



STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
STATE PROCUREMENT OFFICE

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TESTIMONY
OF
BONNIE KAHAKUI, ACTING ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE
ON
HUMAN SERVICES
February 6, 2024, 9:30 a.m.

HOUSE BILL 2430
RELATING TO SUMMER ELECTRONIC BENEFITS TRANSFER
FOR CHILDREN PROGRAM

Chair Marten, Vice Chair Amato, and members of the committee, thank you for the opportunity to submit testimony on House Bill 2430. The State Procurement Office (SPO) supports the intent of the program to fight hunger and improve food access and affordability for Hawaii's keiki. SPO provides strong comments to the exemption language.

Comments: The SPO has serious concerns regarding the exemption language on Section 2, page 2, lines 16 to 21, as set forth below:

(b) To the extent that appropriations or private funds are made available, the department may contract with one or more providers to administer the summer electronic benefits transfer for children program. Any contract executed pursuant to this section shall be exempt from the competitive process of chapters 103D and 103F.

Chapters 103D and 103F, Hawaii Revised Statutes, Hawaii Public Procurement Code (Code), is the State's single source of public procurement policy to be applied equally and uniformly, while providing fairness, open competition, a level playing field, government disclosure, and transparency in the procurement and contracting process vital to good government.

Public procurement's primary objective is to provide everyone with an equal opportunity to compete for government contracts, and to prevent favoritism, collusion, or fraud in the awarding of contracts. To legislate that any one entity should be exempt from compliance with both Chapter 103D and 103F, HRS, conveys inequality in the law's application.

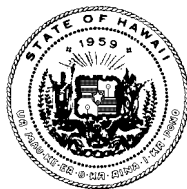
Exemptions to the Code mean that all procurements made with taxpayer monies will not have the same oversight, accountability and transparency requirements mandated by those procurements processes provided in the code. It means that there is no requirement for due diligence, proper planning, or consideration of protections for the state in contract terms and conditions, nor are there any set requirements to conduct cost and price analysis and market research or post-award contract management. As such, Agencies can choose whether to compete any procurement or go directly to one contractor. As a result, leveraging economies of scale and cost savings efficiencies found in the consistent application of the procurement code are lost. It also means Agencies are not required to adhere to the code's procurement integrity laws.

Recommendation: Revise the language Section 2, page 2, lines 16 to 21, as set forth below:

(b) To the extent that appropriations or private funds are made available, the department may contract with one or more providers to administer the summer electronic benefits transfer for children program. Any contract executed pursuant to this section shall be ~~exempt from the~~ in compliance with the competitive process of chapters 103D and 103F.

Thank you.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



CATHY BETTS
DIRECTOR
KA LUNA HO'OKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
Office of the Director
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 4, 2024

To: The Honorable Representative Lisa Marten, Chair
House Committee on Human Services

FROM: Cathy Betts, Director

SUBJECT: **HB 2430 – RELATING TO SUMMER ELECTRONIC BENEFITS TRANSFER FOR CHILDREN PROGRAM.**

Hearing: Tuesday, February 6, 2024, 9:00 a.m.
Conference Room 329, State Capitol & Video Conference

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports this administration measure. The proposal establishes and clarifies the responsibilities of DHS and the Department of Education (DOE) to implement the State's Summer Electronic Benefits Transfer for Children Program (Summer EBT). Once implemented, the program aims to reduce hunger and food insecurity for children during summer breaks when they lose access to free and reduced-price meals through the National School Lunch Program and School Breakfast Program. DHS defers to DOE regarding its resource needs to implement the program.

PURPOSE: The purpose of this bill is to establish the Summer Electronic Benefits Transfer for Children Program. Makes appropriations.

The Consolidated Appropriations Act, 2023, P.L. 117-328, authorized a permanent, nationwide Summer EBT beginning in 2024. Summer EBT intends to reduce hunger and food insecurity for children who lose access to free and reduced-price meals through the National School Lunch Program and School Breakfast Program during the summer when school is not in

session. The U.S. Bureau of Labor Statistics included in its September 2023 report that over the previous 12 months, food prices in Hawaii increased 5.3 percent.

During the height of the COVID-19 pandemic, Congress enacted a similar program, Pandemic Electronic Benefits Transfer (P-EBT), in response to the federal public health emergency that resulted in school closures that prevented students from receiving free and reduced-price meals at school. P-EBT proved to be effective in ensuring families of these students had the resources to address their children's food needs during the federal public health emergency. Through P-EBT, DHS issued \$18,256,166 in P-EBT benefits to 122,334 students just during the 2023 summer break.

