

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 22, 2021

TO: The Honorable Senator Sharon Y. Moriwaki, Chair  
Senate Committee on Government Operations

FROM: Cathy Betts, Director

SUBJECT: **HB 573 HD1 – RELATING TO FEDERAL FUNDS.**

Hearing: March 23, 2021, 3:00 p.m.  
Via Videoconference, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) appreciates the intent of this measure and offers comments. DHS defers to the previous testimony of the Department of Budget & Finance, and the respective Counties, in opposition.

**PURPOSE:** The purpose of the bill requires the joint legislative budget committee, under certain circumstances, to convene and make recommendations to the legislature regarding federal funds. Provides the legislature with the opportunity to convene in special session in accordance to the state constitution to act on the recommendations, otherwise authorizes the governor to expend federal funds pursuant to the governor's emergency powers. Appropriates federal funds for COVID-19 response. Requires funding of certain programs to be paid for from the county share. (HD1)

DHS provides the following comments. Time is of the essence when responding to any emergency management situation and it is important for government to have a unified approach to respond quickly to the needs of the community. Given the magnitude of the pandemic, we should take the time to examine what worked and the ways we can improve our systems and protocols, prior to mandating an additional layer of time and process of decision

making in a period of intense and dramatic focus on the community's needs and the continuity of government. Given that the Constitution provides the process to convene a special session, it is unclear how the proposed measure would improve timeliness or efficiencies in identifying and formulating appropriate use of federal funds. Waiting an additional thirty-days for the Legislature to convene and discuss, will mostly likely delay implementation or disrupt or distract agencies who most often have begun digesting the new law and planning to distribute before or as soon as Congress passes the measure.

As an implementing agency of federal funds and programs, DHS primarily relies upon federal agency guidance regarding appropriate use and distribution of federal funds. As we experienced in 2020, federal agencies periodically updated its guidance as requests for clarification were addressed. Throughout, we maintained constant contact with federal agencies, Congressional members, the Governor's office, Department of Budget & Finance, Legislators, residents, staff, providers, constituents, and media. We provided periodic reports on uses of funds. Program staff successfully requested numerous programmatic waivers, established new processes, and distributed more benefits to significantly more Hawaii residents.

Importantly, this department's ability to pivot and innovate in the face of severe case load increases and dramatically changed work environment, is based on years of investment in our workforce, business processes, IT modernization, strategic planning, all with the support of the administration and Legislature. During our pandemic response, DHS relied on its administrative staff, trusted partners, and community providers to do the necessary work that made things happen. DHS needs to be properly resourced with appropriate levels of staff, with funding for benefits and services, and our systems need to be maintained and improved upon to continue to serve at the levels demanded in ways that make access easier though no less efficient and secure. Reducing staff and resources at this time and over time, stretches our resources too thinly and diminishes the agency's flexibility to innovate.

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



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 GOVERNMENT OPERATIONS**  
**ON**  
**HOUSE BILL NO. 573, H.D. 1**

**March 23, 2021**  
**3:00 p.m.**  
**Room 016 and Videoconference**

**RELATING TO FEDERAL FUNDS**

The Department of Budget and Finance (B&F) opposes House Bill (H.B.) No. 573, H.D. 1.

H.B. No. 573, H.D. 1, amends Chapter 127A, Emergency Management, HRS, to require that if: 1) the Governor has declared a state of emergency; and 2) the U.S. Congress has passed a financial relief package greater than an unspecified amount, then the Joint Legislative Budget Committee shall convene within 14 days of enactment of the relief package. The committee shall make recommendations to the Legislature on how to appropriate the federal funds.

This bill provides that, within 30 days after the financial relief package becoming law, the Legislature may convene in special session to act on the recommendations. If the Legislature does not convene, the Governor is authorized to expend federal funds pursuant to the Governor's emergency powers. This bill also appropriates federal funds for COVID-19 response and requires funding of certain programs to be paid for from the county share.

While we appreciate the Legislature's intent to provide direction regarding the use of the federal funds, B&F has a significant concern regarding the restriction of the Governor's emergency powers during periods of emergency when time is of the essence. B&F does not know what the future holds and there may be a need for the Governor to act immediately, once federal funds become available.

Potentially, the Governor could be required to wait for 30 days for the Legislature to convene, in addition to the time required to pass an appropriation bill. Depending on the circumstances, waiting may not be in the State's best interest.

In addition, appropriations can be restrictive and difficult to implement during times when needs and requirements are changing rapidly. The implementation of new, untested programs proposed to address emergency situations requires flexibility when the needs are unprecedented. As the State's elected chief executive, the Governor is responsible for the day-to-day operations of State government and must be able to act quickly, especially during times of emergencies, to ensure the public's welfare, health, and safety.

Consequently, B&F opposes H.B. No. 573, H.D. 1.

Thank you for your consideration of our comments.

