



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKA'I

JOSH GREEN, M.D.
GOVERNOR

CHRIS J. SADAYASU
DIRECTOR

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Statement of
CHRIS J. SADAYASU
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON WAYS AND MEANS

Wednesday, February 15, 2023
10:30 AM
State Capitol, Conference Room 211

In consideration of
SB 1317, SD1
RELATING TO BROADBAND.

Chair Dela Cruz, Vice Chair Keith-Agaran and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) **supports SB1317, SD1** that appropriates general fund moneys that are required to match federal moneys for broadband programs and requires the Office of the Lieutenant Governor to convene and chair the working group established pursuant to Act 231 (SLH 2022).

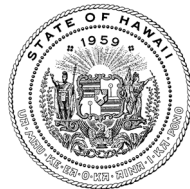
In the Notice of Funding Opportunity for the Broadband, Equity, Access, and Deployment issued on May 13, 2022, by the National Telecommunications and Information Administration (NTIA-BEAD-2022) it states each *Eligible Entity shall provide, require its subgrantee to provide, or provide in concert with its subgrantee, matching funds of not less than 25 percent of project costs.* This moneys will help to meet that requirement.

Over the course of the last three years, the COVID-19 pandemic has spotlighted the need for broadband infrastructure and digital equity for all of Hawai'i's residents and community stakeholders. Consequently, the federal government identified the need to fund broadband infrastructure and digital equity programs across the country.

With this once in a generation opportunity, it is important that we meet this requirement to maximize the federal government's investment in Hawai'i.

Thank you for the opportunity to submit this testimony.

JOSH GREEN, M.D.
GOVERNOR



LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
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
Ka 'Oihana Mālama Mo'ohelu a Kālā
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 1317, S.D. 1

February 15, 2023
10:30 a.m.
Room 211 and Videoconference

RELATING TO BROADBAND

The Department of Budget and Finance supports this Administration bill.

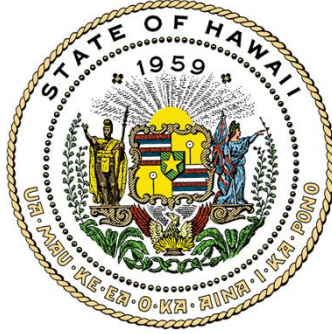
Senate Bill (S.B.) No. 1317, S.D. 1, appropriates: 1) general funds needed to provide non-federal matching funds for various federal broadband grant programs, including \$33,000,000 in FY 24 as matching funds for the Broadband Equity, Access, and Deployment (BEAD) Program; 2) \$95,000,000 in FY 24 out of funds the State of Hawai'i receives from the Infrastructure Investment and Jobs Act; and 3) an unspecified amount of general funds in FY 24 and FY 25 to provide additional matching funds for federal broadband-related programs. S.B. No. 1317, S.D. 1, also amends Act 231, SLH 2022, to add the Lieutenant Governor to the working group to determine the appropriate governance structure to implement, operate, and maintain broadband infrastructure development in the State to serve as its chair.

Access to high-speed internet is an essential need in the State. There are several federal programs that provide significant amounts of funding to states to improve broadband access. Some of these programs, including the BEAD Program,

require matching funds. At this time, the State will need to show a 25% match for the BEAD Program which amounts to matching funds of \$33,000,000. The State is likely to be awarded additional BEAD funding and will need to demonstrate that additional matching funds are available. The amount of the additional matching funds is not known at this time. This bill includes the known required State match amount (\$33,000,000), \$95,000,000 in federal funds, as well as blank appropriations for FY 24 and FY 25 for additional match requirements that may be required.

In addition, given the possibility that supply chain difficulties may delay the construction of the facilities for the BEAD Program, an extended lapse date of June 30, 2026, for the appropriations made in this bill has been provided

Thank you for your consideration of our comments.



OFFICE OF THE LIEUTENANT GOVERNOR
Ke Ke'ena O Ka Hope Kia'aina

TO: Chair Donovan Dela Cruz
Vice Chair Gilbert Keith-Agaran
Members of the Senate Committee on Ways and Means

FROM: Sylvia Luke, Lieutenant Governor

RE: Testimony for S.B. 1317 – Relating to Broadband

DATE: February 15, 2023

Thank you for the opportunity to provide testimony in **strong support of S.B. 1317** which appropriates general funds for federal broadband programs matching und requirement and require my office to convene and chair the working group established in Act 231, Session Laws of Hawaii 2022.

The COVID-19 worldwide pandemic showed us that reliable, high-speed internet access is not only important for remote-learning and remote-work, but critical for tele-health services, commerce, and for Hawaii to stay connected to the world. Over the next few years, Hawaii is poised to receive millions of dollars in formula and competitive federal grants to support broadband expansion, some of which require matching funds from the state. Since the Governor has entrusted my office to oversee initiatives that will modernize our state's broadband infrastructure and ensure access to high quality connectivity, particularly in rural areas, I would be honored to convene and chair the broadband working group.

