



SYLVIA LUKE
LIEUTENANT GOVERNOR
Ke Ke'ena O Ka Hope Kia'āina

The 33rd Legislature, State of Hawaii
House Committee on Economic Development and Technology
February 5, 2025

Testimony on
**H.B. 934 - RELATING TO THE HAWAII BROADBAND AND
DIGITAL EQUITY OFFICE**

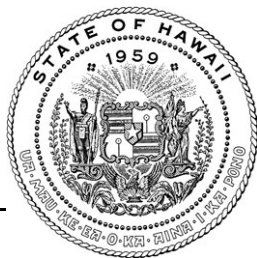
Chair Ilagan, Vice-Chair Hussey, and Members of the Committees:

Thank you for the opportunity to provide testimony in **support of H.B. 934** which transfers the Hawaii Broadband and Digital Equity Office (HBDEO) from the Department of Business, Economic Development, and Tourism (DBEDT) to the Office of Enterprise Technology Services (ETS) in the Department of Accounting and General Services, establishes the Hawaii Broadband and Digital Equity Special Fund, and appropriates additional funding.

Reliable, affordable high speed internet access is essential for ensuring greater educational, economic, and social opportunities for all. The federal and state governments have committed over \$400 million to modernize our subsea and terrestrial infrastructure and equip residents with the tools and knowledge to safely navigate the internet. With the construction of new subsea broadband infrastructure, our state anticipates generating revenue from negotiated lease agreements and the creation of a special fund will ensure these funds are used to reduce the cost of internet services, provide technical assistance to communities, and support broadband projects.

Given the increasingly vital role of broadband in our daily lives, the transfer of HBDEO from DBEDT to ETS provides an opportunity to consolidate and centralize broadband responsibilities currently dispersed across state government, including those of the Hawaii Broadband Assistance Advisory Council and other reporting requirements. Our office will work closely with the relevant departments to compile all broadband functions for the Legislature's consideration.

Thank you for the opportunity to provide testimony in support of H.B. 934.



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

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

JAMES KUNANE TOKIOKA
DIRECTOR

DANE K. WICKER
DEPUTY DIRECTOR

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Statement of
JAMES KUNANE TOKIOKA
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY

Wednesday, February 5, 2025
Time 10:00AM
State Capitol, Conference Room #423

In consideration of
HB934
RELATING TO THE HAWAII BROADBAND AND DIGITAL EQUITY OFFICE.

Chair Ilagan, Vice Chair Hussey and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) provides the following comments on HB934 that transfers the Hawaii Broadband and Digital Equity Office (HBDEO) to the Office of Enterprise Technology Services in the Department of Accounting and General Services.

HBDEO has provided steady leadership in state broadband and digital equity. I am confident that regardless of where the Office resides in state government, the Office will continue to provide the necessary leadership and accountability in carrying out its statutory responsibilities and in deployment and management of federal funds. DBEDT will continue to collaborate with the Office as it is an important piece to the future of digital workforce and economic development.

We ask that the \$200,000 appropriation in the measure be added to the general fund line item as opposed to the special fund as the funds are necessary for standard operations and to support the processing of contract invoices.

Thank you for the opportunity to testify.



STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
STATE COUNCIL ON DEVELOPMENTAL DISABILITIES
'A'UNIKE MOKU'ĀPUNI NO KA NĀ KĀWAI KULA
PRINCESS VICTORIA KAMĀMALU BUILDING
1010 RICHARDS STREET, Room 122
HONOLULU, HAWAII 96813
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543

February 5, 2025

The Honorable Representative Greggor Ilagan, Chair
House Economic Development and Technology
The Thirty-Third Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Representative Ilagan, and Committee Members:

SUBJECT: HB934 Relating to the Hawai'i Broadband and Digital Equity Office

The Hawai'i State Council on Developmental Disabilities **SUPPORTS HB934**, transfers the Hawai'i Broadband and Digital Equity Office from the Department of Business, Economic Development, and Tourism to the Office of Enterprise Technology Services in the Department of Accounting and General Services. Establishes the Hawai'i Broadband and Digital Equity Special Fund. Appropriates funds.¹

