



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

Date: 04/07/2021

Time: 01:30 PM

Location: 308 Via Videoconference

Committee: House Finance

Department: Education

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

Title of Bill: SB 0246, SD1, HD1 RELATING TO GOVERNMENT.

Purpose of Bill: Establishes a state government realignment commission to periodically review the state executive branch's departments, divisions, and agencies, including functions and services, and submit its findings and recommendations to the legislature. Effective 7/1/2112. (HD1)

Department's Position:

The Department of Education (Department) respectfully offers comments on the proposed SB246 HD2.

The Department appreciates the Legislature's recognition of the importance of improving infrastructure to increase the quality and accessibility of connectivity in the state. We are unreservedly in support of improving broadband access for the citizens of Hawaii. However, the Department respectfully requests the Legislature consider appropriating funds for Part II, Section 6, directly to the Department so that it can continue its efforts to enhance and increase connectivity to meet rising needs on its campuses and for its staff and students.

The Department has made tremendous strides in increasing bandwidth to its schools. In 2016, the Education Superhighway reported that Hawaii ranked first in the nation for K-12 connectivity, in its *State of the States Report*. In the 2017 report, Hawaii was the only state listed that met 100% of the connectivity, fiber, and affordability goals for K-12 districts. In addition, since 2016, the cost of broadband for Hawaii's K-12 district decreased by 76%, and in 2020, was lower than the national average.

The Department already has an internal team that is familiar with the campus cabling designs, has processes in place to efficiently maintain and replace infrastructure at its schools, and has an effective working relationship with its contractors who work in conjunction with the internal team. This team also ensures appropriate coordination within the Department so that there are

no disruptions to school operations or classes, as well as other operations on campuses that share space (i.e., those with public libraries on campus). Since many of our feeder schools have connectivity tied to an anchor school, the team also ensures work done at an anchor campus does not disrupt operations and classes at other campuses. The scale of coordination and planning is something the Department and its internal team are experienced and skilled in.

An appropriation to the Department will support its ongoing efforts to ensure that quality bandwidth continues to be accessible to staff and students, as it replaces aging cabling and fortifies connectivity to the school and into each classroom.

Thank you for the opportunity to testify 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.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

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

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO. 246, S.D. 1, H.D. 1, PROPOSED H.D. 2

April 7, 2021
1:30 p.m.
Via Videoconference

RELATING TO GOVERNMENT

The Department of Budget and Finance (B&F) offers comments on Senate Bill (S.B.) No. 246, S.D. 1, H.D. 1, Proposed H.D. 2.

S.B. No. 246, S.D. 1, H.D. 1, Proposed H.D. 2, amends the HRS by adding a new chapter to Title 4 to establish a State government realignment commission, which shall be placed within the Department of Accounting and General Services (DAGS) for administrative purposes. The commission shall periodically review the State Executive Branch's departments, divisions, and agencies, including functions and services, and submit its findings and recommendations to the Legislature. The seven commission members are to be appointed and confirmed on or before July 1, 2022, and a new commission shall be appointed and confirmed on or before July 1 every ten years thereafter. The commission shall dissolve upon the adjournment sine die of the Legislature to which it submits the required evaluation and recommendations. Departments of the State government shall make available to the commission any data and facilities that are necessary for the commission to perform its duties.

This measure also appropriates unspecified amounts for various broadband infrastructure installation or expansion. The funds are to be appropriated in FY 22 and FY 23 to DAGS from the American Rescue Plan Act of 2021 (ARPA).

B&F has concerns with Part I of Proposed H.D. 2. A periodic, systematic, comprehensive review and report on all the State's Executive Branch departments, divisions, and agencies, including functions and services, could significantly increase staff workload for State departments. It appears that departments will need to provide substantial amounts of information to the commission in order for it to conduct the reviews specified in this bill. State departments may have challenges meeting the potential increased information requirements given their regular workload based on current reduced staffing levels.

B&F believes that it may be more productive to focus limited State department resources on the delivery of critical programs and services rather than periodic reorganizational studies.

Regarding Part II of this measure, which appropriates ARPA funds to increase broadband access for vulnerable populations, it appears that this appropriation would be an allowable use under Category "D" of the Coronavirus State Fiscal Recovery Fund (CSFRF). However, B&F cautions that specific guidance on what is an allowable use of the CSFRF funds has not been issued yet.

Thank you for your consideration of our comments.

DAVID Y. IGE
GOVERNOR



CURT T. OTAGURO
COMPTROLLER
AUDREY HIDANO
DEPUTY COMPTROLLER

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

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

WEDNESDAY, APRIL 7, 2021, 1:30 P.M.
CONFERENCE ROOM 308 AND VIA VIDEOCONFERENCE, STATE CAPITOL

S.B. 246, S.D. 1, H.D. 2 PROPOSED

RELATING TO GOVERNMENT.

