH 501 – Developmental Disabilities, Page 24, Item No. 16**

I am with the Arc of Kona and I oppose budget item number 16: HTH 501 - Developmental Disabilities. Positions and funding for DD Division have been significantly reduced almost to the point of elimination. This is extremely concerning. We are unsure of where the Title XIX matching funds for the Medicaid Waiver program went. We do not know how Medicaid Home and Community Based Services will be implemented. We do not know the impact this will have on the individuals with intellectual and developmental disabilities that receive these services. We do not know what the reorganization plan is as it was not communicated to participants/self-advocates and other stakeholders.

We urge you to reconsider and reinstate the budgeted funds and positions for HTH-501 Developmental Disabilities as presented in SB 1299. We further urge you to reconsider and defer decision making on any potential plans to reorganize and/or eliminate DD Division until self-advocates/participants, family members, providers, and other stakeholders have the opportunity to fully understand the potential impacts of a change of this magnitude and can provide feedback.

Thank you for the opportunity to provide testimony.

Sincerely,

Tira Kamaka

Vice President of Program Services

**HB-200-HD-1**

Submitted on: 3/29/2021 10:15:24 AM

Testimony for WAM on 3/29/2021 9:00:00 AM

**LATE**

Submitted By	Organization	Testifier Position	Present at Hearing
Bhagyedeeep Singh	Individual	Oppose	No

Comments:

In reference to Page 24, line 9-15, funding for developmental disabilities. I don't understand what is going on. Why are positions/funding being reduced. This seem hasty and not well thought out. The workers are already stressed and overworked and extremely short-handed. The workload seems unreasonable which means as individuals and family we are left with less supports.

Why is the funding being cut when the stimulus added funding to the HCBS Waiver Program. This happened throughout the pandemic. People remember elders but completely ignore people with disabilities. We have been treated like we don't even exist throughout the last year. This funding/support cut add insult to injury.

I know that we have to balance budget but it is galling that the state is cutting funding/supports when the federal government added funding to increase supports. The state seems to be making massive changes with little to no explanation to people who are harmed by their actions.

I strongly oppose this without better reasoning of why people with disabilities are first on the chopping block whenever money has to be saved.

Also the state seems to be making massive changes overall without considering impacts on people. All everyone is talking about is the money. There are other consequences besides money. Budgets are statements of a state's values - apparently the state doesn't care of impact on people with disabilities based on this bill. Going from 200 positions to 24 seems insane.

I hope I am wrong that you are not elimating this many positions - they deal with and implement a pretty complicated special program that has federal matching fund and significant rules to implement correctly. This requires specialized knowledge and training.

Having spent a lifetime as a caregiver - this is not something someone just pick up and implement on a whim.

Please don't do this.



**LATE**

**HB-200-HD-1**

Submitted on: 3/29/2021 12:10:40 PM

Testimony for WAM on 3/29/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
marilyn b lee	Individual	Comments	No

Comments:

Dear Chair Dela Cruz and Vice Chair Keith-Agaran,

Mambers of the Committee.

My name is Marilyn Lee and I am submitting testimony in favor of replacing the budget item of the Hawaii Crime Victims Compensation Commission which was removed in the House Budget.

The Hawaii Crime Victims Compensation Commission has a proud and long lived tradition. Hawaii was the third state in the Country to create such a commission and Federal monies have been providing grants to states who invest their own money in victim compensation. Without local funds, the Federal Grants disappear, and Hawaii vicitms of crime suffer.

The executive director of the Hawaii Crime Victims Compensation Commission has been recognzied nationally for her progressive work in support of crime victims, and if not for this work little would be done in support of victims.

The commission has done everything possible to reduce its expenses in this time of budget scarcity, and left half of its positions unfilled. Yet it has been a life saver in terms of providing compensation to violent crime victims for medical, dental, mental health, lost earnings, and funeral and burial costs.

I implore you to restore funding to the commission and by doing show your concern and empathy for the unfortunate victims of crime in our state.

Respectfully,

Marilyn B. Lee, Mililani , Hawaii