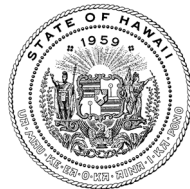


JOSH GREEN, M.D.  
GOVERNOR



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*  
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

**WRITTEN ONLY**  
TESTIMONY BY LUIS P. SALAVERIA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON HIGHER EDUCATION & TECHNOLOGY  
ON  
HOUSE BILL NO. 963

**February 1, 2023**  
**2:00 p.m.**  
**Room 309 and Videoconference**

RELATING TO BROADBAND

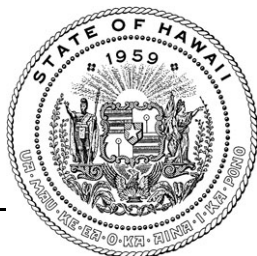
The Department of Budget and Finance supports House Bill No. 963, which appropriates general funds needed to provide non-federal matching funds for various federal broadband grant programs, including \$33,000,000 in matching funds for the Broadband Equity, Access, and Deployment (BEAD) Program; appropriates \$95,000,000 in FY 24 out of funds the State of Hawai'i receives from the Infrastructure Investment and Jobs Act; and makes unspecified general fund appropriations in FY 24 and FY 25 to provide additional matching funds for federal broadband-related programs.

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.



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

**JOSH GREEN, M.D.**  
GOVERNOR

**CHRIS J. SADAYASU**  
DIRECTOR

**DANE K. WICKER**  
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804  
Web site: [dbedt.hawaii.gov](http://dbedt.hawaii.gov)

Telephone: (808) 586-2355  
Fax: (808) 586-2377

Statement of  
**Chris J. Sadayasu**  
Director

Department of Business, Economic Development, and Tourism  
before the

**HOUSE COMMITTEE ON HIGHER EDUCATION & TECHNOLOGY**

Wednesday, February 1, 2023  
2:00 PM  
State Capitol, Conference Room 309

In consideration of  
**HB 963**  
**RELATING TO BROADBAND.**

Chair Perruso, Vice Chair Kapela and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) **supports HB963** that appropriates general fund moneys that are required to match federal moneys for broadband programs.

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.

We support this bill provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget.

Thank you for the opportunity to submit this testimony.



# UNIVERSITY OF HAWAII SYSTEM

## ‘ŌNAEHANA KULANUI O HAWAII

### Legislative Testimony

### Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

---

Testimony Presented Before the  
House Committee on Higher Education and Technology  
Wednesday, February 1, 2023 at 2:00 p.m.

By

Garret T. Yoshimi, Vice President for Information Technology/Chief Information Officer  
University of Hawai'i System

#### HB 963 – RELATING TO BROADBAND

Chair Perruso, Vice Chair Kapela, and Members of the Committee:

The University of Hawai'i, representing the State's broadband interests, supports HB 963.

The appropriation of \$33,000,000 will ensure that Hawai'i can fully utilize the initial \$100,000,000 in state allocation for the National Telecommunications and Information Administration (NTIA) Broadband Equity, Access, and Deployment (BEAD) program. BEAD is the largest of the federal broadband funding programs supporting states and territories, and requires that states provide matching funds of at least 25% of the total project costs. The program funds a wide range of eligible costs, and places a priority for states to address robust, reliable and affordable broadband access to those residents that are currently unserved by existing telecommunications providers.

Hawai'i is currently in the process of developing the required Five-Year Plan, due to NTIA in July, that will articulate the state's approach to statewide investments to maximize the benefits of federal broadband funds. This effort is funded by BEAD Planning Funds allocated to Hawai'i, and shall include community outreach for the planning effort, and over the course of the project execution funded by state BEAD funds.

Thank you for the opportunity to provide testimony in support on HB 963.



**STATE OF HAWAII**  
STATE COUNCIL  
ON DEVELOPMENTAL DISABILITIES  
1010 RICHARDS STREET, Room 122  
HONOLULU, HAWAII 96813  
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543  
February 1, 2023

The Honorable Representative Amy Perruso, Chair  
House Committee on Higher Education and Technology  
The Thirty-Second Legislature  
State Capitol  
State of Hawai'i  
Honolulu, Hawai'i 96813

Dear Representative Perruso and Committee Members:

SUBJECT: HB963 Relating to Broadband

The Hawaii State Council on Developmental Disabilities **SUPPORTS HB963**, which appropriates general fund moneys that are required to match federal moneys for broadband programs. Appropriates moneys received by the State from the federal Infrastructure Investment and Jobs Act for the broadband equity, access, and deployment program.

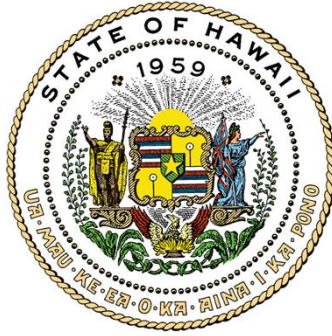
Technology has become vital for our Intellectual/Developmental Disability (I/DD) population to live independent lives. However, broadband access is key for most new technologies relying on Wi-Fi. Individuals with I/DD who rely on others to assist them with their mobility can reach a greater level of independence if they have reliable access to internet services. Internet access allows individuals, from their own home, to independently access telehealth services, virtual meetings, legislative hearings, and other state programs that require computer access.

