

TESTIMONY  
BY  
MAJOR GENERAL DARRYLL D. M. WONG  
ADJUTANT GENERAL  
TO  
THE HOUSE COMMITTEE ON FINANCE  
January 8, 2013

Chair Oshiro and Members of the committee:

Thank you for this opportunity to testify on our Department of Defense's Fiscal Year 2013 – 2015 Biennium Budget request.

At the conclusion of my statement, Mr. Ronald Han will provide testimony on the Services to Veterans program and Mr. Rick Campbell will follow with testimony on the Hawaii National Guard Youth Challenge Academy program.

The Department's fiscal Year 2013-2015 Biennium Budget request centers on our commitment to Disaster Preparedness, Homeland Security, and the needs of our challenged youths and their families of our communities.

Our biennium budget request in Program DEF 110, Amelioration of Physical Disasters, totals \$101,448,821 for Fiscal Year 2013-2014 and \$102,301,133 for Fiscal Year 2014-2015 of which 11 percent is State, 88 percent is Federal, and 1 percent is other funds.

This is an increase in State general funds of \$478,912 for FY 2013-2014 and \$530,224 for FY 2014-2015. Increase in Federal fund authorization is \$3,550,058 for FY 2013-2014 and \$4,350,058 for FY 2014-2015.

The Department also submitted CIP projects for State Civil Defense and Army National Guard. State Civil Defense projects total \$4.4 million in General Obligation Bond funds for retrofitting public buildings with hurricane protective measures and the maintenance and replacement of disaster warning and communication devices. Hawaii Army National Guard projects include upgrade and improvements to National Guard facilities statewide which requires a State match of \$2,050,000 in General Obligation Bonds for \$10,550,000 federal funds and construction of an Aviation Support facility at Kalaeloa which requires \$4,536,000 in State General Obligation Bond funds to match the \$25,782,000 in Federal funds.

In the past three fiscal years, the Department has been successful in securing \$151.14 million in federal funds from National Guard Bureau for the F-22 Raptor military construction program which required no State matching funds. In Fiscal Year 2010, the Department received \$37.3 million for the F-22 maintenance facility and Aircraft Parking apron, which was completed in March and April of this year.

In Fiscal Year 2011, \$75.39 million was received for five projects which are scheduled to be completed by the end of this year. In Fiscal Year 2012, \$38.45 million was received for three construction projects that will be completed by June 2014.

Hawaii Army National Guard received \$1.65 million in General Obligation Bond funds and \$39.48 million in federal funds in Fiscal Year 2012 for the renovation of Building 117 which will be completed by the end of this year. In Fiscal Year 2013, \$450,000 in General Obligation Bond funds and \$33 million in federal funds were received for construction of the 29<sup>th</sup> Infantry Brigade Combat Team Readiness Center in Kalaeloa, Oahu which will be completed in 2014.

Finally, I would like to express my heartfelt appreciation to the Legislature for their tremendous support of Hawaii's military. Specifically:

1. By passing legislation that allows professional and vocational licensing boards to accept military education, training, and service of our service members towards their qualifications for a license.
2. Allowing licensing boards to allow applicants to demonstrate competency in lieu of work experience requirement and establish procedures to expedite the issuance of licenses, certifications, or permits to military spouses.

3. Authorizing ballots and balloting materials to be transmitted by facsimile or electronic mail to military and overseas voters.

4. Finally, removing the residency requirements for burial of members of the armed forces and their dependents in veterans' cemeteries.

This concludes my testimony. Are there any questions?

Mr. Ronald Han will now testify on the budget request for the Services to Veterans program followed by Mr. Rick Campbell on the Hawaii National Guard Youth Challenge Academy program. Thank you again for your time.

**TALKING PAPER  
FOR BUDGET BRIEF**

**DEF 112**

**SERVICES TO VETERANS**

**HOUSE COMMITTEE ON FINANCE  
REPRESENTATIVE MARCUS R. OSHIRO (Chair)**

**JANUARY 8, 2013**

**SENATE WAYS AND MEANS  
SENATOR DAVID Y. IGE (Chair)**

**JANUARY 11, 2013**

**Chair Oshiro, Chair Ige and members of the committee(s), thank you for this opportunity to testify on our State Office of Veterans Services, Fiscal Biennium Budget 2013 – 2015 forecast.**

**Like Gen Wong, I too would like to express my heartfelt appreciation to all of you for the exceptional support we have received this year and in past legislative sessions.**

**Just to highlight a few key points already provided in our written testimony. Our biennium request includes five additional counselor positions, housekeeping measures, and other related costs. This request for additional counselor positions will enable our office to keep pace with the significant volume increase**

