

STAND. COM. REP. NO.

123

Honolulu, Hawaii

FEB 10 , 2021

RE: H.B. No. 574
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Pandemic & Disaster Preparedness, to which was referred H.B. No. 574 entitled:

"A BILL FOR AN ACT RELATING TO DISASTER RELIEF,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Repeal language authorizing the Department of Education to retain federal disaster relief funds;
- (2) Shorten the time for reporting the purpose of any allotment or expenditure of major disaster funds;
- (3) Require federal disaster relief funds to lapse to the general fund if not expended within five years;
- (4) Repeal language requiring unspent funds to be rolled over to the next fiscal year; and
- (5) Require annual reports to be submitted to the Legislature on federal disaster relief funds.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed H.D. 1, which amends this measure by:

2021-1186 HB574 HD1 HSCR HMSO-1



- (1) Amending the Major Disaster Fund to be a special fund and repealing language that deemed federal reimbursement money for disaster relief as trust monies; and
- (2) Requiring more information to be included in an annual report to the Legislature regarding the fund.

Your Committee received testimony in opposition to the proposed H.D. 1 from the Hawaii Emergency Management Agency. Your Committee received comments on the proposed H.D. 1 from the Department of Education.

Your Committee finds that the State has needed to utilize federal funding in order to effectively address the coronavirus disease 2019 pandemic (COVID-19). Existing law requires that any federal reimbursement monies be deemed trust monies and do not lapse to the general fund. Your Committee believes that to better address the COVID-19 pandemic, the State needs to be able to utilize all available monies to help the residents of the State.

Your Committee further finds that Act 139, Session Laws of Hawaii 2017, allowed the Department of Education to retain any federal reimbursements for disaster relief, regardless of whether the original appropriation had lapsed. While your Committee recognizes that when a department expends its funds to respond to a disaster it may be taking funds from current operating expenses, the years long delay in receiving federal reimbursement makes legislative appropriation and oversight important. Further, singling out one state department to treat its federal reimbursement differently does not support consistent state fiscal policy.

Your Committee has amended this measure by adopting the proposed H.D. 1 and further amending the measure by:

- (1) Codifying the establishment of the Major Disaster Fund as a special fund and making conforming amendments;
- (2) Specifying that the annual report to the Legislature shall be submitted no later than September 1 of each year;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and



- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Pandemic & Disaster Preparedness that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 574, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 574, H.D. 1, and be referred to your Committee on Education.

Respectfully submitted on
behalf of the members of the
Committee on Pandemic &
Disaster Preparedness,


LINDA ICHIYAMA, Chair



H 502 123

Record of Votes of the Committee on Pandemic & Disaster Preparedness

Bill/Resolution No.: HB 574	Committee Referral: PDP, EDN, FIN	Date: 2/4/21		
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
PDP Members	Ayes	Ayes (WR)	Nays	Excused
1. ICHIYAMA, Linda (C)	✓			
2. ELI, Stacelynn K.M. (VC)	✓			
3. CULLEN, Ty J.K.	✓			
4. McKELVEY, Angus L.K.	✓			
5. MIZUNO, John M.	✓			
6. WILDBERGER, Tina	✓			
7. WOODSON, Justin H.				✓
8. YAMASHITA, Kyle T.	✓			
9. WARD, Gene		✓		
TOTAL (9)	7	1		1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				