



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

House Committee on Energy and Environmental Protection

Thursday, March 13, 2025

9:45 a.m.

State Capitol, Conference Room 325, and Videoconference

In Support

S.B. No. 1395, S.D. 2, Relating to State Funds

Chair Lowen, Vice Chair Perruso, and Members of the House Committee on Energy and Environmental Protection:

The Office of the Governor supports S.B. No. 1395, S.D. 1, Relating to State Funds. S.B. No. 1395, S.D. 2, allocates interest earned on balances within the Emergency and Budget Reserve Fund (EBRF) to the general fund in years that the EBRF's balance exceeds the State's fund balance objective. The bill also requires the Governor to request in the executive budget submitted to the Legislature an amount of general funds equal to the amount of interest deposited into the general fund the preceding fiscal year to advance projects that address climate change impacts.

Among Governor Green's Climate Advisory Team's policy recommendations to increase Hawaii's preparedness for and mitigation of climate-related disasters is a dedicated source of funding for climate and disaster resiliency initiatives. Such initiatives include projects that mitigate, adapt to, or increase resiliency against climate change, such as the following projects.

- Hale Piula Watertank Replacement and Cleanup (\$5,000,000): replaces the water tanks at Hale Piula for fire suppression activities, helping to protect the forests, property, and people of North Kona
- Kauai Watershed Forest Protection (\$2,000,000): protects native forests and increases climate resilience through invasive plant removal, fence maintenance, and invasive hooved animal removal; prevents the conversion of the Lumahai watershed from forests to bare ground to reduce threats of flooding and erosion
- JC Shrimp Ponds and Waiale'e Pond Management (\$1,000,000): restores shrimp ponds at JC to support threatened and endangered birds and flood management; revitalizes a degraded wetland, including through invasive species removal and

planting of sustainable food; and conducts workforce training to bolster capacity for wetland restoration and management staff

Given the scale of current and future climate impacts to Hawaii, the Climate Advisory Team advised allocating \$1.375 billion over the next five years to climate and disaster resiliency. To avoid placing an undue financial burden upon Hawaii residents, the team recommended using interest from the EBRF, also known as the "Rainy Day Fund," to finance climate resiliency initiatives. The EBRF serves as a source of funding for the State in times of emergency, and one of its uses is "[t]o restore facilities destroyed or damaged or services disrupted by disaster in any county" (section 328L-3(d)(3), Hawaii Revised Statutes). Although such restoration is needed to respond to damages, maintaining a dedicated source of funding only for response and recovery functions neglects the dire need for and significant benefits to investing in disaster preparation and resiliency, including climate adaptation and mitigation. The reactive nature of the EBRF, therefore, requires supplementation with a proactive climate-disaster financing mechanism to ensure the State remains one step ahead of, rather than one step behind, the next disaster.

"To maintain levels of programs determined to be essential to public health, safety, welfare, and education" (section 328L-3(d)(1), Hawaii Revised Statutes), as the EBRF is authorized to do, ***the State must firstly prevent losses before they occur.*** Adapting our infrastructure and systems to build resiliency against disasters is critical to safeguarding the safety, health, and well-being of our State. Further, proactively investing in climate resiliency not only promotes safety and saves lives but is more cost effective than rebuilding after a disaster.

Currently, interest from the EBRF is reinvested back into the EBRF. This bill would redirect interest from the EBRF into the general fund, which the Legislature could then appropriate towards the climate resilience projects requested in the Governor's budget. Utilizing interest from the EBRF would not only avoid impacting taxpayers but would do so **without withdrawing any of the EBRF's principal amount**, ensuring the EBRF's reserves of more than \$1.5 billion remain available should the State require their use. Further safeguarding the financial stability of the EBRF is the requirement that EBRF's balance exceed the State's fund balance objective, as described in Administrative Directive 22-01, in order for the fund's interest to be made available via deposit into the general fund. Redirecting the EBRF's interest to fund adaptation and resiliency projects now would support the continued strength of the EBRF in the event of an emergency requiring an appropriation since investments now would likely decrease future response and recovery costs, minimizing the amount of principal required to support the State's recovery.

While the Office of the Governor appreciates the previous committee's amendments depositing EBRF interest into the general fund, the Office of the Governor prefers the original draft of the bill and requests your committee restore its provisions. Specifically, the Office of the

Testimony of the Office of the Governor
S.B. No. 1395, S.D. 2
March 13, 2025
Page 3

Governor believes that establishing a special fund into which the EBRF's interest could be deposited, rather than depositing the EBRF's interest into the general fund, is a more appropriate and prudent fiscal practice.