**of Veterans and family members seeking claims for benefits and entitlements. For example, from Fiscal Year (FY) 11 to FY 12, our office had 13,000 additional contacts or a 23% increase. With over 117,000 veterans and growing in Hawaii and 40,000 active duty military members based on the FY 10 VA State Summaries, and the drawdown of forces in Iraq in 2011 and Afghanistan in 2014, and potential end strength reductions in the Department of Defense, the need to bring these additional resources on board is at a critical juncture. With the current demand, we are scheduling Veterans two to three months out in many cases of their initial request for benefits appointments.**

**Switching gears, the housekeeping measures are for two positions to reflect the proper supervisory alignment. The other related cost includes additional funding for burial vaults, burial fees, continuing our Hawaii Network of Care website, special housing allowances for our eligible Disabled Veterans, various equipment items, and several vehicles for outreach programs.**

**With the tremendous fiscal support we have received from each of you for our eight State Veterans Cemeteries Capital Improvement Programs and enhancement projects, we have garnered over \$8.8 M in Federal Funding for FY 2012 compared to \$1.59 M in FY 2011, one of our largest sums of federal funding in a decade. In every one of our State Veterans Cemeteries, we have projects underway or planned for the NEAR future.**

**In summary, mahalo for your continued support and advocacy to our military men and women in uniform, our veterans, and their family members. This**

**concludes my testimony pending your questions. Mr. Rick Campbell, the Director of the Hawaii Youth Challenge Academy will now render his testimony.**

**Budget Testimony**

**DEF 114**

**Department of Defense  
Hawaii National Guard Youth Challenge Academy**

**HOUSE COMMITTEE ON FINANCE  
REPRESENTATIVE MARCUS R. OSHIRO (CHAIRMAN)  
January 8, 2013**

**SENATE WAYS AND MEANS  
SENATOR DAVID Y. IGE (CHAIRMAN)  
January 11, 2013**

**JANUARY 8 & 11, 2013**

## Mission Statements

The Mission of the National Guard Youth Challenge Program is to intervene in and reclaim the lives of “at-risk” youth to produce program graduates with the values, skills, education and self-discipline necessary to succeed as adults.

The mission of the Hawaii National Guard Youth Challenge Academy is to provide an opportunity for 16-18 year old “at risk” youth to learn the skills needed to be successful, responsible and productive citizens in the community while giving them the opportunity to earn a high school diploma.

## Vision Statements

The vision of the National Guard Youth Challenge Program is to be recognized as America’s premier program for “at risk” youth.

The vision of the Hawaii National Guard Youth Challenge Academy is to provide the State of Hawaii with a progressive alternative school for “at-risk” youth that focuses on lessons in character education, morals, values, life-coping skills and responsible citizenship. The need for programs like Youth Challenge

## Economic Impact

The effect of current economic and fiscal conditions on the Hawaii National Guard Youth Challenge Academy continues to be on the Staff and Cadres of the program more than the program itself. The three year freeze on payroll, the increase in the cost of health benefits and the supplemental time off days have made it very difficult to maintain our highest quality staff members. Most of the Cadres and Staff who have resigned over the past three years cited the need to earn more in order to live in Hawaii. In spite of this, the Academy has been able to maintain the standards needed to complete the mission, which indicates the quality of the people that continue to work here.

The high cost of operation of the two Youth Challenge Programs is due to the fact that they are both 24/7 operations. Personnel and operational costs to insure the health and safety of the Cadets escalate every year. The cost of operating a residential program is about double that of a day school when taken into consideration the costs of electricity, water, gasoline, food, clothing and transportation.

## Alternatives Considered

The total budget for the two Hawaii programs is \$6.4 M of which the Federal portion is \$4.8M and the State share will be \$1.6M. The cost per Cadet for 5.5 months is \$16,000 of which the Federal share is \$12,000 and Hawaii’s share is \$4,000. This cost includes housing, food, uniforms, boots, education, field trips and outer islands travel if required. Comparatively, the cost per year for a student at a public school is over \$11,000.

## Present Status

The Kalaeloa Academy has been in partnership with Waipahu Community School for Adults for almost 18 years and has offered the GED as a means to a high school diploma. Over the last 5.5 years or 11 class cycles, the Kalaeloa program has had 958 Cadets completed the program with 661 or 69% of them earning their high school diplomas. Class 37, the most recent cycle to graduate from Kalaeloa YCA had 101 Cadets completed and 73 graduates (72%) attained their diplomas. One of the Academy's goals is to work at increasing the number of graduates to 250 per year (or 125 per cycle) and to increase the number of high school diplomas awarded each year.

