

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



DEAN MINAKAMI
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
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Statement of DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

April 02, 2024 at 2:30 p.m.
State Capitol, Room 308

In consideration of
S.B. 582 SD2
RELATING TO STATE BUDGET.

Chair Yamashita, Vice Chair Kitagawa, and members of the Committee.

HHFDC **supports** SB 582 SD2, which transfers to the general fund the excess balances of various non-general funds from various state departments and agencies and appropriates funds to support the State's response to the August 2023 wildfires that affected the counties of Maui and Hawaii.

HHFDC understands that the State's obligations relating to the wildfires significantly surpass the \$200,000,000 that was allocated to the Major Disaster Fund (MDF) for initial response and recovery. As a result, the bill transfers amounts in excess of the requirements of various non-general funds to the general fund, with the Governor authorized to transfer these funds to the MDF. These amounts include \$2,000,000 from the Housing Finance Revolving Fund administered by HHFDC.

Thank you for the opportunity to testify on this bill.

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

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621
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DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT

RYAN K.P. KANAKA'OLE
FIRST DEPUTY

DEAN D. UYENO
ACTING DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES
ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Testimony of
DAWN N. S. CHANG
Chairperson

Before the House Committee on
FINANCE

Tuesday, April 2, 2024
2:30 PM

State Capitol, Conference Room 308, and Videoconference

In consideration of
SENATE BILL 582, SENATE DRAFT 2
RELATING TO STATE BUDGET

Senate Bill 582, Senate Draft 2 (SB 582, SD2) proposes to appropriate funds to support the State's response to the August 2023 wildfires that affected the island of Maui. **The Department of Land and Natural Resources (Department) acknowledges the intent of this bill and offers comments with concerns on funds administered by the Department.**

SECTION 4 of this measure authorizes the Department of Finance to transfer to the general fund the excess balances of various non-general funds from various State departments and agencies.

The Department notes that the transfer of non-general funds identified by the Legislature as excess may cause operational difficulties with the affected programs. The State is in the midst of ongoing response efforts to address the heartbreaking aftermath of the August 2023 wildfires, and so is the Department. Critical recovery efforts and services provided by the Department, as well as other program needs could be interrupted for lack of available funds. Additionally, projected revenues from the damaged Lahaina small boat harbor will also be severely impacted.

The Department respectfully requests the exclusion of these special funds and is attaching the following impact statement for your consideration:

- Impact of HB 582 SD2 – Cash Transfers from NGF to General funds

Mahalo for the opportunity to comment on this measure.

**DEPARTMENT OF LAND AND NATURAL RESOURCES
IMPACT OF CASH TRANSFERS FROM NON-GENERAL FUNDS TO THE GENERAL FUNDS**

DIV	A/C	ACCOUNT TITLE	AMOUNT REFLECTED ON SB 582 SD2	I M P A C T	COMMENTS
DOCARE	S302	CONSERVATION & RESOURCES ENFORCEMENT	\$650,858	Inability to procure boat for harbor security. This is a part of our supplemental budget request, requesting ceiling increase so we can use the funds to procure boat for harbor security.	Current cash balance is only \$531,288.54
ENG	S303	WATER AND LAND DEVELOPMENT	\$509,063	Reduction of funds for the administration of geothermal/mineral resources and rockfall mitigation programs and office day-to-day operations (e.g., phones/fuel/ office supplies/vehicle maintenance/ equipment repair or maintenance/ telecommunication/ etc.).	Maximum amount in excess of program requirements to maintain operations over the next biennium is \$175,155
BOC	S309	BUREAU OF CONVEYANCES SPECIAL FUND	\$250,000	Decrease existing cash balance in the Automation Funds	
LAND	S316	SPECIAL LAND DEVELOPMENT FUND	\$1,000,000	SLDF revenues cover the entire annual operating budget for the Land Division, the Office of Conservation and Coastal Lands, and the Dam Safety and Mineral Resources Programs of DLNR. The revenues fund over 80 DLNR staff positions, including 5 in the Commission on Water Resource Management, and provide funding support to the Division of State Parks and various resource protection programs administered by the Division of Forestry and Wildlife such as the protection of threatened and endangered species, removal of invasive species, wildland firefighting and lifeguard services. Revenues collected by other divisions have supported watershed protection, preservation of cultural and historical sites and public recreational resources. Additionally, the SLDF will need to remain liquid and fluid to cover financial obligations often to address public health, sanitary conditions and safety concerns.	
OCCL	S325	BEACH RESTORATION SPECIAL FUND	\$2,166,442	The Beach Fund fluctuates based upon number of shoreline violations the BLNR issues fines on. Funds are higher than average based upon recent BLNR decisions. OCCL is working with community groups to develop shoreline restoration projects on Oahu, Kauai, and Maui. Dept amounts reflect (current excess funds) + (estimated allotment next FY) - (base operations for biennium) - (funds needed for projects in development).	
CWRM	S326	WATER RESOURCE MANAGEMENT FUND	\$65,740	Reduction from S326 would result in reduced funding for: (1) basic hydrologic data collection (USGS annual joint funding agreement), (2) other water resource investigations and studies related to water resource management, and (3) potential contested case hearings.	