For the Summer EBT program, the benefit of \$177.00 per month per child will be issued on a card and may be used at vendors that accept Supplemental Nutrition Assistance Program (SNAP) benefits. This amount is significantly higher than other states participating in Summer EBT. The benefits are 100% federally funded and will have an economic multiplier effect in addition to meeting students' food needs.

Hawaii's participation in the new federal Summer EBT program requires a 50/50 match of state funds to federal funds for administrative costs. To develop and implement this new and permanent program, the Departments of Education and Human Services will need additional general funds to modify data systems and administrative processes and funds for one additional FTE program specialist position, with an appropriation request of \$50,000 A/\$50,000 N. DHS defers to DOE's human resource needs.

The balance of the Department's \$2,000,000 A/\$2,000,000 N funds request is a cost estimate based on the P-EBT implementation. DHS defers to DOE's administrative resources needs.

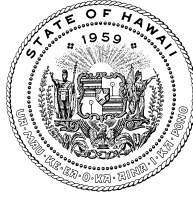
For P-EBT, DHS conducted procurement pursuant to the presiding COVID-19 Pandemic emergency proclamations. The Summer EBT is like P-EBT, but there are additional program requirements. DHS requests similar procurement exemption from the competitive process for at least two years so that the Departments can quickly expedite the system modifications; additionally, we anticipate there may be program differences between FFY2024 and FFY2025.

February 4, 2024

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As the session continues, the amount requested may change as DHS is currently assessing how to implement the program this fiscal year and is looking for available SFY 2024 general funds.

Thank you for the opportunity to testify on this measure.



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

House Committee on Human Services

Tuesday, February 6, 2024

9:30 a.m.

State Capitol, Conference Room 329 and Videoconference

In Support

H.B. No. 2430, Relating to Summer Electronic Benefits Transfer for Children Program

Chair Marten, Vice Chair Amato, and Members of the House Human Services Committee:

The Office of the Governor supports H.B. No. 2430, Relating to Summer Electronic Benefits Transfer for Children Program. This bill would establish the Summer Electronic Benefits Transfer for Children (Summer EBT) Program in Hawaii. Hawaii has opted into the program beginning this summer, and this bill will help the Department of Human Services develop and implement this new program, including providing them with additional funding to meet the federal program's required 50/50 match of state funds.

Passed into law by Congress and administered by the U.S. Department of Agriculture (USDA), the Summer EBT program will address food insecurities by providing families with financial support during the summer to buy food at grocery stores, farmers market or other authorized retailers, similar to how SNAP benefits are used. The Summer EBT program is intended to support children who lose access to free and reduced price meals through the National School Lunch Program and School Breakfast Program during the summer when school is not in session.

It was recently announced that beginning in the summer of 2024, Hawaii families will receive \$177 per eligible child through the Summer EBT program in order to provide more equitable resources for island communities compared to the benefit amount of \$120 per eligible children in the U.S. mainland.

According to the USDA, the Summer EBT program would provide nearly 100,000 Hawaii families with increased access to nutritious meals. This program is critical for these families, and helps to advance our Administration's work to address ongoing food insecurity issues in our State—especially through the expansion of local agriculture.

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

JOSH GREEN, M.D.
GOVERNOR



KEITH T. HAYASHI
SUPERINTENDENT

STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 02/06/2024

Time: 09:30 AM

Location: 329 VIA VIDEOCONFERENCE

Committee: Human Services

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: HB 2430 RELATING TO SUMMER ELECTRONIC BENEFITS TRANSFER FOR CHILDREN PROGRAM.

Purpose of Bill: Establishes the Summer Electronic Benefits Transfer for Children Program. Makes appropriations.

Department's Position:

The Hawaii State Department of Education (Department) provides comments on HB 2430 and defers to the Department of Human Services as to the implementation of this measure.

The Department stands prepared to partner with the Department of Human Services to carry out the Summer Electronics Benefits Transfer (EBT) Program, in the same way it did for the Pandemic EBT Program.

The Department will provide the data it has the capacity to transmit per the parameters of the Summer EBT program. The Department appreciates the funding provided for in this measure but notes that this is not one of the priorities within the Department's Board-approved budget.

Thank you for the opportunity to testify on this measure.



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TO: Committee on Human Services

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: February 6, 2024
TIME: 9:30am
PLACE: Room 329

RE: HB2430 Relating to Summer Electronic Benefits Transfer for Children

Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

Chair Marten, Vice Chair Amato, Members of the Committee,

HFIA is in support of this measure. Sadly Hawaii has one of the highest instances of childhood food insecurity in the nation. Our Department of Education plays a vital role in providing free or low cost nutritious meals for children during the school year. The summer EBT program can help ensure that children continue to receive wholesome meals over the summer months.