YCA's partnership with the Department of Education through Hilo Community School for Adults (HCSA) has allowed the Kulani program to offer the Competency Based High School Diploma to youth who may not have the academic competency to pass the General Education Development (GED) program. This will give YCA a broader scope to help more youngsters attain their high school diplomas. The development of the Kulani program continues with the completion of the 4<sup>th</sup> class. Kulani has graduated a total of 223 Cadets in this 4 year span with 172 or 77% of them receiving high school diplomas

The Youth Challenge Academy continues to work hard at improving our performance by graduating more successful young people and operating more efficiently. This performance will be judged by the future success of our graduates, not just by the graduation percentage. YCA has pursued partnerships with organizations that will benefit the Cadets in both the residential and post-residential phases of the program. A few of these partnerships are the Hawaii Community College system, Hawaii USA Federal Credit Union, the American Red Cross, the KUPU program, Job Corps, Hyatt Regency hotels, The State Trades Council, military recruitment programs and many local businesses. These partnerships have helped arrange placement for YCA graduates into higher education, vocational training, work force and the military. The goal of the Youth Challenge Academy is to insure that the Cadets receive all the skills necessary to become productive members of society.

## Future

The immediate priority is the continued development of the Kulani program and the improvement of operations at Barber's Point, Kalaeloa. The possibility of a move for the Hawaii Island Academy has been mentioned with many scenarios being discussed. The most prominent choice mentioned is relocation to the Keaukaha Military Reservation in Hilo. That will mean increased efforts to insure continued funding to operate both Youth Challenge Academies in order to assist the youth in need.

YCA has included a CIP request for FY 13 to build Cadet housing (billets) for 150 Cadets and renovate existing armory facilities at Keaukaha Military Reservation (KMR) in Hilo. This will enable the program to relocate to KMR by 2014 to make way for the return of the Kulani facilities to the Department of Public Safety. The new location will provide YCA with lower operation cost, better energy savings, federally supported maintenance opportunities, and a safer and more secure environment. The estimated cost of this new construction is \$9M.

An ongoing vision has been to locate a new site for the Kalaeloa Academy. At the present time, the program is housed in WWII Navy billets, the classrooms are in a converted Fitness Center, there are 3 modular buildings for Platoon Classes and the security of the classroom area is questionable. With the dramatic increase in the number of people in and around Kalaeloa facilities, the Cadets are faced with many opportunities for negative interactions. It has presented a greater challenge for the cadres and staff to monitor the safety and well-being of the Cadets. Locating a suitable site with good security and safe environment is a major task. This can be achieved by encouraging private donations through the Hawaii National Guard Youth Challenge Academy Foundation (501-C-3) and combine that with State funds to help with construction and relocation costs.

The final request is an idea for future support and funding (3 to 5 years down the road) for a Job Opportunities Training Program to be located in, at or near the KMR Youth Challenge Academy on Big Island. This will be a Pacific Area vocational and technical training school to certify Youth Challenge graduates in carpentry, masonry, welding, auto mechanics, body and fender repairs, aquaponics, hydroponics, agriculture and many other endeavors would offer an in house method of placing the Cadets in training right after they graduate from the Academy. It could be funded through a combination of State, Federal, and private contributions. At the present time there is only one such program in the nation located at Gillis Long in Louisiana. The program in Hilo would give all of the Youth Challenge programs from the western States the opportunity to place their Cadets in a training facility with the Youth Challenge mission as a guide and job training as a means to assist the Cadets.

This completes the past, present and future of the Youth Challenge Academy. I would like to thank all of you for your continued support of the Youth Challenge Academies and I would be happy to answer your questions.

**Table 1: Prioritized List of Functions**

See attached Table 1.

**Table 2: Department –Wide Totals**

See attached Table 2.

**Table 3: Program ID Totals**

See attached Table 3.

**Table 4: Budget Decisions**

See attachment table 4.

**Table 5: Proposed Budget Reductions.**

See attached Table 5.

**Table 6: Proposed Budget Additions**

See attached Table 6

**Table 7: Current Year (FY 13) Restrictions**

See attached Table 7

**Table 8: Emergency Appropriation Requests**

See attached Table 8

**Table 9: Expenditures Exceeding Appropriation Ceilings**

See attached Table 9

**Table 10: Intradepartmental Transfers**

See attached Table 10

**Table 11: Active Federal Awards**

See attached Table 11

**Table 12: Non-General Funds**

See attached Table 12

**Table 13: Vacancy Report**

See attached Table 13

**Table 14: Overtime Expenditures**

See attached Table 14

**Table 15: Overpayments**

See attached Table 15

**Table 16: Contract Costs**

See attached Table 16

**Table 17: Capital Improvement Program (CIP) Requests**

See attached Table 17

**Table 18: CIP Lapses**

See attached Table 18

**Table 19: Division Resources**

See attached Table 19

**Table 20: Organization Charts**

See attached Table 20