Chair Luke, Vice Chair Cullen, and members of the Committee, thank you for the opportunity to testify on S.B. 246, S.D. 1., H.D. 2 PROPOSED.

The Department of Accounting and General Services (DAGS) supports S.B. 246, S.D. 1, H.D. 2 PROPOSED which establishes a state government alignment commission to periodically review State executive branch's departments, divisions, and agencies, including functions and services, and submit it's findings and recommendations to the legislature. The DAGS offers the following comments:

1. Government needs to get more efficient.
2. Government should re-evaluate functions and duplication of efforts and assess the feasibility to consolidate and eliminate outdated processes.

3. Government should look at how technology can improve workflow and business processes that will mitigate risk and simplify getting things done to better serve the public.
4. Government needs to work with unions and update job descriptions of employees and help improve their knowledge and skills to match today's expectations. Employees should be compensated based on performance and being held accountable to achieve the results the legislature and administration are expecting.
5. Broadband has become critical infrastructure for the 21st century. Since the beginning of the COVID-19 pandemic, broadband has become fundamental to everyday life for Hawaii residents to work as well as attend school. The pandemic has created a digital divide between those with broadband access and those without. Government must step in to provide this critical infrastructure to eliminate the digital divide in Hawaii's underserved communities. DAGS will co-chair the pilot program with the Department of Transportation – Highways and deliver broadband access to eight (8) underserved communities throughout the State of Hawaii. This project will also require coordination with other State agencies including DCCA, DBEDT, ETS, and others as appropriate.
6. As the pilot project gets underway, DAGS will facilitate meetings with various State and County agencies as well as vested partners in the private sector to help identify and prioritize the highest areas of needs for the underserved to improve accessibility and ultimately quality of life. Broadband connectivity should enable more tele-health, distance/remote learning, access to on-line services and commerce, and information.

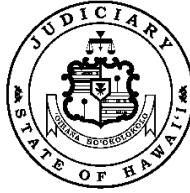
DAGS has the following concerns:

- In regard to Section 3 (Broadband), DAGS is unaware of specific guidance or guidelines how the American Rescue Plan (ARP) Act funds can be used and applied to specific project initiatives at this time. The State should seek final guidelines on program qualifications

associated with the ARP funding. If federally funded, DAGS will enter into tri-party agreements to utilize federal funds as DAGS has historically not managed federally funded projects.

- This bill does not provide funding for the government realignment commission initiative.
- The DAGS believes that the collective bargaining process is excellent to protect employee rights and provides a foundation of security for continued employment. Change management principles will be needed to support, increasing duties to achieve more efficiency, and challenging employees to accept new tasks and assignments.
- Consolidation of government to gain efficiency is a statewide initiative that will require all branches of government with a unified commitment to accept and practice the same principles of employment and accountability. Without unified support, the effort to change may produce inconsistent results from what this bill is trying to accomplish.

Thank you for the opportunity to testify on this matter.



LATE

The Judiciary, State of Hawai'i

Testimony to the Thirty-First Legislature, 2021 Regular Session

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

Wednesday, April 7, 2021, 1:30 p.m.
State Capitol, Conference Room 308
VIA VIDEOCONFERENCE

WRITTEN TESTIMONY ONLY

by
Kevin Thornton
Information Systems and Technology Department Director

Bill No. and Title: Senate Bill No. 246, S.D. 1, Proposed H.D. 2, Relating to Government.

Purpose: Establishes a state government realignment commission to periodically review the state executive branch's departments, divisions, and agencies, including functions and services, and submit its findings and recommendations to the legislature. Appropriates American Rescue Plan Act funds for various broadband infrastructure installation and updates throughout the State. Effective 7/1/2112. (PROPOSED HD2)

Judiciary's Position:

The Judiciary SUPPORTS this measure. The Judiciary respectfully requests that Part II, Section 5, line 15 be amended to include Judiciary facilities and shall read as follows:

SECTION 5. There is appropriated out of the American Rescue Plan Act, Public Law 117-2, the sum of \$ 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 for the purchase and installation of broadband infrastructure to enhance and upgrade broadband and internet connectivity for state buildings, including libraries, and Judiciary facilities.



Senate Bill No. 246, S.D. 1, Proposed H.D. 2, Relating to Government
House Committee on Finance
Wednesday, April 7, 2021
Page 2

The availability of broadband service at Judiciary facilities would greatly enhance the Judiciary's ability to provide the public onsite access to the public centric services regardless of which facility the public has access to.

Thank you for the opportunity to testify on this measure.



