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**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
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EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**  
TESTIMONY BY CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
HOUSE BILL NO. 54, H.D. 1

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

RELATING TO THE STATE BUDGET

The Department of Budget and Finance (B&F) appreciates the intent of House Bill (H.B.) No. 54, H.D. 1.

H.B. No. 54, H.D. 1, makes an unspecified general fund appropriation to be deposited into the Emergency and Budget Reserve Fund (EBRF).

Although there is no statement of intent, this measure will satisfy the requirements of Article VII, Section 6, of the Hawai'i Constitution to provide a tax credit, deposit excess general fund revenues into the EBRF, or appropriate funds for the prepayment of either or both of 1) debt service or 2) pension or Other Post-Employment Benefits liabilities. It is noted that due to the ongoing economic impact of the COVID-19 pandemic, the Legislature transferred much of the balance of the EBRF to the general fund at the end of FY 20. As of June 30, 2020, the ending balance for the EBRF was \$58,880,670, which is down from the previous fiscal year's ending balance of \$378,237,160 on June 30, 2019. In light of last fiscal year's depletion, replenishing the EBRF is prudent.

We note that there is no guidance on how substantial general fund appropriations for this purpose might offset the Department of Education and University of Hawai'i Maintenance of Effort under the American Rescue Plan Act.

Thank you for your consideration of our 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

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.



## 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

BEN DYRE FAMILY LIMITED PARTNERSHIP

PO Box 40

KILAUEA, HI 96754

**LATE**

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

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

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