Climate mitigation and resiliency are essential to the health, safety, and wellbeing of Hawaii's islands and people. We must fund projects that will strengthen the State's ability to mitigate and adapt to the impacts of climate change without financially burdening Hawaii's residents, and the Office of the Governor believes that depositing the EBRF's interest into a special fund for the financing of climate resiliency projects will accomplish these dual goals.

The Office of the Governor looks forward to continuing discussions on this bill. Thank you for the opportunity to provide testimony on this measure.



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

House Committee on Energy & Environmental Protection

Thursday, March 13, 2025

9:45 a.m.

State Capitol, Conference Room 325 and Videoconference

With Comments

S.B. No. 1395, SD2 Relating to State Funds

Chair Lowen, Vice Chair Perruso, and members of the House Committee on Energy & Environmental Protection:

The Office of the Governor Recovery and Resiliency Unit **Offers Comments** on S.B. No. 1395 SD2, Relating to State Funds.

This measure represents a crucial step forward in strengthening our state's economic and environmental resilience. Resiliency projects play a vital role in reducing hazard vulnerability by proactively addressing risks associated with natural disasters and climate change. By implementing funds towards mitigation and resiliency efforts such as flood mitigation, hardening homes with retrofits, and infrastructure reinforcement, we can minimize the impact of severe weather incidents and other threats before they escalate into crises. These investments help protect lives, property, critical infrastructure, and the environment, ensuring that our communities are better equipped to withstand and recover from disasters.

A well-prepared community significantly reduces the time it takes to recover from disasters. By investing in proactive measures rather than reactive responses, we can minimize economic disruptions, protect jobs, and ensure that essential services are restored quickly. A shorter recovery period means less strain on government resources, a faster return to normalcy for residents, and a more resilient local economy.

There is great value in resiliency projects as these proactive investments can radically reduce risks. For instance, retrofitting homes to withstand environmental hazards are proven to be a cost-effective avenue to reduce risks. In wildfire prone areas, implementing fire mitigation strategies such as creating defensible space around properties or utilizing fire-resistant building materials can dramatically reduce the spread of wildfires.

Similarly, in flood prone regions, elevating structures above expected flood levels or strategically relocating them to safer areas can prevent devastating losses. In hurricane prone areas, retrofitting homes to withstand high winds can be a simple, yet incredibly effective upgrade through installing hurricane clips and/or larger structure envelope hardening. These measures ensure that homes remain intact and reduce costly repairs and displacement of families including short-term sheltering and long-term interim housing. As communities become more resilient, they become more attractive to businesses which foster long-term economic revitalization.

Despite the clear benefits of these resiliency projects, funding for such initiatives has traditionally been reliant on federal sources, particularly through the Federal Emergency Management Agency (FEMA) and other partners in the federal government. This creates a reliance on federal funds, and that dependence can create uncertainty. To ensure long-term stability, establishing a dedicated state fund would guarantee a more consistent and reliable source of support. These funds are often nationally competitive in nature, require various matching funds, and can take years to secure and implement and with no guarantee our partners will secure funding. Senate Bill 1395 SD2 takes that step in addressing this gap by establishing a dedicated state level fund for climate mitigation and resiliency efforts. This will allow for a more strategic, long-term approach to resiliency planning and implementation.

To ensure the effective implementation of these resiliency initiatives, it is essential that a primary agency be designated to oversee the administration of these funds. This agency must possess the necessary expertise, be equipped with the appropriate resources, and ensure funds are allocated efficiently.

If you have any questions on this testimony please contact Luke Meyers, Branch Chief Hawai'i Office of Recovery and Resiliency (HI-ORR) and State Disaster Recovery Coordinator for the Maui Wildfires. Thank you for the opportunity to provide testimony on this measure.