**DEPARTMENT OF LAND AND NATURAL RESOURCES
IMPACT OF CASH TRANSFERS FROM NON-GENERAL FUNDS TO THE GENERAL FUNDS**

DIV	A/C	ACCOUNT TITLE	AMOUNT REFLECTED ON SB 582 SD2	I M P A C T	COMMENTS
DOFAW	S342	NATURAL AREA RESERVE & WATERSD MGMT	\$174,853	The Department intends on using the remaining funds within the biennium to implement the intended purpose of the funds established by Ch. 195 for natural area reserve management.	
DOCARE	S349	CONSERVATION AND RESOURCES ENFORCEMENT	\$841,237	This is the Division of Conservation and Resource Enforcement's (DOCARE) special fund whose main sources of funding are from transfers out of the Special Land Development Fund and a portion of the Department's Transient Accommodation Tax share. DOCARE uses this funding to assist with purchasing equipment, vehicles, IT-related equipment and applications, as well as to split costs of vehicle and vessel maintenance, fuel and lubricants, and utilities. Funds are also used toward overtime for extended patrols in areas such as state shorelines, beaches, ocean waters, State parks and the Nā Ala Hele Trail System. The reduction of the balance of this fund will significantly impact DOCARE's operations, as this is one of the Division's remaining non-general fund sources. Reduction of this fund may limit the number of DOCARE vehicles on the road for response to emergency calls and complaints. It may also eliminate certain key enforcement initiatives, including but not limited to the DOCARE Tip411 smartphone app renewal, costs to maintain our records management system, etc. In addition to the operational adverse impact, the fund reduction may impact the working conditions for employees (such as the reduction of patrol vehicles on the road). Please be advised that changes to working conditions may be subject to negotiations with the respective employee unions for compliance under collective bargaining agreements before implementation.	Submitted testimony on HB679 providing comments to exclude this account.
DOBOR	S359	BOATING SPECIAL FUND	\$2,000,000	Revenues from the damaged Lahaina small boat harbor will be severely impacted. The division will not be able to pay the costs of properly managing the program and wouldn't be able to function without assistance from the general funds. DOBOR has a \$250M deferred maintenance that we also need to do in our facilities, in addition to the different projects and emergencies that we have to deal with - for example grounded vessels ad other harbor issues.	

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

DEXTER KISHIDA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE
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TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON FINANCE

TUESDAY, APRIL 2, 2024
2:30 PM
VIA VIDEOCONFERENCE

SENATE BILL NO. 572, S.D 2
RELATING TO STATE BUDGET

Chairperson Yamashita and Members of the Committee:

Thank you for the opportunity to present testimony on Senate Bill 572, S.D.2. Part IV of this bill transfers excess balances of various non-general funds to the general fund. The Department offers the following comments on the funds administered by this Department.

S-303 Agricultural Loan Revolving Fund: Fund income is generated from the principal repayment of outstanding loans. Principal collections average \$2.3 million annually and future loans will be limited to the level of annual principal collections. Immediately prior to COVID pandemic the Division provided loans totaling \$4.5 million (FY19), \$4.7 million (FY20) and even during the COVID year, loans totaled \$3.4 million. Having a remaining balance of only \$4.0 million after the proposed reduction is of concern given the historical loan totals and not including accounting for future emergencies which would require additional funds.

S-305 Non-Agricultural Park Land Special Fund: Fund income is generated from lease and revocable permit rents to the department. Fund expenses are used solely to operate, maintain, and improve infrastructure for the Non-Agricultural Park Program and include salaries and other operational expenses such as utilities, vehicle purchases, repair, and maintenance, appraisal contracts, equipment, supplies, etc. Through the ceiling, the special fund allows the program the flexibility to respond to unexpected expenses like appraisals for lots unexpectedly vacated during the year, flexible salaries for new hires, and unpredictable repairs and maintenance to non-agricultural park's



infrastructure. Balances are necessary to keep the solvent and meet future program expenditures when revenue from lease and revocable permit rents are less than the programs necessary expenditures. This happens when appraisals for re-openings and dispositions are flat for several years leading to no increases in revenue against operating costs increase due to inflation and salaries.

S-310 Aquaculture Loan Reserve Fund: The aquaculture loan reserve fund is used to supplement the aquaculture revolving fund to make more loan funds available to develop the aquaculture industry. The loss of the funds will require general fund appropriations to increase funding when the need arises.

S-315 Milk Control Special Fund: The S-315-A special fund was established by HRS 157-29 in 1998 to support the Milk Control Program operations and one staff position. The transfer of funds from the Milk Control Special Fund to the general fund may be a violation of the separation of powers doctrine, as the fees are assessed by the Department of Agriculture through administrative rules and not by the Legislature through statute. The fees must be expended for purposes of administering the Milk Control Act and are not used for a general public purpose.

S-317 Agricultural Parks Special Fund: Fund income is generated from lease and revocable permit rents to the department. Fund expenses are used solely to operate, maintain, and improve infrastructure for the Agricultural Park Program and include salaries and other operational expenses such as utilities, vehicle purchases, repair, and maintenance, appraisal contracts, equipment, supplies, etc. Through the ceiling, the special fund allows the program the flexibility to respond to unexpected expenses like appraisals for lots unexpectedly vacated during the year, flexible hiring salaries for new hires for Unit 13, and unpredictable repairs and maintenance to agricultural park's infrastructure. Balances are necessary to keep the fund solvent and meet future program expenditures when revenue from lease and revocable permit rents are less than the program's necessary expenditures. This happens when appraisals for re-openings and dispositions are flat for several years leading to no increases in revenue against operating costs increase due to inflation and salaries.

S-320 Irrigation System Revolving Fund: Fund income is generated from user water delivery fees and acreage assessments. Fund expenses are used solely to operate, maintain, and improve infrastructure for the irrigation program and include salaries and other operational expenses such as utilities, vehicle purchases, repair, and maintenance, pump maintenance contracts, equipment, supplies, etc. Through the ceiling, the revolving fund allows the program the flexibility to respond to unexpected emergencies such as flume failures, flood/wind/earthquake damage, pipeline blowouts, reservoir leaks, and flexible hiring salaries for new hires for Unit 13 among others. Balances are necessary to keep the fund solvent and meet future program expenditures when drought conditions and excessive rain reduce the expected water

use. Weather events such as these can and have lasted several years leading to no increases in revenue against operating costs increase due to inflation and salaries.

S-322 Industrial Hemp Program Special Fund: Fund income is generated from fees collected from producers in the program. Fund expenses include salaries and operational costs related to administering the program. The program supports various farming activities of our Hawaii hemp farmers including infrastructure improvements and manufacturing of products (i.e., food, fiber, biofuel, clothing, paper, textiles, building insulation, biodegradable plastics, etc.).



TESTIMONY OF DANIEL NĀHO'OPI'I
INTERIM PRESIDENT & CEO, HAWAII TOURISM AUTHORITY
BEFORE THE HOUSE COMMITTEE ON FINANCE
Tuesday, April 2, 2024 – 2:30 p.m.
In consideration of
SB 582 SD 2
RELATING TO STATE BUDGET

Aloha Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee,

The Hawai'i Tourism Authority (HTA) appreciates the opportunity to offer comments on SB582 SD2. Our comments are limited to the transfer of monies from two funds under HTA responsibility – S-348-B Tourism Special Fund, and S-361-B Convention Center Enterprise Special Fund – to the state general fund.