Summer EBT is based on USDA's Summer EBT for Children demonstration projects and Pandemic EBT, which have been proven to reduce child hunger and improve diet quality.

We urge the committee to pass this measure and we thank you for the opportunity to testify.

LATE

HB-2430

Submitted on: 2/5/2024 9:39:31 AM

Testimony for HUS on 2/6/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Brian Miyamoto	Hawaii Farm Bureau	Support	Written Testimony Only

Comments:

HFB Supports

LATE



HAWAII APPLESEED
CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai‘i Appleseed Center for Law and Economic Justice
Support for H.B. 2430 – Relating to the Supplemental Nutrition Assistance Program
House Committee on Human Services
Tuesday, February 6, 2024, at 9:30AM

Aloha Chair Marten, Vice Chair Amato, and members of the Committee:

Thank you for the opportunity to submit testimony in strong support for **H.B. 2430**, which would appropriate funds and establish the Summer Electronic Benefits Transfer for Children (Summer EBT) program for the state of Hawai‘i.

When the school year ends, children from low income households lose access to the school meals they rely on, causing an alarming annual spike in childhood hunger. While existing summer meal programs play an important role, they reach only a fraction of the children who rely on free and reduced-price school meals during the school year. Summer EBT is a new federal program that bridges this gap, by providing cash benefits on an EBT card—similar to SNAP—for families to purchase food at retail locations.

According to the Food Research and Action Center, Hawai‘i has approximately 100,000 children who are eligible to receive Summer EBT. ***Eligible families would receive \$177 per child for this summer—up to a total of \$17.7 million in federal dollars for the entire state.*** This is funding that would support local food businesses and retailers, while also providing significant relief to families who struggle to keep up with grocery bills while their children are not in school.

Summer EBT benefits are entirely federally funded. However, the program requires a 50 percent match in administrative costs, which HB 2430 would provide. Without this modest administrative investment, Hawai‘i will lose out not only on the \$17.7 million in federal cash benefits, but also on the economic multiplier that EBT benefits provide. In fact, the USDA estimates that every dollar in EBT benefits can generate \$1.50 in local economic impact. This means that Summer EBT could generate over \$26 million in economic activity during the summer months.

HB 2430 is a small investment that will yield big results. By providing cash to struggling families during the summer months, when they need it most, and also by bringing in millions of federal dollars that will stimulate Hawai‘i’s food economy. We highly encourage you to pass this bill, for the good of Hawai‘i’s children, families, and local businesses. Thank you for your consideration.



LATE

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HIPHI Board

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HIPHI Initiatives

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Community Health
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Environmental Health

Hawai'i Drug & Alcohol-Free
Coalitions

Hawai'i Farm to School Hui

Hawai'i Oral Health Coalition

Hawai'i Public Health Training Hui

Healthy Eating + Active Living

Kūpuna Collective/Healthy Aging &
Community Living

Public Health Workforce
Development

Date: February 5, 2024

To: Representative Lisa Marten, Chair
Representative Terez Amato, Vice Chair
Members of the House Committee on Human Services

Re: HB 2430 Relating to Summer Electronic Benefits Transfer for Children Program

Hrg: Tuesday, February 6, 2024 9:30 AM

Healthy Eating + Active Living (HEAL) Coalition, convened by the Hawai'i Public Health Instituteⁱ appreciates the opportunity to provide testimony in **Support of HB2430**, which would provide Hawai'i families with the opportunity to participate in the Summer EBT program.

This measure calls for the collaboration between the Department of Education, which directly provides for the students, and the Department of Human Services, which administers SNAP. It is vital the departments have a strong working relationship and endeavor to work seamlessly together to best provide meals to our youth. Success will be achieved through collaboration.

School ends and hunger persists.

Low-income families are eligible for free or reduced-priced meals during the school year to help with the cost of food. However, these guaranteed meals are no longer available during the summer. This loss leaves many students facing food insecurity. Fortunately, the federal government is offering to provide families with hundreds of dollars per child so they can afford healthy meals, and Hawai'i has the opportunity to provide for its students. By participating in the Summer EBT program and facilitating local families' enrollment, Hawai'i can redirect millions of federal dollars toward groceries for these families and will help end the hunger that plagues 1 in 5 children in Hawai'i.ⁱⁱ

Healthy meals mean healthy keiki.