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

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



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

P.O. BOX 621
HONOLULU, HAWAII 96809

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

RYAN K.P. KANAKA'OLE
FIRST DEPUTY

CIARA W.K. KAHAHANE
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
ENERGY & ENVIRONMENTAL PROTECTION**

**Thursday, March 13, 2025
9:45 AM
State Capitol, Conference Room 325 & Videoconference**

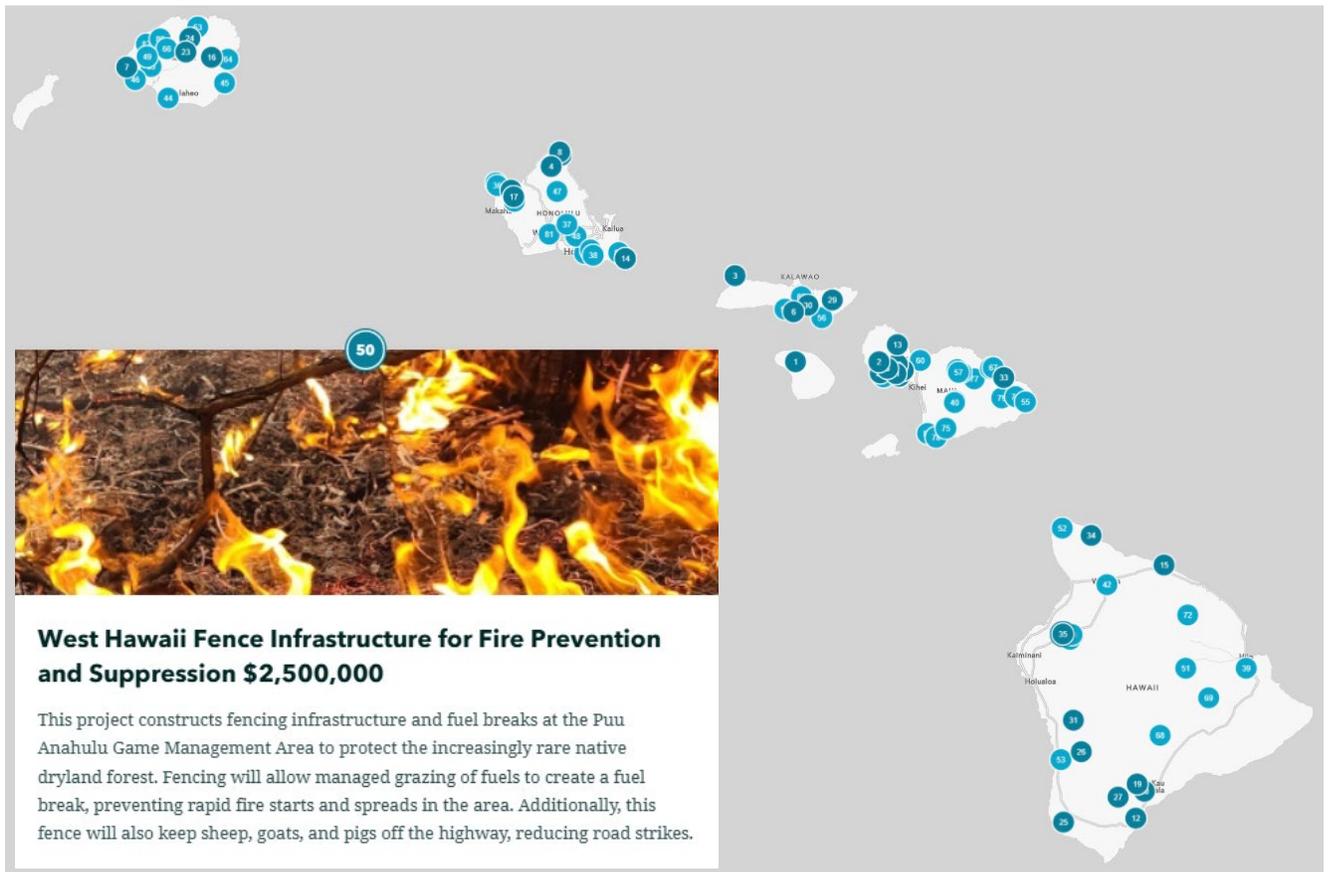
**In consideration of
SENATE BILL 1395 SD 2
RELATING TO STATE FUNDS**

Senate Bill 1395 Senate Draft 2 allocates interest earned on balances within the emergency and budget reserve fund to the general fund in years in which the emergency and budget reserve fund's balance exceeds the State's fund balance objective. For any fiscal year following a fiscal year in which emergency and budget reserve fund interest is deposited into the general fund, requires the Governor to include in the budget or supplemental budget submitted to the Legislature a request that an amount of general funds equal to the amount of interest deposited be expended to advance projects that address climate change impacts. **The Department of Land and Natural Resources (Department) supports this measure.**

According to the Climate Advisory Team's (CAT) policy recommendations, Hawai'i's first line of defense against climate change threats is a thriving environment. The CAT report prioritizes invasive species removal to lessen wildfire risk and fortify natural protections such as native forested watersheds and wetlands against storms. Forests and wetlands dramatically reduce erosion and flooding by holding soil and increasing water infiltration. Protecting Hawai'i's native forests is a priority action to secure Hawai'i's water supplies, which are increasingly affected by drought. Forests absorb cloud moisture, increasing water capture up to 50 percent more than rainfall alone. These actions directly mitigate climate change impacts and improve Hawai'i's adaptation to a changing climate. A study commissioned by the Greenhouse Gas Sequestration Task Force identified forest protection as the food and land use solution with the most impactful emissions reduction.