The amounts proposed for transfer will not negatively impact HTA's operations. We are no longer authorized to access the requested \$1.3 million in unencumbered funds in the Tourism Special Fund, and we understand the \$11 million proposed for transfer from the Convention Center Enterprise Special Fund will fulfill our repayment to the Department of Budget & Finance for their provision of convention center operational funds in FY24.

Mahalo for the opportunity to provide these comments.



Hawaii Technology Development Corporation
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Honolulu, Hawaii 96813 | www.htdc.org

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

Written Statement of
Wayne Inouye
Interim Director
Hawaii Technology Development Corporation
before the
House Committee on Finance

Tuesday, April 2, 2024
2:30 PM
State Capitol, Conference Room #308

In consideration of
SB582 SD2
RELATING TO STATE BUDGET

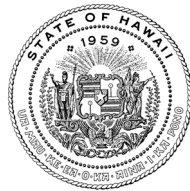
Chair Yamashita, Vice Chair Kitagawa and members of the Committee.

The Hawaii Technology Development Corporation (HTDC) **supports with comments** on SB582 SD2 that transfers to the general fund the excess balances of various non-general funds from various state departments and agencies. Appropriates funds to support the State's response to the August 2023 wildfires that affected the county of Maui. Declares that the general fund expenditure ceiling is exceeded. Effective 7/1/2050.

HTDC supports the intent of the bill to help the Maui wildfire victims. The monies in the Strategic Development Programs Revolving Fund at risk of being lapsed in section 4 line 11 are residuals/returns from the US Treasury SSBCI grant and not originally from a state appropriation. Per the SSBCI Allocation Agreement found in the link below (https://drive.google.com/file/d/1c2ozWo3hNHjEsM2GKqgFmi_ngDcswO4M/view?usp=sharing) (Section(s) 4.2, 4.3, 4.4), use of these funds are for the purposes and activities specified in the agreement. These funds are to be re-deployed per our agreement with the Treasury. The Treasury's Office of the Inspector General audits these funds randomly. HTDC would be required to account for the funds being transferred to the general fund.

Act 56, SLH 2019, the duties of the Hawaii strategic development corporation were transferred into HTDC. At the time, HTDC did not have the resources to immediately re-deploy the returns allowing the balance to grow to \$5,000,000. HTDC also uses these funds for venture capital opportunities in Hawaii, contracts, and operations for the strategic development program. HTDC is currently evaluating potential investments, including Hawaii accelerators (\$1,000,000) and a housing project in Maui (\$5,000,000). Without these funds, HTDC would not be able to react quickly to investment opportunities that will contribute to Hawaii's economic diversification and resilience.

Thank you for the opportunity to provide this testimony.



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
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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 HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO. 582, S.D. 2

April 2, 2024
2:30 p.m.
Room 308 and Videoconference

RELATING TO STATE BUDGET

The Department of Budget and Finance (B&F) supports Senate Bill (S.B.) No. 582, S.D. 2, with proposed amendments.

S.B. No. 582, S.D. 2: 1) makes an emergency appropriation (EA) in an unspecified amount to cover the State's immediate expenses incurred in the Hawai'i wildfires disaster response efforts; and 2) proposes the transfer of \$37,078,257 identified by the Legislature as excess non-general funds to the general fund.

The EA provides necessary funding to cover the State's immediate expenses for noncongregate housing and other expenses, including expenses for individuals impacted by the wildfires who have been classified as not eligible for Federal Emergency Management Agency (FEMA) assistance, which are expected to exceed amounts previously transferred to the Major Disaster Fund (MDF).

B&F notes that the transfer of non-general funds identified by the Legislature as excess may cause operational difficulties with the affected programs. We defer to the affected departments and agencies as to the specific impacts these transfers would have.

B&F has attached amended language for the Committee's consideration. The proposed amendment differs from S.D. 1 in the following respects:

1. Inserts \$293,000,000 in general funds as the amount of the EA in FY 24, and establishes a legislative reporting requirement for transfers of the funds;
2. Deletes the transfer of non-general funds to the general fund;
3. Inserts a new part appropriating \$65,000,000 in FY 24 as the State's contribution to the One 'Ohana Bank Trust Account;
4. Repeals Section 1 of Act 247, SLH 2022, which appropriated \$300,000,000 in general obligation bonds in FY 23 for the Other Post-Employment Benefits Trust Fund; and
5. Inserts a new part exempting funds used for 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 State is in the midst of ongoing response 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 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 and requested amendments.

Attachment

1 for specific purposes and capital improvement projects, to the
2 department of budget and finance. The department of budget and
3 finance subsequently transferred the \$164.1 million to the major
4 disaster fund along with another \$30 million that the governor
5 authorized pursuant to section 5 of Act 164, Session Laws of
6 Hawaii 2023. With the existing \$5 million major disaster fund
7 appropriation, a total of \$199.1 million has been allocated to
8 the major disaster fund for initial wildfire response and
9 recovery, including the expected State's share of noncongregate
10 housing and debris clean-up costs initially being paid by the
11 Federal Emergency Management Agency (FEMA). These steps
12 provided what was thought to be sufficient funding for the State
13 to address the expected fiscal year 2023-2024 response and
14 recovery expenses as of the beginning of January 2024.

15 The legislature further finds that FEMA executed the
16 contract for debris clean-up costs, and the State executed the
17 contracts for noncongregate housing and related expenses for
18 room and board of wildfire victims displaced from their homes.
19 The State's expenses for noncongregate housing and other
20 expenses including expenses for individuals impacted by the
21 wildfires who have been classified as not eligible for FEMA
22 assistance is expected to exceed the amounts previously

1 transferred to the major disaster fund. Because the State
2 executed these contracts, the State is responsible for making
3 payment and will seek reimbursement from FEMA for eligible
4 costs. Issues have recently arisen over what costs are eligible
5 and the timeline in which the State will be reimbursed for
6 eligible costs is currently not clear. The State will require
7 additional funds to cover these immediate expenses in fiscal
8 year 2023-2024.

9 The purpose of this part is to make an emergency
10 appropriation to cover the State's immediate expenses incurred
11 in the Hawaii wildfires disaster response efforts.