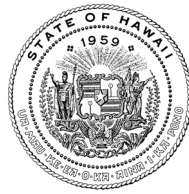
Access to broadband and digital technology is critical for individuals with intellectual and developmental disabilities (I/DD) to fully participate in society. Reliable internet connectivity and digital literacy are essential for accessing telehealth services, engaging in educational opportunities, securing employment, and participating in community life. HB934 strengthens the State's infrastructure to ensure digital equity, especially for underserved and vulnerable populations.

The proposed restructuring and the establishment of the special fund will enhance the State's ability to develop and implement strategies to improve broadband access and affordability. The emphasis on supporting broadband projects, and funding positions for technical assistance aligns with the needs of the I/DD community, which often faces significant barriers to digital inclusion.

Thank you for the opportunity to submit testimony in **support of HB934**.

Sincerely,

Daintry Bartoldus
Executive Administrator



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

WRITTEN ONLY
TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY
ON
HOUSE BILL NO. 934

February 5, 2025
10:00 a.m.
Room 423 and Videoconference

RELATING TO THE HAWAII BROADBAND AND DIGITAL EQUITY OFFICE

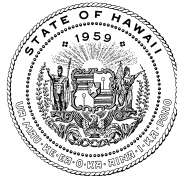
The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill (H.B.) No. 934: 1) transfers the Hawai'i Broadband and Digital Equity Office (HBDEO) from the Department of Business, Economic Development and Tourism to the Office of Enterprise Technology Services in the Department of Accounting and General Services; 2) establishes the Broadband and Digital Equity Special Fund (BDESF) to be administered by HBDEO for the purposes of supporting broadband projects, defraying the cost of internet services, and funding positions for personnel to provide technical assistance for the community; 3) appropriates \$200,000 in general funds for FY 26 to be deposited into the BDESF; and 4) appropriates \$200,000 in special fund ceiling for the BDESF for FY 26.

As a matter of general policy, B&F does not support the creation of any special fund, which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work, and an explanation why the program cannot be implemented successfully under the general

fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding H.B. No. 934, it is difficult to determine whether the BDESf would be self-sustaining.

Thank you for your consideration of our comments.



STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELawe LAULĀ

OFFICE OF ENTERPRISE TECHNOLOGY SERVICES | KE'ENA HO'OLANA 'ENEHANA

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

Testimony of
CHRISTINE M. SAKUDA
Chief Information Officer
Office of Enterprise Technology Services

Before the

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY
Wednesday, February 5, 2025

HOUSE BILL NO. 934
RELATING TO THE HAWAI'I BROADBAND AND DIGITAL EQUITY OFFICE

Dear Chair Ilagan, Vice Chair Hussey, and members of the committee:

The Office of Enterprise Technology Services (ETS) would humbly offer **comments** for this bill that transfers the Hawai'i Broadband and Digital Equity Office (HBDEO) from the Department of Business, Economic Development, and Tourism to the Office of Enterprise Technology Services in the Department of Accounting and General Services, establishes the Hawai'i Broadband and Digital Equity Special Fund, and appropriates funds.

ETS strongly supports Connect Kākou, led by Governor Josh Green and Lieutenant Governor Sylvia Luke, to ensure that every resident of Hawai'i has access to broadband Internet – plus the skills and devices they need to use the Internet.

Taking over the responsibility of running and managing the Hawai'i Broadband and Digital Equity Office would be a huge endeavor for ETS. To be successful in this transfer we would need to be very clear about the objectives and goals for achieving the aspirations of the bill.

In several sections of the bill the definitions and/or directives are too vague or general for a clear understanding. Where the bill discusses the duties of the office, we would ask for more detailed guidance to understand the scope of the requests and to be certain about fulfilling the directives of the legislature.