Adopting the Summer EBT Program is a pivotal step towards enhancing our children's health. Ensuring access to nutritious food during summer, we combat food insecurity and its associated health risks, like stress, depression, and other chronic diseases.ⁱⁱⁱ This promotes immediate health outcomes for our keiki and creates lifelong healthy eating habits. These students and our state will feel the benefits of this program long after the summer ends.

Economic boost to Hawai'i.

Implementing this program is simply the right thing to do and a strategic economic investment. By providing families with additional federal funds to purchase nutritious food, we directly inject millions of dollars into our local economies, supporting grocers, farmers, and businesses. Studies have shown that every dollar in SNAP benefits generates up to \$1.50 in economic activity.^{iv} The summer EBT program would have a similar effect here in Hawai'i.

Mahalo to the committee for taking up such an important measure. It is imperative we all work together to end childhood hunger throughout Hawai'i.

Please consider our testimony in support of HB2430 and pass this bill.

Sincerely,



Nate Hix
Social Impact Policy Manager
Hawai'i Public Health Institute

ⁱ The Healthy Eating + Active Living (HEAL) Coalition, formerly known as the Obesity Prevention Task Force, was created by the legislature in 2012 and is comprised of over 60 statewide organizations. The HEAL Coalition works to make recommendations to reshape Hawai'i's school, work, community, and health care environments, making healthier lifestyles obtainable for all Hawai'i residents.

ⁱⁱ <https://map.feedingamerica.org/county/2021/child/hawaii>

ⁱⁱⁱ <https://proof.utoronto.ca/food-insecurity/what-are-the-implications-of-food-insecurity-for-health-and-health-care/>

^{iv} https://www.ers.usda.gov/webdocs/publications/93529/err265_summary.pdf

LATE

To: House Committee on Human Services
Re: **HB 2430 – Relating to Summer Electronic Benefits Transfer for Children Program**
Hawai'i State Capitol & Via Videoconference
February 6, 2024, 9:30 AM

LATE

Dear Chair Marten, Vice Chair Amato, and Committee Members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **SUPPORT of HB 2430**. This bill establishes the Summer Electronic Benefits Transfer (EBT) for Children Program and makes appropriations.

In the 2022, only 7.6 percent of the low-income students who got free or reduced-price school lunch during the academic year also got free lunch at summer camps, summer schools, or other summer programs through the federal Summer Food Service Program.¹ While they weren't getting free or reduced-price meals during the summer, those low-income children and youth still needed to eat, stressing their families' budgets.

That's where Summer EBT comes in. This new federal program provides grocery-buying benefits to low-income families with school-aged children when schools are closed for the summer.² For the summer of 2024, eligible Hawai'i families could receive \$177 per child in Summer EBT benefits,³ which goes a long way towards helping families afford to buy healthy food for their keiki.

According to the Department of Education, 55 percent of Hawai'i's 167,649 public school students are economically disadvantaged,⁴ which means that approximately 92,000 keiki could qualify for Summer EBT. If there were all to receive those benefits, that would mean more than \$16 million in federal dollars not only helping families buy food, but also supporting our local grocery stores and other food retailers.

However, Summer EBT requires that states match 50 percent of federal administrative funds for the program with non-federal funds.⁵ This bill would establish the Summer EBT program in Hawai'i and provide the required matching funds. This seems like a good investment, as each \$1 in state funds could leverage as much as \$8 in federal funds for keiki and their family, as well as local supermarkets.

Mahalo for the opportunity to provide this testimony. Please pass this bill.

Thank you,
Nicole Woo
Director of Research and Economic Policy

¹ <https://frac.org/wp-content/uploads/summer-report-2023.pdf>

² <https://www.fns.usda.gov/sebt>

³ <https://www.fns.usda.gov/sebt/2024-benefit-levels>

⁴ https://www.capitol.hawaii.gov/sessions/session2024/testimony/Info_Testimony_WAM-EDU_01-16-24_EDN.pdf

⁵ <https://www.fns.usda.gov/sebt/implementation-toolkit>

LATE

HB-2430

Submitted on: 2/5/2024 10:28:31 AM

Testimony for HUS on 2/6/2024 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

I strongly support HB2430. Many keiki in low-income families depend on free or reduced-price school meals as a source of critical nutrition. For some keiki, it is the only nutritious meal to which they have access. Over the summer, when school is not in session, these keiki go hungry, or are unable to access the nutrition they get during the school year. The state should look for ways to improve child nutrition and fight hunger over the summer months.