The Department supports directing general funds to advance projects that address climate change impacts to close the funding gap for managing Hawaii’s natural resources. The CAT recommended that environmental investment and stewardship of public lands receive \$137.5 million per year.

Please explore the Division of Forestry and Wildlife's [interactive story map](#) for a more detailed understanding of specific projects these funds could support. This map highlights ongoing and potential environmental stewardship initiatives across the state. Viewers can learn about the location, budget, and descriptions of over 80 possible projects, such as the example project below.



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West Hawaii Fence Infrastructure for Fire Prevention and Suppression \$2,500,000

This project constructs fencing infrastructure and fuel breaks at the Puu Anahulu Game Management Area to protect the increasingly rare native dryland forest. Fencing will allow managed grazing of fuels to create a fuel break, preventing rapid fire starts and spreads in the area. Additionally, this fence will also keep sheep, goats, and pigs off the highway, reducing road strikes.

Mahalo for the opportunity to testify on this measure.



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

JAMES DS. BARROS
ADMINISTRATOR OF
EMERGENCY MANAGEMENT
KAHU HO'OMALU PŪLIA

STATE OF HAWAII
DEPARTMENT OF DEFENSE
HAWAII EMERGENCY MANAGEMENT AGENCY

TESTIMONY ON SENATE BILL 1395,
RELATING TO STATE FUNDS

BEFORE THE HOUSE COMMITTEE ON
ENERGY AND ENVIRONMENTAL PROTECTION

BY

JAMES DS. BARROS
ADMINISTRATOR
HAWAII EMERGENCY MANAGEMENT AGENCY

MARCH 13, 2025

Aloha Chair Lowen, Vice-Chair Perruso, and Members of the Committee:

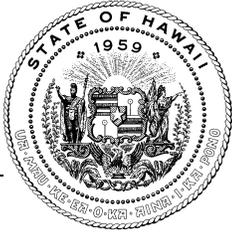
Thank you for the opportunity to submit a testimony to **SUPPORT** Senate Bill 1395 SD2.

The Hawaii Emergency Management Agency supports the bill draft that established the Climate Mitigation and Resiliency Special Fund and recognizes that Hawaii is facing increasing risks from climate change. By establishing this special fund, this bill will provide a dedicated source of funding for projects aimed at addressing climate change impacts. HIEMA believes that advancing this initiative will help strengthen the state's emergency preparedness and reduce the long-term costs of climate-related disasters.

By establishing a structured funding mechanism, HIEMA can work alongside other entities to implement critical projects that protect our communities, economy, and infrastructure from future climate threats. This collaborative, statewide approach is essential to ensure that Hawaii remains secure and sustainable in the face of climate change. HIEMA supports this measure, with the understanding that its passage will not negatively impact the priorities outlined in the Executive Budget.

Thank you for the opportunity to provide testimony in support of Senate Bill 1395 SD2.

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



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARK B. GLICK
CHIEF ENERGY OFFICER

(808) 451-6648
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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Thursday, March 13, 2025
9:45 AM
State Capitol, Conference Room 325 and Videoconference

In SUPPORT of the INTENT of
SB 1395, SD2

RELATING TO STATE FUNDS.

Chair Lowen, Vice Chair Perruso, and members of the Committee, the Hawai'i State Energy Office (HSEO) supports the intent of SB 1395, SD2, an Administration measure, which allocates interest earned on balances within the Emergency and Budget Reserve Fund (EBRF) to the general fund in years in which the EBRF's balance exceeds the State's fund balance objective, and requires the Governor to include in the budget or supplemental budget submitted to the Legislature a request that an amount of general funds equal to the amount of interest deposited be expended to advance projects that address climate change impacts.