STATE OF HAWAII  
DEPARTMENT OF DEFENSE  
HAWAII EMERGENCY MANAGEMENT AGENCY

**TESTIMONY ON HOUSE BILL 573, HD1,  
RELATING TO THE HAWAII EMERGENCY MANAGEMENT AGENCY**

Before the Senate Committee on  
**GOVERNMENT OPERATIONS**

By

Luke P. Meyers  
Administrator, Hawaii Emergency Management Agency (HI-EMA)

Aloha Chair Moriwaki, Vice-Chair Dela Cruz, and Members of the  
Committee:

HB573, HD1 requires the joint legislative budget committee, under certain circumstances, to convene and make recommendations to the legislature regarding federal funds. Provides the legislature with the opportunity to convene in special session in accordance to the state constitution to act on the recommendations, otherwise authorizes the governor to expend federal funds pursuant to the governor's emergency powers. Appropriates federal funds for COVID-19 response. Requires funding of certain programs to be paid for from the county share. (HD1)

The Hawaii Emergency Management Agency (HI-EMA) **opposes** House Bill 573, HD1.

The proposed new section being added to chapter HRS 127A, in section 1 on page 1, line 5, to page 2, line 13, of this bill inhibits the Governor's ability to expend federal funds in a timely manner to protect the public's health, safety, and welfare from imminent harm. Under this bill, the Governor cannot expend federal funds until the Legislature has decided whether or not to convene in special session. This decision by the Legislature is authorized by this bill to take up to thirty days after a federal financial relief package becomes law. There is a lack of clarity as to which federal funds this would apply to. The bill identifies funding from the United States Congress and a to be determined dollar amount which could potentially apply to any future emergency in addition to current emergencies.

It is important to note that the Governor already has authority to direct and use federal disaster related funding with accountability provisions already established in several place in HRS 127A.

Thank you.

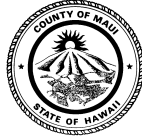
Luke P. Meyers: [Luke.P.Meyers@hawaii.gov](mailto:Luke.P.Meyers@hawaii.gov); 808-733-4300

Council Chair  
Alice L. Lee

Vice-Chair  
Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore  
Tasha Kama

Councilmembers  
Gabe Johnson  
Kelly Takaya King  
Michael J. Molina  
Tamara Paltin  
Shane M. Sinenci  
Yuki Lei K. Sugimura




Director of Council Services  
Traci N. T. Fujita, Esq.

## COUNTY COUNCIL

COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.MauiCounty.us](http://www.MauiCounty.us)

March 22, 2021

TO: Honorable Sharon Y. Moriwaki, Chair  
Senate Committee on Government Operations

FROM: Alice L. Lee  
Council Chair 

DATE: March 23, 2021

SUBJECT: **OPPOSITION TO HB 573 HD1, RELATING TO FEDERAL FUNDS**

Thank you for the opportunity to testify in OPPOSITION to this important measure. The purpose of this measure is to appropriate federal funds for COVID-19 response and require funding of certain programs to be paid for from the county share.

I OPPOSE this measure for the following reasons:

1. The measure restricts and reduces COVID funds for counties.
2. It also requires counties to use its COVID funds to fund any amounts appropriated for public education, jails, and hospitals.
3. Finally, the measure increases costs for the counties by requiring them to pay twenty-five percent of the costs for services from the National Guard.

For the foregoing reasons, I OPPOSE this measure.

ocs:proj:legis:21testimony:hb573hd1\_paf21-008(44)a\_lma

**HB-573-HD-1**

Submitted on: 3/19/2021 4:38:32 PM

Testimony for GVO on 3/23/2021 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Susan Pcola_Davis	Individual	Support	No

Comments:

I support this bill based on the events that tied the Legislature's hands when the federal relief funds became available. Although the Senate and House put forth bills that would accomplish this, they went no where.

Many Special COVID meetings were held to assist both the Senate and House, by presentations, to understand expenditures and developments along the way. Most importantly, the continued failure of the unemployment office and PUA program is a failure in government. It continues to be a failure being swept under the rug!! Its almost necessary to source out this problem (outside its current bureaucracy) to really get a handle on the situation. It is unbelievable that there hasn't been an upheaval in that department. An embarrassment to our state, lack of leadership with expertise, suffering families, and no end in sight!!

If we had had a joint legislative budget committee That was able to convene it could have prepared a recommendation for the legislature on how to appropriate federal funds received.

A special session could have convened to act on the recommendations of the joint legislative budget committee.

Instead, the governor utilized his emergency powers necessary to expend federal funds.

Without provisions that include the legislature the governor had exclusive power to determine these expenditures, in secret, non public meetings with his close cabinet members, chosen by him.

The accountability and reasoning behind the expenditures needs to be provided by the governor to the legislature to appropriate any unexpended federal funds; provided further that the governor shall submit a report to the legislature of all funds expended and encumbered utilizing the emergency powers.

Isn't this basic accounting? Checks and balances? No one is asking for more than what is the normal procedures of finance accountability.