12 SECTION 3. There is appropriated out of the general
13 revenues of the State of Hawaii to the department of budget and
14 finance, departmental administration and budget division
15 (BUF101) the sum of \$293,000,000 or so much thereof as may be
16 necessary for fiscal year 2023-2024 for expenses related to
17 noncongregate housing and other costs relating to the provision
18 of food, housing or other assistance for individuals affected by
19 the Hawaii wildfires disaster that began on August 8, 2023;
20 provided that any unexpended or unencumbered balance shall lapse
21 to the general fund on June 30, 2024; provided that any law to
22 the contrary notwithstanding, the governor may authorize the

1 transfer of these funds to the major disaster fund established
2 by section 127A-16, Hawaii Revised Statutes; provided that the
3 governor shall provide notice to the legislature 14 days prior
4 to the date of any transfer and submit a report to the
5 legislature within five days of each use of this authority; and
6 provided further that the report shall include the date of
7 transfer, the amount of the transfer, the program ID from which
8 funds were transferred, the program ID to which funds were
9 transferred, the impact to the program ID funds are transferred
10 from, and a detailed explanation of the public purposes served
11 by the transfer of resources; and provided further that the
12 governor shall submit to the legislature a summary report
13 containing the aforementioned information for each use of this
14 authority for the previous twelve month period from December 1
15 to November 30 no later than thirty days prior to the convening
16 of the regular session of 2025.

17 PART II

18 SECTION 4. The legislature finds that the State's
19 contribution of public funds to the one ohana bank trust account
20 is for the compromise and settlement of claims to compensate
21 individuals or their personal representatives affected by

1 serious physical injury or death caused by the Maui wildfires
2 and serves a public purpose.

3 The purpose of this part is to make an emergency
4 appropriation to fund the State's contribution to the one ohana
5 bank trust account for the compromise and settlement of claims
6 caused by the Maui wildfires.

7 SECTION 5. The legislature finds and declares that the
8 contribution of state moneys to the one ohana bank trust account
9 under this Act for the compromise and settlement of claims is in
10 the public interest and for the public health, safety, and
11 general welfare of the State for the following reasons:

12 (1) The State recognizes the devastating impact of the
13 Maui wildfires on its residents, resulting in physical
14 injury and loss of life;

15 (2) It is imperative for the State to respond with
16 compassion and support for those affected by the Maui
17 wildfires, ensuring that victims or their personal
18 representatives are provided with fair and just
19 compensation on a timely basis;

20 (3) The State's contribution to the one ohana bank trust
21 account is for the compromise and settlement of claims
22 for those who have lost loved ones or suffered serious

1 physical injuries in the Maui wildfires.

2 Participation in seeking compensation from the one

3 ohana bank trust account is purely voluntary;

4 (4) The legislature recognizes that contributors to the
5 one ohana bank trust account besides the State include
6 among others, the county of Maui, Hawaiian Electric
7 Company, the Kamehameha Schools, Charter
8 Communications/Spectrum, Hawaiian Telcom, and the West
9 Maui Land Company;

10 (5) The legislature recognizes the one ohana bank trust
11 account as an efficient mechanism to address this
12 urgent and exceptional situation, and understands the
13 one ohana bank trust account's unique ability to
14 provide assistance to those in need;

15 (6) The legislature recognizes the complexity and
16 challenges of tort litigation and finds it prudent to
17 provide an alternative through the one ohana bank
18 trust account of streamlining the compensation process
19 for those impacted by the Maui wildfires;

20 (7) The legislature finds that it is in the public
21 interest to encourage swift and fair resolution to
22 claims arising from the Maui wildfires, thus

1 alleviating the burden on the judicial system, and
2 fostering community support, unity, and recovery in
3 the aftermath of the Maui wildfires; and

4 (8) The legislature recognizes that individuals seeking
5 compensation from the one ohana bank trust account
6 will be required to release the contributing parties
7 to the fund from further liability and are willingly
8 waiving their rights to pursue damages through tort
9 litigation for wrongful death or personal injury
10 claims, contributing to a more efficient resolution
11 process.

12 Consequently, the legislature finds and declares that the
13 public purpose is served by authorizing the expenditure of
14 public moneys as the State's contribution to the one ohana bank
15 trust account for the compromise and settlement of claims to
16 provide an alternative for compensation to any individual or
17 personal representative of a deceased individual who suffered
18 serious physical injury or died as a result of the Maui
19 wildfires, thus offering a timely and compassionate resolution
20 to those affected by the Maui wildfires while relieving the
21 burden on the judicial system and contributing to the rebuilding
22 of lives and community.

1 SECTION 6. Any individual who receives compensation from
2 the one ohana fund under this Act shall waive the right to sue
3 for damages related to physical injury or death resulting from
4 the Maui wildfires, recognizing the one ohana fund as an
5 alternative to tort litigation.

6 SECTION 7. The department of the attorney general shall
7 submit a report to the legislature no later than twenty days
8 prior to the convening of each regular session on:

- 9 (1) A listing of claims and the amounts paid by the one
10 ohana bank trust account for the calendar year;
- 11 (2) A listing of the administrative costs incurred by the
12 one ohana bank trust account for the calendar year;
13 and
- 14 (3) A listing of contributors and their contribution
15 amounts to the one ohana bank trust account received
16 during the calendar year.

17 SECTION 8. There is appropriated out of the general
18 revenues of the State of Hawaii the sum of \$65,000,000, or so
19 much thereof as may be necessary for fiscal year 2023-2024, to
20 fund the State's contribution to the one ohana bank trust
21 account for the compromise and settlement of claims to
22 compensate individuals or personal representatives affected by

1 serious physical injury or death caused by the Maui wildfires;
2 provided that the moneys appropriated in this section shall not
3 lapse at the end of the fiscal year for which the appropriation
4 is made; provided further that any moneys that remain
5 unencumbered on June 30, 2025, shall lapse on that date; and
6 provided further that upon closure of the one ohana bank trust
7 account, the remaining balance after the settlement of all
8 administrative costs, shall be returned to the contributors to
9 the one ohana bank trust account in proportion to their
10 contributions with the State's proportionate contribution being
11 returned to the general fund.

12 SECTION 9. The sum appropriated shall be expended by the
13 department of the attorney general for the purposes of this Act.