Although Hawaii's broadband infrastructure has improved, individuals still face obstacles when utilizing the web due to the digital divide which continues to exist. According to recent studies, people living in urban areas globally have roughly twice the level of internet access in their homes compared with those who live in rural areas. For our I/DD population this divide is getting wider. We are hopeful, with the passing of this bill, will come digital equity.

Thank you for the opportunity to submit testimony in **support of HB963**.

Sincerely,

Daintry Bartoldus  
Executive Administrator



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

TO: Chair Amy Perruso  
Vice Chair Jeanne Kapela  
Members of the House Committee on Higher Education and Technology

FROM: Sylvia Luke, Lieutenant Governor

RE: Testimony for H.B. 963 – Relating to Broadband

DATE: February 1, 2023

Thank you for the opportunity to provide testimony in **strong support of H.B. 963** which appropriates general funds that are required to match federal funds for broadband programs.

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. 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. 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.

Thank you for the opportunity to provide testimony in strong support of H.B. 963.



**Testimony to the House Committee on Higher Education and Technology  
Wednesday, February 1, 2023; 2:00 p.m.  
State Capitol, Conference Room 309  
Via Videoconference**

**RE: HOUSE BILL NO. 0963, RELATING TO BROADBAND**

Chair Perruso, Vice Chair Kapela, 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** House Bill No. 0963, 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);
- (2) 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;
- (3) Appropriate \$95,000,000 in Infrastructure Investment and Jobs Act Funds for fiscal year 2023-2024, to provide for the Program;
- (4) 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;

- (5) 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
- (6) Take effect on July 1, 2023.

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](mailto:eabe@hawaiiipca.net).





**Testimony to the Senate Committee on Higher Education  
Wednesday, February 1, 2023, at 2:00 P.M.  
Conference Room 309 & Videoconference**

**RE: HB 963 Relating to Broadband**

Chair Perruso, Vice Chair Kapela, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **strongly supports** HB 963, which appropriates general fund moneys that are required to match federal moneys for broadband programs. Appropriates moneys received by the State from the federal Infrastructure Investment and Jobs Act for the broadband equity, access, and deployment program.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

As members of the Broadband Hui, the Chamber of Commerce Hawaii supports broadband infrastructure development in rural communities, provided digital devices and internet connectivity for students and families, supported the accessibility of telehealth, provided information on low-cost internet options, and adopted a Digital Equity Declaration to set a vision and goals for a more equitable digital future.

Addressing digital equity through broadband access and digital literacy is one of the most important steps to modernizing Hawaii's economy and bringing all our industries into the 21<sup>st</sup> century. By having digital equity throughout the state, this will allow Hawaii to attract new industries and continue to diversify the economy. Given the importance of achieving both broadband equity and digital equity to our economy and to educating our future workforce to throughout Hawaii, the Chamber supports this bill.

Thank you for the opportunity to testify.



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

**HOUSE COMMITTEE ON HIGHER EDUCATION & TECHNOLOGY**

March 23, 2022, 2:00 PM  
State Capitol, Conference Room 309, Videoconference

**SUPPORT FOR:  
H.B. 963 – RELATING TO BROADBAND**

To: Chair Perruso, Vice-Chair Kapela, and Members of the Committee

**Re: Testimony providing support for HB 963**

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

Thank you for this opportunity to submit support for House Bill 963, to appropriate general funds required to match federal funds for broadband programs and appropriate funding received by the state for the federal Infrastructure Investment and Jobs Act (IIJA) and Broadband Equity, Access, and Deployment (BEAD) program.

Hawaiian Telcom supports this legislation to improve and deploy additional 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 continue leveraging federal IIJA and BEAD funds with public and private sector investments to address the digital divide, especially in the unserved and underserved areas where the cost to build is much higher than in metropolitan areas.

Hawaiian Telcom continues to invest hundreds of millions of dollars annually to expand broadband infrastructure across the State. In addition to significant investments into building out broadband infrastructure, Hawaiian Telcom supports digital equity as participating service provider in the federal Affordable Connectivity Program (ACP), which provides a discount of up to \$30 per month toward internet service for eligible households and up to \$75 per month for households on qualifying Hawaiian Homelands, and Lifeline Program which provides discounted services for qualified residents.

In closing, Hawaiian Telcom supports the appropriation of general funds required to match federal funds for broadband programs and appropriate funding the State receives for the federal IIJA and BEAD programs. We appreciate the opportunity to offer our support for HB 963.

**Testimony in Support of HB963 – Committee on Higher Education hearing on 2/1/2023 2pm**

Date: February 1, 2023

Time: 2:00 p.m.

Where: State Capitol, Conference Room 309

RE: Supporting HB963 Relating to Matching Funds for Federal Broadband Grants

Aloha mai e Chair Perruso, Vice Chair Kapela and Members of the Committee,

I write in my individual capacity in support of HB963. Appropriating state money gives huge leverage on things like open access fiber to all internet service providers. (The bill is technology-neutral.)


In certain areas, it will make sense for one company or another to expand. In other areas, the State/UH can step in and put up the match.

In some remote areas, the private sector may not be willing to invest due to the high cost and the State can step in.

In terms of the order of magnitude match funding in Section 4, I recommend up to \$50,000,000.

State funding will benefit education, health, job training and more. Please advance the bill.

Respectfully, E Malama Pono,

A handwritten signature in black ink that reads "Daniel C. Smith". The signature is written in a cursive, flowing style.

Daniel C. Smith, PhD

1961 Aamaka Pl.

Pearl City, HI 96782

808-462-8346

dancsmith@rocketmail.com