



STATE OF HAWAII
DEPARTMENT OF DEFENSE
HAWAII EMERGENCY MANAGEMENT AGENCY

TESTIMONY ON HOUSE BILL 1586,
RELATING TO DISASTER RESPONSE

BEFORE THE HOUSE COMMITTEES ON
PANDEMIC AND DISASTER PREPAREDNESS, EDUCATION, AND FINANCE

BY

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FEBRUARY 1, 2022

Aloha Chairs Ichiyama, Woodson, and Luke, Vice-Chairs Eli, Kapela, and Cullen, and Members of the Committee:

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

House Bill 1586 repeals language authorizing the department of education to retain federal reimbursements for disaster relief and delaying the lapsing of those funds to the general fund; shortens the time for reporting to the legislature the purpose of major disaster fund money allotments or expenditures; requires federal disaster relief reimbursement moneys 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.

Hawaii is vulnerable to myriad natural and human-caused disasters which can affect multiple state agencies. House Bill 1586 ensures that all state departments and agencies are fairly reimbursed for disaster-related expenses.

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. Removal of the trust fund account and the rollover limit will hinder HI-EMA's ability to manage open and future emergencies and disasters. These changes, added to 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.

Additional reporting requirements by the Administrator of Federal funds received during a disaster creates 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 does produce 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.

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

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STATE OF HAWAII
DEPARTMENT OF EDUCATION
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Date: 02/01/2022
Time: 10:00 AM
Location: 309 Via Videoconference
Committee: House Pandemic & Disaster Preparedness

Department: Education

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

Title of Bill: HB 1586 RELATING TO DISASTER RESPONSE.

Purpose of Bill: Repeals language authorizing the department of education to retain federal reimbursements for disaster relief and delaying the lapsing of those funds to the general fund. Shortens the time for reporting to the legislature the purpose of major disaster fund money allotments or expenditures. Requires federal disaster relief reimbursement moneys 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.

Department's Position:

The Hawaii State Department of Education (Department) respectfully submits comments expressing concerns with portions of HB 1586.

Sections 2 and 3 of this measure seek to delete §37-41.5(c) and §127A-16(d), 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, under current accounting practice, if the appropriation used by the Department to pay for the disaster relief has since lapsed by the time federal

reimbursements are issued (as is often the case), the reimbursement would simply go to the State Treasury. These sections only apply when the Department is required to expend funds appropriated for other purposes in order to respond to a disaster via paying for disaster relief.

Under ideal conditions, all State expenditures for disaster relief would be made from State Department of Defense appropriations or other specific appropriation made for such purpose. In this situation, the Department would not be issued federal disaster relief reimbursements and these provisions would be unnecessary. Out of necessity, the Department expends appropriations made for other purposes, such as lump sum Capital Improvement Program funds, to provide disaster relief. If this situation were to arise and the Department were to undertake the considerable additional administrative workload required to maximize federal reimbursements, the Department would appreciate being able to continue to retain and use those federal reimbursements for the original intended purpose.

The Department would welcome an opportunity to continue dialogue on improving reliability and predictability of financing disaster relief.

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