14 PART III

15 SECTION 10. Act 247, Session Laws of Hawaii 2022, is
16 amended by amending section 1 to read as follows:

17 ~~"SECTION 1. The director of finance is authorized to issue~~
18 ~~general obligation bonds in the sum of \$300,000,000 or so much~~
19 ~~thereof as may be necessary and the same sum or so much thereof~~
20 ~~as may be necessary is appropriated for fiscal year 2022-2023~~
21 ~~for the other post-employment benefits trust fund governed by~~

1 ~~section 87A-42, Hawaii Revised Statutes, to pay or prepay the~~
2 ~~State's other post-employment benefits liability; provided that:~~

3 ~~(1) The appropriation made for this transaction as~~
4 ~~authorized by this section shall not lapse at the end~~
5 ~~of the fiscal year for which the appropriation is~~
6 ~~made;~~

7 ~~(2) All moneys from the appropriation unencumbered as of~~
8 ~~June 30, 2024, shall lapse as of that date; and~~

9 ~~(3) The general obligation bonds authorized by this~~
10 ~~section shall be issued in the sole discretion of the~~
11 ~~director of finance; provided that:~~

12 ~~(A) To determine the annual required contribution, a~~
13 ~~preliminary annual required contribution to the~~
14 ~~trust fund shall be developed that treats the~~
15 ~~outstanding bond balance as part of the trust~~
16 ~~fund's unfunded actuarial accrued liability. The~~
17 ~~net cash contribution required to be contributed~~
18 ~~to the trust fund shall be the greater of:~~

19 ~~(i) The preliminary annual required contribution~~
20 ~~less the related general obligation bond~~
21 ~~payment for the respective year; or~~

1 ~~(ii) The annual required contribution amount~~
2 ~~calculated under section 87A-42(f)(2), Hawaii~~
3 ~~Revised Statutes, without any special~~
4 ~~consideration given to the outstanding~~
5 ~~balance of the general obligation bonds or~~
6 ~~any related general obligation bond~~
7 ~~payments, for the respective year;~~

8 ~~(B) Entities shall only be permitted to issue general~~
9 ~~obligation bonds if the all-in true interest cost~~
10 ~~of the bonds is at least three hundred basis~~
11 ~~points less than the assumed rate of return of~~
12 ~~the trust fund, to which the proceeds will be~~
13 ~~contributed;~~

14 ~~(C) General obligation bonds shall not be issued as a~~
15 ~~means for addressing budget shortfalls related to~~
16 ~~contributions required by law; and~~

17 ~~(D) General obligation bonds shall only be issued as~~
18 ~~a means to produce long-term savings. Repealed."~~

19 PART IV

20 SECTION 11. The legislature finds that under current law,
21 federal reimbursement moneys, such as funds to be provided by
22 FEMA for the wildfire disaster, are generally deposited into a

1 trust account of the major disaster fund and reimbursed to the
2 originating fund of the expending agency incurring the cost. If
3 the originating funds have lapsed by the time reimbursement is
4 received, then they are reimbursed to the general fund. Only a
5 small amount is allowed to roll over to the next fiscal year and
6 remain available in the major disaster fund.

7 Due to the size and scope of the wildfire disaster,
8 disaster recovery efforts are expected to continue for several
9 years. However, the State has been informed that FEMA
10 reimbursements of amounts outlaid by the State via the major
11 disaster fund are not expected to be paid on a predictable
12 schedule during any given fiscal year regardless of when the
13 State incurs the expense. Therefore, if current law is applied,
14 critical recovery efforts and services could be interrupted due
15 to lack of available funds until another legislative
16 appropriation is made.

17 The purpose of this part is to facilitate the continued
18 uninterrupted provision of assistance to wildfire victims and
19 ongoing wildfire recovery efforts by temporarily lifting various
20 restrictions on the use of funds for these purposes and
21 extending the lapse date of certain funds set aside for wildfire
22 response.

1 SECTION 12. Section 127A-16, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§127A-16 Major disaster fund.** (a) The administrator
4 shall submit requests to the legislature to appropriate from the
5 general revenues of the State sufficient moneys as may be
6 necessary for expenditure by or under the direction of the
7 governor for immediate relief in response to an emergency or
8 disaster in any part of the State; provided that:

9 (1) The governor has issued a proclamation of a state of
10 emergency;

11 (2) The governor shall not expend in excess of \$10,000,000
12 for immediate relief as a result of any single
13 emergency or disaster; and

14 (3) In addition to the funds in paragraph (2), an
15 additional \$5,000,000 may be made available solely for
16 the purpose of matching federal disaster relief funds
17 when these funds become available to the State
18 following a presidential disaster declaration.

19 In expending the moneys, the governor may allot any portion
20 thereof to any agency, office, or employee of the State or a
21 county for the most efficient relief for the population.

22 Notwithstanding this subsection, the only exception to

1 paragraphs (1), (2), and (3) is that the administrator may use
2 up to \$250,000 per year to support the emergency management
3 reserve corps.

4 (b) No later than sixty days after any allotment by the
5 governor or the expenditure of any fund moneys, the
6 administrator shall report to the legislature on the purpose of
7 the allotment or expenditure.

8 (c) Except as provided in [~~subsection (d),~~] subsections
9 (d) and (e), federal reimbursement moneys for disaster relief
10 shall be deemed to be trust moneys and shall be deposited into a
11 trust account with and under the control of the Hawaii emergency
12 management agency. Upon receipt by the Hawaii emergency
13 management agency, these moneys shall be reimbursed to the
14 originating fund of the expending agency; provided that if the
15 original appropriation has lapsed, the funds shall be returned
16 to the general fund.

17 (d) Federal reimbursement moneys for disaster relief for
18 the Hawaii wildfires disaster that began on August 8, 2023,
19 shall be deemed to be trust moneys and shall be deposited into a
20 trust account with and under the control of the Hawaii emergency
21 management agency. These moneys and any interest earned thereon
22 shall be used for the recovery efforts from the Hawaii wildfires

1 disaster that began on August 8, 2023, and shall lapse back into
2 the general fund on June 30, 2026.

3 [~~(d)~~] (e) In cases in which the department of education
4 expends the funds appropriated to the department for purposes
5 deemed to be reimbursable by federal reimbursement moneys for
6 disaster relief, the federal reimbursement moneys shall not
7 lapse to the general fund and shall be credited directly to the
8 department of education without regard to whether the original
9 appropriation has lapsed. Such funds shall carry over in
10 accordance with section 37-41.5(c).