For example, on page 2, line 11, the bill asks for support for the efforts of public and private entities to enhance or facilitate the deployment of and access to competitively priced broadband products and services. On line 18 the bill seeks to promote the landing of the trans-Pacific submarine cable. We seek clarity on what this involves.

A few other sections, including on page 3 sections (4) and (5) are also vague and we would

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appreciate more specifics on what would be needed to successfully complete the goals and objectives the HBDEO would be assigned.

On page 4, section 5, the bill asks for advise on other states' best practices involving remote work and strategies for making affordable broadband services available to every home and business. We are seeking clarity if these responsibilities regarding remote work and strategies to make broadband affordable, are better aligned with departments focused on economic development and broadband affordability regulation.

On page 6, line 11, ETS recommends adding the language to "Funding positions for personnel *and other necessary operating expenses* to provide technical assistance to the community."

On page 6, line 15, ETS recommends changing language to "subject to *input* by the information technology steering committee." This change would be consistent with HRS 27.43 enabling the information technology steering committee to assist the chief information officer in developing the State's information technology standards and policies.

On page 6, SECTION 3, the bill appropriates \$200,000 for fiscal year 2025-2026 to support the special fund however, the FY 26 operating budget request by the HBDEO is \$777,090 for personal services and other expenses, which increases to \$964,815 by FY 31. ETS recommends that, in order for the program to be successful with the responsibilities outlined in the bill, the special fund needs to fully cover all staff salaries and benefits, program priorities, operational expenses and any additional overhead, for five years until the special fund may become self-sustaining.

ETS also respectfully recommends the following specific changes for the committee's consideration:

- Page 1, line 14, please add "the Department of Accounting and General Services" before the Office of Enterprise Technology Services.
- Page 1, lines 15 and 16, we ask that the strategic broadband coordinator be hired by the Chief Information Officer (CIO) rather than the governor.

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



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 Economic Development and Technology
Wednesday, February 05, 2025 at 10:00 a.m.

By

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

HB 934 – RELATING TO THE HAWAII BROADBAND AND DIGITAL EQUITY OFFICE

Chair Ilagan, Vice Chair Hussey, and Members of the Committee:

The University of Hawai'i, representing the interests of the State in the implementation of federally funded broadband investments, supports HB 934 which transfers the Hawai'i Broadband and Digital Equity Office (HBDEO) from the Department of Business, Economic Development, and Tourism (DBEDT) to the Office of Enterprise Technology Services (ETS) in the Department of Accounting and General Services, and establishes the Hawai'i Broadband and Digital Equity Special Fund. Transfer of the HBDEO under ETS, would place it within the management and oversight of the State Chief Information Officer, and will properly align the functions of the HBDEO together with other statewide technology infrastructure oversight, management and operations. The measure additionally provides for suitable governance under the statutorily established Information Technology Steering Committee.

Establishment of the Hawai'i Broadband and Digital Equity Special Fund provides for the ability to collect and expend funds received as a beneficial outcome of the public investment in broadband infrastructure assets; and to ensure the funds are used to support long term sustainability of the state's broadband infrastructure assets and the ability of our community to benefit from those infrastructure assets. Placing the ownership of the assets resulting from the federal broadband investments under the State Chief Information Officer, together with the Information Technology Steering Committee, will help to ensure the public's interest is protected and the benefits to Hawai'i maximized over the lifetime of these assets. To help provide clarity over the intent of the use of the funds, we suggest the fund be titled the Hawai'i Broadband Special Fund.

Thank you for the opportunity to provide testimony in support of HB 934.



Charter Communications
Testimony of Rebecca Lieberman, Director of Government Affairs

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY

Hawaii State Capitol
Wednesday, February 5, 2025

COMMENTS ON H.B. 934 – RELATING TO THE HAWAII BROADBAND AND DIGITAL EQUITY OFFICE

Chair Ilagan, Vice Chair Hussey, and Members of the Committee.

Thank you for the opportunity to provide **comments and proposed amendments on H.B. 934**, a bill that would transfer the Hawaii Broadband and Digital Equity Office to the Office of Enterprise Technology Services and establishes the Hawaii Broadband and Digital Equity Special Fund.

