



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

House Committee on Finance

Monday, February 24, 2025

10:00 a.m.

State Capitol, Conference Room 308 and via Videoconference

With Comments

House Bill No. 1296 H.D. 1 Relating to the Major Disaster Fund

Chair Yamashita, Vice Chair Takenouchi, and Members of the House Committee on Finance:

The Office of the Governor provides the following comments for H.B. No. 1296 H.D. 1, Relating to the Major Disaster Fund (MDF). This bill establishes timely notice and reporting requirements to the Legislature by the Governor regarding the transfer of appropriations to the MDF.

The Lahaina wildfires resulted in unbearable loss of lives, homes, infrastructure, and businesses. In response to this tragic event, Acting Governor Sylvia Luke signed the Emergency Proclamation (EP) on Wildfires, dated August 8, 2023. State departments responded promptly and worked with the County of Maui, various federal agencies, the Hawaii State Legislature, and private sector leaders to navigate the disaster.

The Office of the Governor finds H.B. No. 1296 H.D. 1 duplicative as existing reporting requirements pursuant to HRS 127A-16(b) and Act 10, SLH 2024, are adequate. H.B. No. 1296 H.D. 1 proposes requirements that could adversely impact the ability of the State to respond effectively and efficiently to future emergencies.

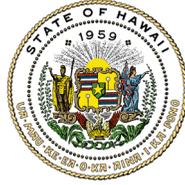
For example, the twenty-one-day reporting time after any allotment or transfer by the governor would be very challenging. Many allotments involve multiple departments and require time to compile, verify and reconcile financial data to ensure accuracy.

Disaster response efforts demand flexibility and agility to address rapidly evolving circumstances. The proposed reporting mandates—particularly the requirement to justify each transfer in detail, which could introduce bureaucratic delays that impede HIEMA's ability to

deploy critical resources in a timely manner. During emergencies, time-sensitive decisions must be made swiftly to protect lives, property, and public infrastructure. Overly rigid reporting processes could slow down response times, ultimately jeopardizing the effectiveness of relief efforts.

Mahalo for the opportunity to provide testimony on this measure.

JOSH GREEN, M.D.
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STATE OF HAWAI'I
DEPARTMENT OF DEFENSE
HAWAI'I EMERGENCY MANAGEMENT AGENCY

TESTIMONY ON HOUSE BILL 1296 HD1,
RELATING TO THE MAJOR DISASTER FUND

BEFORE THE HOUSE COMMITTEE ON
FINANCE

BY

JAMES DS. BARROS
ADMINISTRATOR
HAWAI'I EMERGENCY MANAGEMENT AGENCY

FEBRUARY 24, 2025

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

Thank you for the opportunity to submit a testimony to **OPPOSE** House Bill 1296 HD1.

The Hawai'i Emergency Management Agency respectfully submits this testimony in opposition to House Bill 1296 HD1, which seeks to establish new reporting requirements and transparency measures regarding the transfer of appropriations to the Major Disaster Fund. While HIEMA fully supports transparency and accountability in disaster recovery efforts, we have significant concerns about the potential unintended consequences of this legislative measure.

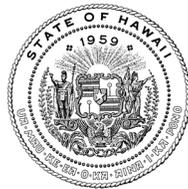
This bill requires detailed reporting of every transfer and expenditure within a very short timeframe of 21 days, including the impacts on specific programs from which funds are transferred. This level of reporting in such a short period would place an undue administrative burden on HIEMA and other involved agencies. Disaster response and recovery require immediate action to protect public safety and restore essential services. The additional time and resources required to compile and submit detailed reports may divert attention from more critical, time-sensitive recovery efforts and slow down the overall response to ongoing recovery operations.

Additionally, the proposed reporting requirements could lead to delays in the disbursement and use of monies from the Major Disaster Fund. In times of disaster, the need for flexibility and rapid access to resources is paramount. The bill's requirement to provide a detailed, lengthy report to the legislature for every fund transfer could impede the quick allocation of resources necessary for recovery. This could potentially slow down the flow of funds needed to support impacted communities, infrastructure repairs, and immediate relief operations, ultimately hindering the state's ability to respond effectively.

HIEMA urges the committee to reconsider these provisions and look for ways to balance transparency with the flexibility and speed necessary for emergency response.

Thank you for the opportunity to submit testimony on House Bill 1296 HD1.

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TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 1296, H.D. 1

February 24, 2025
10:00 a.m.
Room 308 and Videoconference

RELATING TO THE MAJOR DISASTER FUND

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

House Bill (H.B.) No. 1296, H.D. 1, does the following: 1) amends Section 127A-16, HRS, to require the administrator of the Major Disaster Fund (MDF) to submit a report to the Legislature on the purpose of the allotment, transfer, or expenditure no later than 21 days after any allotment or transfer by the Governor or the expenditure of any fund moneys; 2) no later than an unspecified period, to require B&F to submit to the Legislature a detailed report containing the information on the allotment, subsequent use of the transferred funds, or the expenditure, an accounting for Federal Emergency Management Agency eligible and ineligible expenses, and interest earned on federal reimbursement moneys from August 8, 2023, through an unspecified date; and 3) no later than 30 days prior to the convening of the Regular Sessions of 2026 and 2027, to require the Governor to submit to the Legislature a summary report containing the information above for each use of this authority for the previous 12-month period from December 1 to November 30 of each year. This measure also proposes a sunset date of June 30, 2027. It is noted that under current law, the administrator of the MDF

is required to report allotments and expenditures of the MDF to the Legislature no later than 60 days thereafter.

H.B. No. 1296, H.D. 1, establishes timely notice and reporting requirements to the Legislature regarding the transfer of appropriations to the MDF; however, it is noted that it is more appropriate for the Department of Defense to prepare the reports as the MDF account is under their program, the Hawai'i Emergency Management Agency.

B&F believes the existing requirements in Chapter 127A, HRS, provide adequate notice of actions taken to ensure that there are sufficient funds to address disasters.

Thank you for your consideration of our comments.