11 [~~(e)~~] (f) Any unspent funding under \$2,500,000 shall be
12 rolled over to the next fiscal year to support current and
13 future emergencies and disasters.

14 [~~(f)~~] (g) Each state department and agency shall submit to
15 the administrator no later than August 1 of each year a report
16 of all funds expended, if any, for the prior fiscal year by the
17 state department and agency for disaster response. The report
18 shall include:

- 19 (1) The source of funds, including the name and account
20 number of the funding source;
- 21 (2) The amount and purpose of each expenditure; and

1 (3) Whether any programs, activities, or contracts were
2 reduced as a result of disaster response spending by
3 the state department and agency.

4 [~~(g)~~] (h) The administrator shall submit an annual report
5 to the legislature no later than September 1 of each year on:

- 6 (1) The amount of federal reimbursement moneys for
7 disaster response that the State could have applied
8 for during the prior fiscal year. The report shall
9 indicate the amount of federal reimbursement moneys
10 for disaster response broken down by department and
11 agency;
- 12 (2) The amount of federal reimbursement moneys for
13 disaster response that the State applied for and the
14 amount received during the prior fiscal year. The
15 report shall indicate the amount of federal
16 reimbursement moneys for disaster response broken down
17 by department and agency;
- 18 (3) The justification for any difference in the amount of
19 federal reimbursement moneys for disaster response
20 that the State was eligible for and the amount the
21 State applied for;

- 1 (4) The average amount of time between the submittal of an
2 application for a Federal Emergency Management Agency
3 reimbursement and receipt of the funds;
- 4 (5) The number of disaster accounts opened for the prior
5 fiscal year; and
- 6 (6) The information relating to the expenditure of funds
7 that is reported by each state department and agency
8 pursuant to subsection [~~(f)~~] (g)."

9 SECTION 13. Notwithstanding any other provision of law,
10 any unexpended funds for fiscal year 2023-2024 appropriated,
11 transferred, or otherwise deposited into major disaster fund
12 account no. G-24-324-G shall not lapse at the end of the fiscal
13 year for which the appropriations were made; provided that any
14 funds from account no. G-24-324-G that are unencumbered as of
15 June 30, 2024, shall lapse as of that date; provided further
16 that the funds from account no. G-24-324-G shall be used for the
17 recovery efforts for the Hawaii wildfires that began on
18 August 8, 2023; and provided further that the requirements of
19 section 127A-16(a) shall not apply to the funds in account
20 no. G-24-324-G.

1 PART V

2 SECTION 14. In accordance with section 9 of article VII of
3 the Constitution of the State of Hawaii and sections 37-91 and
4 37-93, Hawaii Revised Statutes, the legislature has determined
5 that the general fund expenditure ceiling for fiscal
6 year 2023-2024 has already been exceeded by \$1,005,342,735 or
7 9.4 per cent. The appropriations contained in this Act will
8 cause the state general fund expenditure ceiling for fiscal
9 year 2023-2024 to be further exceeded by \$358,000,000 or
10 4 per cent. This declaration takes into account the additional
11 general fund appropriation(s) authorized for fiscal
12 year 2023 2024 in this Act only. The reasons for exceeding the
13 general fund expenditure ceiling are that:

- 14 (1) The appropriations made in this Act are necessary to
15 serve the public interest; and
16 (2) The appropriations made in this Act meet the needs
17 addressed by this Act.

18 SECTION 15. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 16. This Act shall take effect upon its approval;
21 provided that on July 1, 2029, sections 12 and 13 of this Act
22 shall be repealed and section 127A-16, Hawaii Revised Statutes,

1 shall be reenacted in the form in which it read on the day prior
2 to the effective day of this Act; and provided further that on
3 July 1, 2029, any unencumbered trust account moneys retained in
4 the account to be used for the recovery efforts from the Hawaii
5 wildfires disaster that began on August 8, 2023, pursuant to
6 this Act, shall lapse to the general fund.

S.B. NO. 582
S.D. 2
H.D. 1
PROPOSED

Report Title:

Wildfires; Expenditure Ceiling; Emergency Appropriation; Major Disaster Fund

Description:

Appropriates funds to support the State's response to the August 2023 wildfires that affected the county of Maui; Makes an appropriation to the One Ohana bank trust account to compensate victims of the Maui wildfires; Repeals G.O. Bond appropriation for the Other Post-Employment Benefits Trust Fund; Temporarily lifts various restrictions on the use of funds for Hawaii wildfire response and extends the lapse date of certain funds set aside for this purpose.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

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 582 SD2,
RELATING TO EMERGENCY MANAGEMENT

BEFORE THE HOUSE COMMITTEE ON
FINANCE

BY

JAMES DS. BARROS
ADMINISTRATOR
HAWAI'I EMERGENCY MANAGEMENT AGENCY

APRIL 2, 2024

Aloha Chair Yamashita, Vice-Chair Kitagawa, and Members of the Committee:

Thank you for the opportunity to submit testimony to **SUPPORT SB 582 SD2**.

The devastating wildfires that ravaged Lahaina in August 2023 demand immediate and proactive action from the State. It is imperative that the State not only supports recovery efforts but also takes decisive steps to address the aftermath of the wildfires. Allocating funds for this purpose is a clear demonstration of the State's unwavering commitment to aiding the affected communities in Maui and ensuring their well-being and speedy recovery.

The allocation of funds will enable the State to swiftly respond to urgent needs and tackle critical issues resulting from such disasters. This may involve providing emergency relief, aiding displaced individuals and families, restoring crucial infrastructure, and implementing measures to prevent future wildfires. This bill underscores the State's dedication to the resilience and prosperity of the people of Maui and Hawai'i as a whole, guaranteeing that they receive the necessary support to rebuild and thrive once again.

HI-EMA **strongly supports** this bill, which reflects the State's responsibility to protect its citizens and communities during times of crisis.

Thank you for the opportunity to provide testimony on Senate Bill 582 SD2.

