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WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 2588

February 18, 2022
10:10 a.m.
Room 211 and Videoconference

RELATING TO HOUSING

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill No. 2588 appropriates \$25,445,000 in general funds in FY 23 to the Department of Human Services for the Hawai'i Public Housing Authority to remodel, renovate, repair, and rehabilitate 264 housing units.

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.

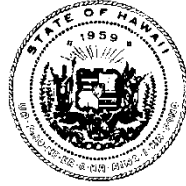
Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- 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.

DAVID Y. IGE
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Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

SENATE COMMITTEE ON WAYS AND MEANS

Friday, February 18, 2022

10:10 AM – Videoconference – Room 211, Hawaii State Capitol

In consideration of

SB 2588

RELATING TO HOUSING

Honorable Chair Dela Cruz and Members of the Senate Committee on Ways and Means, thank you for the opportunity to provide testimony concerning Senate Bill (SB) 2588, relating to housing.

The Hawaii Public Housing Authority (HPHA) **supports** the enactment of SB 2588, which appropriates funds to the HPHA for the rehabilitation of housing units, so long as it does not adversely affect the Governor's Supplemental Budget.

The HPHA's mission is to promote adequate and affordable housing, economic opportunity, and a suitable living environment free from discrimination through its public housing and rental assistance programs. The HPHA serves the State's most disadvantaged populations, including those earning less than thirty percent of the Area Median Income (AMI), the disabled and the elderly.

Due to the age of our housing inventory, these crucial funds will provide the agency with the ability to tackle its capital needs backlog of approximately \$700,000,000, and the Legislature's assistance with this issue is very important. The agency has properties that have been built over 50 plus years ago, and the issues at these properties need to be addressed. Some of the situations that need to be addressed are modernization of dwelling units including lead abatement, upgrading of electrical infrastructure, replacement of plumbing piping, roof replacement, spall repair, and federally mandated Americans with Disabilities Act improvements.

The HPHA appreciates the opportunity to provide the Committee with the HPHA's testimony. We thank you very much for your dedicated support.