



JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LIEUTENANT 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*  
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

TESTIMONY BY LUIS P. SALAVERIA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON PUBLIC SAFETY AND INTERGOVERNMENTAL  
AND MILITARY AFFAIRS  
ON  
SENATE BILL NO. 3072

February 9, 2024  
3:01 p.m.  
Room 225 and Videoconference

RELATING TO EMERGENCY MANAGEMENT

The Department of Budget and Finance (B&F) strongly supports this bill.

Senate Bill No. 3072 exempts funds used for the recovery efforts from the Hawai'i wildfires that began on August 8, 2023, from certain requirements of Section 127A-16, HRS, for a five-year period through June 30, 2029. This covers the period in which the most critical and extensive recovery efforts are expected to occur. The bill also extends the lapse date of certain appropriated funds that are allotted by the Governor for wildfire response efforts through June 30, 2026, removing any uncertainty around their continued availability within the Major Disaster Fund (MDF) to cover the costs of ongoing recovery efforts. The exemption and lapse extensions in this bill apply only to the wildfire response and recovery effort.

The State is in the midst of ongoing response and recovery efforts to address the heartbreaking aftermath of the August 8, 2023, wildfires in the counties of Hawai'i and Maui, which caused extensive loss of life and damage to Lahaina. Initial estimates are that the State's recovery efforts will continue over multiple fiscal years. Under

Section 127A-16, HRS, federal reimbursement moneys, such as funds to be provided by the Federal Emergency Management Agency (FEMA) for the wildfire disaster, are generally to be deposited into a trust account of the MDF and reimbursed to the originating fund of the expending agency, or if the originating funds have lapsed by the time the reimbursement is received, then they are reimbursed to the general fund. The MDF is limited to \$10,000,000 per single emergency or disaster, and only \$5,000,000 of fund balances may be rolled over to the next fiscal year.

Due to the size and scope of the wildfire disaster, disaster recovery efforts are expected to continue for several years, and State recovery expenditures will significantly exceed limits on moneys allowed to be expended from or retained within the MDF. However, the State has been informed that FEMA reimbursements of amounts outlaid by the State via the MDF are not expected to be paid on a predictable schedule during any given fiscal year regardless of when the State incurs the expenses. If Section 127A-16, HRS, is applied to these amounts, critical recovery efforts and services could be interrupted for lack of available funds until a new appropriation is made.

Thank you for your consideration of our comments.

**JOSH GREEN, M.D.**  
GOVERNOR  
KE KIA'ĀINA



**KENNETH S. HARA**  
DIRECTOR OF EMERGENCY  
MANAGEMENT

**JAMES DS. BARROS**  
ADMINISTRATOR OF  
EMERGENCY MANAGEMENT

STATE OF HAWAII  
KA MOKU'ĀINA O HAWAI'I  
**DEPARTMENT OF DEFENSE**  
**KA 'OIHANA PILI KAUA**  
**HAWAI'I EMERGENCY MANAGEMENT AGENCY**  
4204 DIAMOND HEAD ROAD  
HONOLULU, HAWAI'I 96816-4420



STATE OF HAWAI'I  
DEPARTMENT OF DEFENSE  
HAWAI'I EMERGENCY MANAGEMENT AGENCY

TESTIMONY ON SENATE BILL 3072,  
RELATING TO EMERGENCY MANAGEMENT

BEFORE THE SENATE COMMITTEE ON  
**PUBLIC SAFETY AND GOVERNMENTAL AND MILITARY AFFAIRS**

BY

JAMES DS. BARROS  
ADMINISTRATOR  
HAWAI'I EMERGENCY MANAGEMENT AGENCY

FEBURARY 9, 2024

Aloha Chair Wakai, Vice-Chair Elefante, and Members of the Committee:

Thank you for the opportunity to submit testimony to **SUPPORT** on SB3072.

This bill would temporarily lift various restrictions on the use of funds for the Hawai'i wildfire response and extends the lapse date of certain funds set aside.

HI-EMA supports bill due to it temporarily exempting the funds being used for recovery efforts from certain requirements established by HRS 127A-16. As it currently stands, the monies allocated to the Major Disaster Fund (MDF) are not sufficient to cover the scope of work dedicated to recovery efforts. This would allow for the State to exceed the limits on monies allowed to be expended or retained within the MDF and to be appropriately allocated towards the critical and extensive recovery efforts that will be ongoing for the foreseeable future.

Since the Federal Emergency Management Agency (FEMA) has informed HI-EMA of how the unpredictability of reimbursement to the MDF can be during an operation of this scale; if HRS 127A-16 rules were applied, there would be a significant lack of critical recovery efforts and timely available services being delayed due to a lack of available funds being made until a new appropriation is codified.

This bill would allow for funding to be made readily available during the most critical and extensive recovery efforts, by removing any uncertainty around their continued availability within the MDF to cover costs of ongoing recovery efforts, regardless of when reimbursement is deposited back into the MDF via FEMA's federal reimbursement process.

Thank you for the opportunity to provide testimony on Senate Bill 3072.

James Barros: [james.barros@hawaii.gov](mailto:james.barros@hawaii.gov); 808-733-4300