Thank you for the opportunity to provide testimony in strong support of S.B. 1317.



**Testimony to the Senate Committee on Ways and Means
Wednesday, February 15, 2023; 10:30 a.m.
State Capitol, Conference Room 211
Via Videoconference**

RE: SENATE BILL NO. 1317, SENATE DRAFT 1, RELATING TO BROADBAND

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** Senate Bill No. 1317, Senate Draft 1, RELATING TO BROADBAND.

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

This bill, as received by your Committee, would:

- (1) Appropriate \$33,000,000 in general funds for fiscal year 2023-2024, to provide matching funds for the broadband equity, access, and deployment program (Program), and stipulate that these funds not lapse at the end of the fiscal year, and that all moneys not encumbered as of June 30, 2026 lapse to the general fund;
- (2) Appropriate \$95,000,000 in Infrastructure Investment and Jobs Act Funds for fiscal year 2023-2024, to provide for the Program;
- (3) Appropriate an unspecified amount of general funds for fiscal years 2023-2024 and 2024-2025 to provide additional matching funds required to access federal funds for programs related to broadband, and stipulate that these funds not lapse at the end of the fiscal year, and that all moneys not encumbered as of June 30, 2026 lapse to the general fund; and

Testimony on Senate Bill No. 1317, Senate Draft 1
Wednesday, February 15, 2023; 10:30 a.m.
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(4) Take effect on July 1, 2023.

This bill would also clarify that the Office of the Lieutenant Governor, instead of the University of Hawaii Broadband and Digital Equity Office, shall serve as the Chair of the working group to determine the appropriate governance structure to implement, operate, and maintain broadband infrastructure development in the State.

Hawaii has long been at the forefront of integrating newer technologies into daily life. One example of this is Hawaii's Telehealth Law which has served as a model across the United States. Yet, it was only after COVID struck our islands that this law became fully integrated into daily life.

Today, it is common practice to ZOOM or SKYPE with your health practitioner instead of physically going to the provider's office for a visit. When COVID first hit our islands, many health providers had to limit the number of patients that could be serviced in-person because of a scarcity of Personal Protective Equipment, restrictions in the gatherings of groups, and the need for changes to the physical arrangement of examination rooms and other diagnostic facilities.

For people with adequate broadband access, telehealth was a lifeline for the provision of essential primary health care services. Yet, health care facilities in rural areas experienced the same problems when COVID hit. They too had to limit the number of patients they could see. But because these communities lacked adequate broadband access, they were effectively cut off from primary care. Many were forced to bear their maladies until it became necessary to go to the emergency room.

Because of this, the HPCA views the lack of broadband access in rural areas as an issue of social equity. In this day and age, everyone should have equal access to health care. Telehealth was envisioned as the means of leveling the field between urban and rural areas. The lack of broadband ensures that urban and rural communities remain unequal.

For these reasons, the HPCA urges your favorable consideration of this measure.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiiipca.net.

Written Statement of
Jeannine Souki
Sr. Manager – Government & Regulatory Affairs

SENATE COMMITTEE ON WAYS & MEANS

FEBRUARY 15, 2023, 10:30 AM
State Capitol, Conference Room 211, Videoconference

SUPPORT FOR:
S.B. 1317, S.D.1 – RELATING TO BROADBAND

To: Chair Dela Cruz, Vice-Chair Keith-Agaran, and Members of the Committee

Re: Testimony providing support for SB 1317, SD1

Aloha Honorable Chair, Vice-Chair, and Committee Members:

Thank you for the opportunity to submit written support for SB 1317, SD1, appropriating general funds required to match federal Infrastructure Investment and Jobs Act (IIJA) and Broadband Equity, Access, and Deployment (BEAD) program funds, and assigning the Office of the Lieutenant Governor to convene and oversee the working group established under Act 231, Session Laws of Hawai'i 2022.

Hawaiian Telcom supports continued improvement and deployment of broadband infrastructure in the State. As these federal dollars provide a temporary infusion of funding for broadband infrastructure and services, we urge the State to further leverage federal IIJA and BEAD funds with private sector investments to address the digital divide, especially in unserved and underserved areas such as the neighbor islands where the cost to build is much higher than in metropolitan areas like Honolulu.

Hawaiian Telcom continues to invest hundreds of millions of dollars annually to expand our fiber broadband infrastructure across the State. In addition to building our broadband network, Hawaiian Telcom provides digital equity support as participating service provider in the federal Affordable Connectivity Program (ACP) and Lifeline Program that offer discounted services for qualified residents. ACP-eligible households receive essentially free internet services with a discount of up to \$30 per month, which goes up to \$75 per month for ACP-eligible beneficiaries in Hawaiian Homelands.

We appreciate the opportunity to support SB 1317, SD1, and urge your Committee's passage of this legislation.