James Barros: james.barros@hawaii.gov; 808-733-4300



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

235 South Beretania Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone:
Web:

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARK B. GLICK
CHIEF ENERGY OFFICER

(808) 451-6648
energy.hawaii.gov

Testimony of
MARK B. GLICK, Chief Energy Officer

before the
HOUSE COMMITTEE ON FINANCE

Tuesday, April 2, 2024
2:30 PM
State Capitol, Conference Room 308 and Videoconference

In Support of
SB 582, SD2

RELATING TO THE STATE BUDGET.

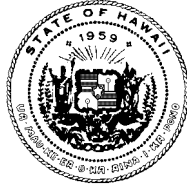
Chair Yamashita, Vice Chair Kitagawa, and members of the Committee, the Hawai'i State Energy Office (HSEO) supports the intent of SB 582, SD2, which makes an emergency appropriation to cover the State's immediate expenses incurred in the Hawaii Wildfires disaster response efforts.

Act 73 (2010), specifies that the energy security special fund (ESSF) that is currently funded from a proportion of the environmental response, energy, and food security tax, a.k.a., "barrel tax," may be expended to support the Hawai'i clean energy initiative program, including what is now identified as the Hawai'i State Energy Office, including funding staff positions and projects that support its statutory mission. HSEO supports the administration's efforts to provide funding for the Wildfire disaster response efforts and supports the transfer of \$463,555 of ESSF special funds to help with immediate expenses. However, we would like to highlight HSEO's continued use of ESSF funds, as approved by the Legislature, to support Hawai'i's energy transition.

HSEO defers to the Department of Budget & Finance on the fiscal implications of this measure.

Thank you for the opportunity to testify.

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

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

TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

April 1, 2024

TO: The Honorable Representative Kyle T. Yamashita, Chair
House Committee on Finance

FROM: Cathy Betts, Director

SUBJECT: **SB 582 SD2 – RELATING TO STATE BUDGET.**

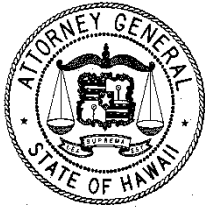
Hearing: April 2, 2024, 2:30 p.m.
Conference Room 308, State Capitol & Video Conference

DEPARTMENT'S POSITION: The Department of Human Services (DHS) provides comments and defers to the Department of Budget & Finance and other impacted agencies.

PURPOSE: This bill transfers to the general fund the excess balances of various non-general funds from various state departments and agencies. Appropriates funds to support the State's response to the August 2023 wildfires that affected the county of Maui. Declares that the general fund expenditure ceiling is exceeded. Effective 7/1/2050. (SD2)

DHS acknowledges the excess amount identified in Section 4, at line 17 from the Department of Human Services (HMS), S-317-K-GENERAL ASSISTANCE PAYMENTS: \$901,783. This amount is the fund's current amount that exceeds its ceiling of \$3,000,000. Given the current General Assistance monthly benefit amount and current caseload, this amount will likely lapse to the general fund from the Interim Assistance Reimbursement Special Fund.

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



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-SECOND LEGISLATURE, 2024**

ON THE FOLLOWING MEASURE:

S.B. NO. 582, S.D. 2, RELATING TO STATE BUDGET.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Tuesday, April 2, 2024 **TIME:** 2:30 p.m.

LOCATION: State Capitol, Room 308 and Videoconference

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Randall S. Nishiyama, Deputy Attorney General

Chair Yamashita and Members of the Committee:

The Department of the Attorney General (Department) supports this bill.

This bill makes an emergency appropriation to cover the State's immediate expenses incurred in the Hawaii wildfires disaster response efforts. Also, it transfers excess balances from non-general fund sources to the general fund to offset the costs to the general fund. In addition, it declares that the general fund expenditure ceiling is exceeded.

We propose to amend this bill to fund and establish the statutory framework regarding the One Ohana Bank Trust Account for the compromise and settlement of claims to compensate individuals or their personal representatives affected by serious physical injury or death caused by the Maui wildfires. Assuming that the original purpose of the bill is the purpose stated in S.D. 1, the first substantive draft of the bill, then this emergency appropriation proposal supports our contention that the original purpose of the bill continues. We believe that the original purpose of the bill is to allow other fiscal provisions that are germane to the wildfires disaster response efforts. The purpose of these amendments is to make an emergency appropriation to fund the State's contribution to the One Ohana Bank Trust Account to address this urgent and exceptional situation. In addition, the proposed amendments set forth the statutory framework for the One Ohana Bank Trust Account.

We ask that the purposes of this bill be amended to include the compromise and settlement of claims. In addition, we ask that the appropriation to fund the State's contribution to the One Ohana Bank Trust Account be treated as an emergency appropriation to encourage the timely resolution of claims and to relieve the burden on the judicial system.

The proposed amendments are as follows:

"PART II

SECTION . The legislature finds that the State's contribution of public funds to the one ohana bank trust account is for the compromise and settlement of claims to compensate individuals or their personal representatives affected by serious physical injury or death caused by the Maui wildfires and serves a public purpose.

The purpose of this part is to make an emergency appropriation to fund the State's contribution to the one ohana bank trust account for the compromise and settlement of claims caused by the Maui wildfires.

SECTION . The legislature finds and declares that the contribution of state moneys to the one ohana bank trust account under this Act for the compromise and settlement of claims is in the public interest and for the public health, safety, and general welfare of the State for the following reasons:

- (1) The State recognizes the devastating impact of the Maui wildfires on its residents, resulting in physical injury and loss of life;
- (2) It is imperative for the State to respond with compassion and support for those affected by the Maui wildfires, ensuring that victims or their personal representatives are provided with fair and just compensation on a timely basis;
- (3) The State's contribution to the one ohana bank trust account is for the compromise and settlement of claims for those who have lost loved ones or suffered serious physical injuries in the

Maui wildfires. Participation in seeking compensation from the one ohana bank trust account is purely voluntary;

- (4) The legislature recognizes that contributors to the one ohana bank trust account besides the State include among others, the county of Maui, Hawaiian Electric Company, the Kamehameha Schools, Charter Communications/Spectrum, Hawaiian Telcom, and the West Maui Land Company;
- (5) The legislature recognizes the one ohana bank trust account as an efficient mechanism to address this urgent and exceptional situation, and understands the one ohana bank trust account's unique ability to provide assistance to those in need;
- (6) The legislature recognizes the complexity and challenges of tort litigation and finds it prudent to provide an alternative through the one ohana bank trust account of streamlining the compensation process for those impacted by the Maui wildfires;
- (7) The legislature finds that it is in the public interest to encourage swift and fair resolution to claims arising from the Maui wildfires, thus alleviating the burden on the judicial system, and fostering community support, unity, and recovery in the aftermath of the Maui wildfires; and
- (8) The legislature recognizes that individuals seeking compensation from the one ohana bank trust account will be required to release the contributing parties to the fund from further liability and are willingly waiving their rights to pursue damages through tort litigation for wrongful death or personal injury claims, contributing to a more efficient resolution process.