**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

HOUSE COMMITTEE ON FINANCE

Wednesday, April 7, 2021
1:30 PM

VIA VIDEOCONFERENCE
Conference Room 308
State Capitol

In consideration of
SB 246, SD1, PROPOSED HD2
RELATING TO GOVERNMENT.

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

The Department of Business, Economic Development and Tourism (DBEDT) supports SB 246, SD1, Proposed HD2, which establishes a state government alignment commission to periodically review State executive branch's departments, divisions, and agencies, including functions and services, and submit its findings and recommendations to the legislature.

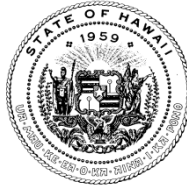
DBEDT agrees that having a state government realignment commission to periodically review the functions and services of the departments would be helpful in recommending elimination of outdated statutes that may still be on the books which are no longer relevant.

Through the pandemic, it became clear that Hawaii lacked sufficient broadband infrastructure and digital equity for all of Hawaii's residents especially those in rural communities and socioeconomically disadvantaged areas. DBEDT is committed to collaborating with the Department of Accounting and General Services (DAGS), Department of Transportation (DOT), and all relevant state departments in expansion of broadband infrastructure in the State of Hawaii to deliver broadband access to its vulnerable population.

DBEDT defers comments on specific merits of the bill to DAGS. Thank you for the opportunity to testify.

LATE

DAVID Y. IGE
GOVERNOR



TESTIMONY BY:

JADE T. BUTAY
DIRECTOR

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

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

April 7, 2021
1:30 P.M.
State Capitol, Teleconference

LATE

**S.B. 246, S.D. 1, H.D. 1, PROPOSED H.D. 2
RELATING TO GOVERNMENT**

House Committee on Finance

The Department of Transportation (DOT) **supports** this bill that establishes a state government realignment commission to periodically review the state executive branch's departments, divisions, and agencies, including functions and services, and submit its findings and recommendations to the legislature; appropriates American Rescue Plan Act funds for various broadband infrastructure installation and updates throughout the State.

Part I of this proposed bill would establish a State Government Realignment Commission to be placed administratively within the Department of Accounting and General Services (DAGS); establishes members, terms, and duties of the Commission. The Commission would be charged with conducting a systematic review of the executive branch's departments, divisions, and agencies, including functions and services, based on equity, efficiency, modernization standards to consolidate, expand, or reassign services.

Changing technology brings process improvement. Process improvement, at times does not keep up with advances in technology. A review of the various departments and an identification of whether they are aligned with the service needs of our community members is an important step toward reimagining and reinvigorating our State government services. DOT sees S.B. 246, S.D. 1, H.D. 1, proposed H.D. 2 as an opportunity for a holistic look into how we currently operate and manage performance at all State employment levels. The commission's findings may allow for common sense consolidation, expansion, or reassignment of services as technologies and skillsets continue to advance.

Recognizing advancing technologies, Part II proposes to appropriate funds from the American Rescue Plan Act (ARPA) to be expended by DAGS to significantly increase access to broadband for unserved and underserved areas in the State for various broadband infrastructure installation or expansion. In this age of online meetings and

classrooms, broadband infrastructure is critical to ensuring all residents have equitable opportunities for remote work and schooling.

Congress has reinforced the need for reliable broadband services and has worked to address the gap that exists in unserved and underserved communities through legislation and initiatives such as ARPA, including the ARPA Emergency Connectivity Fund, the Federal Communications Commission's E-rate program (support for remote learning and remote library services through rebates for eligible equipment, home broadband services, and services to support students outside of school and library locations); the Consolidated Appropriations Act (reimbursement for services and equipment used to provide telehealth services during the pandemic); the Emergency Broadband Benefit (up to \$50.00 monthly for internet services and a one-time benefit of \$100.00 for computer, laptop, or tablet to individuals that qualify during the pandemic); and other initiatives highlight the need for and the gap in reliable broadband services to unserved and underserved areas. The social benefits from broadband infrastructure investment would be transformative, bridging digital inequities and leveling the field to bring student learning and telehealth services for investing in our future.

The DOT learned from guidance issued by our Federal partners on the Consolidated Appropriations Act (CAA) that there was flexibility in the eligibility, use, and compliance with the CAA appropriation. The DOT has not learned of Federal guidance on the ARPA funds, however, and guidance on the eligibility and use under DAGS implementation would be needed.

Because of the wide-reaching potential that broadband access brings to many unserved and underserved communities, the DOT recognizes the need for high level and robust coordination and will work to coordinate with other Departments, including DAGS, the Department of Business, Economic Development & Tourism, the Office of Enterprise Technology Services, and others to bring broadband infrastructure improvements to realization.

Thank you for the opportunity to provide testimony.