As the largest broadband provider in the state, Charter supports efforts to promote digital equity and broadband access and we support the intent of this bill. A key aspect of reducing the digital divide is by investing in broadband infrastructure, digital navigators and literacy tools, affordability programs, and access to hardware.

Charter believes that every Hawaii resident should have reliable access to the Internet. We will continue to help bring the benefits of broadband and access to the internet to those who need it most. Hawaii is slated to receive over \$200 million in federal grants for broadband infrastructure in the immediate future (via the Broadband, Equity, Access, and Deployment Program), in addition to private investments already being made by the industry. The Broadband and Digital Equity Special Fund

should prioritize funding projects related to broadband adoption and affordability programs, rather than retail infrastructure projects, which are separately supported by federal funding.

Charter requests amending the bill to better define the scope of broadband projects supported by the special fund by excluding broadband infrastructure projects for retail service. This will ensure that broadband adoption efforts and broadband availability efforts are each given the independent attention needed to properly address these very different issues. Infrastructure availability and digital equity are both important, but they are different problems requiring different, independent solutions. Specifically, we suggest the following amendments:

- Page 6, Line 9, insert the following new language:

(1) Supporting broadband projects, excluding the deployment of broadband infrastructure for the provision of retail service;

In 2023, Charter extended its network to reach an additional 9,000 homes and small businesses in Hawaii, investing \$96 million across the state. Charter participated in the FCC's Emergency Broadband Benefit Program (EBB) and Affordable Connectivity Program (ACP), which helped connect over 59,000 eligible households in Hawaii with high-speed broadband. Broadband internet access is more important than ever and Charter offers a variety of affordable high-speed internet packages to meet all the connectivity and budget needs of our customers. With Spectrum Internet Assist, qualifying low-income families and seniors can receive high-speed internet for only \$15 per month.

Mahalo for the opportunity to provide proposed amendments to H.B. 934.

Testimony of Sean McLaughlin
Hawaii' House Committee on Economic Development & Technology
Wednesday February 5, 2025 at 10:00am

Supporting HB934 - "Relating to the Hawaii Broadband Digital Equity Office"

Thank you for this opportunity to share testimony regarding HB934. In sum, I support the intent of HB934 and hope you will amend the measure to address the State's need for consumer protection and public interest advocacy to achieve digital equity for the Islands.

This measure would reorganize the Hawaii Broadband Digital Equity Office (HBDEO) currently under DBEDT by moving the functions to DAGS under the State's Chief Information Officer and creating a "Broadband and Digital Equity Fund" to manage accounts. An "Information Technology Steering Committee" appointed by the State would ensure transparency and accountability, one hopes.

Unlike SB1045, this Bill does not remove the facade of DCCA participation by repealing Section 440G-11.5, Hawaii Revised Statutes and disbanding the Broadband Assistance Advisory Committee under Act 23 of Session Laws of 2016. Hopefully the Legislature has reviewed those required reports to assess DCCA's legacy efforts in this regard. If DCCA oversight lacks integrity, perhaps best to drop the pretense and find a new solution.

The most notable weakness in Hawaii's broadband investment regime is the lack of consumer protection and dearth of advocacy for public interests. Essential network infrastructure is owned by distant corporations without local control. Regulatory agencies lack capacity or clear direction. As a result, no effective mechanism exists to ensure that State agencies consider consumer protections or community needs - and inequity persists.

Ideally, the State will thoughtfully consider local information needs that are not met by the commercial marketplace, including: public health & safety; education; community based economic development; culture & arts; and, civic engagement.

If the proposed reforms for HBDEO are matched with effective regulation and enforcement of a clear social contract to benefit Hawaii's people, this measure could go far to address the lack of information equity. That is a pretty big "if."

Thanks for your thoughtful consideration of this testimony and please feel free to contact me if you would like more information or perspective on this issue.

Sean McLaughlin
seantaketa@gmail.com, C: 808-595-4877