Consequently, the legislature finds and declares that the public purpose is served by authorizing the expenditure of public moneys as the State's contribution to the one ohana bank trust account for the compromise and settlement of claims to provide an alternative for

compensation to any individual or personal representative of a deceased individual who suffered serious physical injury or died as a result of the Maui wildfires, thus offering a timely and compassionate resolution to those affected by the Maui wildfires while relieving the burden on the judicial system and contributing to the rebuilding of lives and community.

SECTION . Any individual who receives compensation from the one ohana fund under this Act shall waive the right to sue for damages related to physical injury or death resulting from the Maui wildfires, recognizing the one ohana fund as an alternative to tort litigation.

SECTION . The department of the attorney general shall submit a report to the legislature no later than twenty days prior to the convening of each regular session on:

- (1) A listing of claims and the amounts paid by the one ohana bank trust account for the calendar year;
- (2) A listing of the administrative costs incurred by the one ohana bank trust account for the calendar year; and
- (3) A listing of contributors and their contribution amounts to the one ohana bank trust account received during the calendar year.

SECTION . There is appropriated out of the general revenues of the State of Hawaii the sum of \$65,000,000, or so much thereof as may be necessary for fiscal year 2023-2024, to fund the State's contribution to the one ohana bank trust account for the compromise and settlement of claims to compensate individuals or personal representatives affected by serious physical injury or death caused by the Maui wildfires; provided that the moneys appropriated in this section shall not lapse at the end of the fiscal year for which the appropriation is made; provided further that any moneys that remain unencumbered on June 30, 2025, shall lapse on that date; and provided further that upon closure of the one ohana bank trust account, the remaining balance after the settlement of all administrative

costs, shall be returned to the contributors to the one ohana bank trust account in proportion to their contributions with the State's proportionate contribution being returned to the general fund.

SECTION . The sum appropriated shall be expended by the department of the attorney general for the purposes of this Act."

The object of this bill, in its original draft, was a short form bill to effectuate the title of the bill, Relating to State Budget. S.D. 1 of the bill made an emergency appropriation to cover certain immediate expenses of the wildfire disaster response efforts. Further, S.D. 2 of the bill focused on those immediate efforts. As stated above, the original purpose of the bill remains intact, and we believe it allows other fiscal provisions that are germane to the wildfires disaster response efforts. In League of Women Voters of Honolulu v. State, 150 Hawai'i 182, 205, 499 P.3d 382, 405 (2021), the Hawaii Supreme Court held that a bill's three readings in each house must "begin anew" if a "non-germane amendment changes the object or subject of a bill so that it no longer related to the original bill as introduced." Although we believe that the addition of the One Ohana Bank Trust Account amendments leave the original purpose of the bill, intact, in an abundance of caution we recommend that the proposed amendments be given three additional readings in the House and in the Senate.

We respectfully ask the Committee to consider our suggested amendments.

Thank you for the opportunity to testify.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



TESTIMONY BY:

EDWIN H. SNIFFEN
DIRECTOR
KA LUNA HO'OKELE

Deputy Directors
Nā Hope Luna Ho'okele
DREANALEE K. KALILI
TAMMY L. LEE
ROBIN K. SHISHIDO

STATE OF HAWAI'I | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

April 4, 2024
2:30 P.M.

State Capitol, Room 308 and Videoconference

S.B. 582 S.D.2
RELATING TO STATE BUDGET

House Committee on Finance

The Hawaii Department of Transportation (HDOT) is providing **comments** on S.B. 582 S.D. 2, that transfers cash from the Safe Routes to School Program Special Fund in the amount of \$1,814,826, and Motorcycle/Motor Scooter Operators Educational Fund in the amount of \$723,725 to the General fund in FY 2024.

HDOT has determined the cash transfer amounts will not be detrimental to the respective programs.

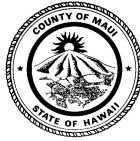
Thank you for the opportunity to provide testimony.

Council Chair
Alice L. Lee

Vice-Chair
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Tom Cook
Gabe Johnson
Tamara Paltin
Keani N.W. Rawlins-Fernandez
Shane M. Sinenci
Nohelani U'u-Hodgins




Director of Council Services
David M. Raatz, Jr., Esq.

Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

April 1, 2024

TO: The Honorable Kyle T. Yamashita, Chair, and
Members of the Committee on Finance

FROM: Alice L. Lee
Council Chair 

SUBJECT: **HEARING OF APRIL 2, 2024; TESTIMONY IN SUPPORT OF SB582, SD2,
RELATING TO STATE BUDGET**

I **support** this measure to make an emergency appropriation to cover the State's immediate expenses incurred in the Hawaii wildfires disaster response efforts and transfer excess balances from non-General Fund sources to offset the costs to the General Fund.

This testimony is in my capacity as an individual member of the Maui County Council.

I support this measure for the following reasons:

1. The August 2023 Maui wildfires were the deadliest in the United States in more than 100 years, and they took a catastrophic toll on the island's residents. The recovery will take many years, and the total recovery costs could be more than \$5 billion.
2. Disaster recovery is a vital State function. The Lahaina Wildfire Interim Working Groups Final Report called for increased State funding of:
 - Air and water quality monitoring.
 - Research efforts to better understand the environmental concerns linked to urban fires.
 - Retrofitting of structures to be used as emergency shelters.
 - Natural-resource management
 - New positions with departments that provide critical services in disaster response.
 - Food banks.
 - Affordable housing.

- Landowner wildfire education and technical support, and multipartner wildfire risk reduction planning.
3. Transient accommodations of all types are major revenue sources for the County. With tourism lagging and many vacation rentals either lost to the fires or converted to long-term use, the County's tax revenue is in substantial decline.

Thank you for your consideration.