



STATE OF HAWAII
DEPARTMENT OF DEFENSE
HAWAII EMERGENCY MANAGEMENT AGENCY

TESTIMONY ON HOUSE BILL 1586, HD2
RELATING TO DISASTER RESPONSE

BEFORE THE SENATE COMMITTEE ON
PUBLIC SAFETY, INTERGOVERNMENTAL, AND MILITARY AFFAIRS
BY

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

MARCH 22, 2022

Aloha Chair Nishihara, Vice-Chair DeCoite, and Members of the Committee:

Thank you for the opportunity to submit testimony to **OFFER COMMENTS** on HB1586, HD2.

House Bill 1586, HD2 requires federal disaster relief reimbursement moneys, except federal disaster relief reimbursement moneys for DOE, to be deposited into a trust account of the Hawaii emergency management agency and reimbursed to the originating fund of the expending agency, with funds to be returned to the general fund upon lapse of the original appropriation; requires annual reports to the legislature on federal reimbursement moneys, and of disaster response spending by each state agency; appropriates funds.

Having a trust account for federal disaster relief reimbursement monies allows for quicker reimbursements to state departments and agencies that have expended funds due to disaster and will allow for the State to match federal emergency reimbursement funds. Additional restrictions on the trust fund account and removing the rollover limit will hinder HI-EMA's ability to manage open and future emergencies and disasters. These changes, combined with the current fiscal year reductions in operating budget and personnel to HI-EMA, will lead to less effective management of how we respond to and recover from emergencies and disasters.

This bill removes the \$2.5 million rollover provision that was recently added in a previous legislative session. The HI-EMA would ask this committee to consider restoring the rollover provision. This rollover option supports HI-EMA's critical functions beyond the immediate response to an emergency and into recovery and mitigation. The removal of the rollover provision also

conflicts with another measure, HB2120, HD1, which adds language to the rollover provision to cover both current and future emergencies. House Bill 2120, HD1 is part of the Governor's Administrative package and will be heard before a joint committee meeting of this committee and Agriculture and Environment, March 23, 2022 at 1:45 p.m.

Added reporting requirements on the Administrator regarding Federal funds received during a disaster will create substantial challenges due to the uncertain durations of different types of disasters as well as the myriad sources from which Federal funds originate. HI-EMA currently produces reports and summaries on a routine basis for Federal funds through the response, recovery, and mitigation functions. HI-EMA is willing and committed to sharing these with the community and our stakeholders. HI-EMA currently is managing response, recovery, mitigation functions dating back to 2006 for more than twelve open disasters.

The HI-EMA supports an appropriation for disaster response efforts provided it does not conflict with the Governor's budget priorities.

Thank you for the opportunity to provide testimony on House Bill 1586, HD2.

Luke P. Meyers: Luke.P.Meyers@hawaii.gov; 808-733-4300

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
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 SENATE COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL,
AND MILITARY AFFAIRS
ON
HOUSE BILL NO. 1586, H.D. 2

March 22, 2022
1:05 p.m.
Room 229 and Videoconference

RELATING TO DISASTER RESPONSE

The Department of Budget and Finance (B&F) offers comments on House Bill (H.B.) No. 1586, H.D. 2.

H.B. No. 1586, H.D. 2, does the following: 1) amends Section 127A-16, HRS, to require federal disaster relief reimbursement moneys, except for federal funds received by the State to reimburse the Department of Education for disaster-related expenses, to be deposited into a trust account under the control of the Hawai'i Emergency Management Agency (HI-EMA) and first be applied to the originating fund of the expending agency, with funds to be returned to the general fund upon the lapsing of the original appropriation; 2) requires each State agency to submit annual reports to the Administrator of HI-EMA on disaster response spending; 3) requires the Administrator of HI-EMA to submit an annual report to the Legislature on the status of federal reimbursement moneys for disaster response and disaster response spending by each State agency; and 4) appropriates an undetermined sum of general funds to the Department of Defense for FY 23 for disaster response efforts.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.

Written Only

DAVID Y. IGE
GOVERNOR



KEITH T. HAYASHI
INTERIM SUPERINTENDENT

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

Date: 03/22/2022

Time: 01:05 PM

Location: CR 229 & Videoconference

Committee: Senate Public Safety,
Intergovernmental and Military Affairs

Department: Education

Person Testifying: Keith T. Hayashi, Interim Superintendent of Education

Title of Bill: HB 1586, HD2 RELATING TO DISASTER RESPONSE.

Purpose of Bill: Requires federal disaster relief reimbursement moneys, except federal disaster relief reimbursement moneys for DOE, to be deposited into a trust account of the Hawaii emergency management agency and reimbursed to the originating fund of the expending agency, with funds to be returned to the general fund upon lapse of the original appropriation. Requires annual reports to the legislature on federal reimbursement moneys, and disaster response spending by each state agency. Appropriates funds. Effective 7/1/2051. (HD2)

Department's Position:

The Hawaii State Department of Education (Department) appreciates the amendments made to HB 1586, HD2, but respectfully offers comments.

This HD2 preserves the original language in Sections §37-41.5(c) and §127A-16(d), Hawaii Revised Statutes, which together allow the Department to retain federal disaster relief funds when federal disaster relief reimbursements are issued to the Department. These sections are needed to allow the Department to receive and retain federal disaster relief reimbursements for expenditures made by the Department in instances when, as often the case, it takes several years for the federal reimbursements to be issued. Without these sections, if the appropriation used by the Department to pay for the disaster relief has since lapsed by the time federal reimbursements are issued, under current accounting practice, the reimbursement would simply go to the State

Treasury. These sections only apply in the event that the Department is required to expend funds appropriated for other purposes for disaster relief.

The Department appreciates continued support for improving reliability and predictability of financing disaster relief and for school operations.

Thank you for the opportunity to provide testimony on this measure.