HSEO concurs with the Legislature that immediate investments in climate change resilience and mitigation are needed to protect Hawai'i's economy and people. HSEO respectfully requests that the original version of this measure be restored with its establishment of the Climate Mitigation and Resiliency Special Fund (CMRSF) to be funded by interest earned by the EBRF. Should the original version of this measure be reinstated, HSEO stands ready to support the agencies tasked with administration of the CMRSF; particularly proposed CMRSF investments related to energy and transportation resilience.

As this is a fiscal issue, we defer to the appropriate agency for comment.

Thank you for the opportunity to testify.



LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
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MARY ALICE EVANS
DIRECTOR

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LATE TESTIMONY

Written Statement of
MARY ALICE EVANS, Director

before the
HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION
Thursday, March 13, 2025, 9:45AM
State Capitol, Conference Room 325

in consideration of
SB 1395, SD2
RELATING TO STATE FUNDS.

Chair Lowen, Vice Chair Perruso, and Members of the Committee on Energy and Environmental Protection:

The purpose of SB 1395, SD2 is to appropriate funds to establish the Climate Mitigation and Resiliency Special Fund and redirects interest earned from the emergency and budget reserve fund to the general fund when the reserve fund exceeds the State's target balance. In the following fiscal year, the Governor must propose using an equivalent amount of general funds for projects that mitigate climate change impacts.

The Office of Planning and Sustainable Development (OPSD) offers **comments** on SB 1395 SD2. The OPSD understands the long-term risks to the State's economy, sustainability, environment, culture, and way of life impacted by climate change. The creation of the special fund would have provided a needed funding source to help address the costs of climate change. However, the amendments to the SD2 would result in uncertainty and a delay between the need for climate adaptation and resiliency projects and appropriation of project funding.

Thank you for the opportunity to testify on this measure.



STATE OF HAWAII
HAWAII CLIMATE CHANGE MITIGATION & ADAPTATION
COMMISSION
POST OFFICE BOX 621
HONOLULU, HAWAII 96809

Co-Chairs:
Chair, DLNR
Director, OPSD

Commissioners:
Chair, Senate AEN
Chair, Senate WTL
Chair, House EEP
Chair, House WAL
Chairperson, HTA
Chairperson, DOA
CEO, OHA
Chairperson, DHHL
Director, DBEDT
Director, DOT
Director, DOH
Chairperson, DOE
Director, C+C DPP
Director, Maui DP
Director, Hawaii DP
Director, Kauai DP
The Adjutant General
Manager, CZM

Testimony of
LEAH LARAMEE
Climate Change Coordinator on behalf of
Climate Change Mitigation and Adaptation Commission Co-Chair Mary Alice Evans and
Co-Chair Dawn N.S. Chang

Before the House Committee on
ENERGY AND ENVIRONMENTAL PROTECTION

Thursday, March 13, 2025
9:45 AM
State Capitol, Conference Room 325 & Videoconference

In consideration of
SENATE BILL 1395 SENATE DRAFT 2
RELATING TO STATE FUNDS

Senate Bill 1395 SD2 allocates interest earned on balances within the emergency and budget reserve fund to the general fund in years in which the emergency and budget reserve fund's balance exceeds the State's fund balance objective; for any fiscal year following a fiscal year in which emergency and budget reserve fund interest is deposited into the general fund, requires the Governor to include in the budget or supplemental budget submitted to the Legislature a request that an amount of general funds equal to the amount of interest deposited be expended to advance projects that address climate change impacts. The Hawai'i Climate Change Mitigation and Adaptation Commission (Commission) **offers the following comments.** The Commission consists of a multi-jurisdictional effort between 20 different departments, committees, and counties to protect the lives and livelihoods of the people of Hawai'i through accelerated climate action.

Previous versions of this bill provide a sustainable funding mechanism to support climate actions across the state to mitigate and recover from the life-threatening impacts of climate change. Climate change is accelerating yet our state response has not matched the ambitions set or met the rate of implementation to meet the many challenges Hawai'i is already facing. Climate actions have been severely underfunded with expected costs rising each year of inaction. In order to adequately meet the growing impacts and costs of climate change to our economy, natural resources, communities and health, a Climate Mitigation and Resiliency Special Fund that allows for both long term dedicated funding for long range planning and nimble emergency response should be established.

The devastating fires of Lahaina, a singular event exacerbated by climate change, is expected to cost over \$12 billion dollars. Skyrocketing insurance premiums and mass exodus from insurance agents in vulnerable areas are a clear indication that we can no longer ignore the costly impacts of climate. A 2024 study shows that every \$1 spent on climate resilience and preparedness saves communities \$13 in damages, cleanup costs and economic impact.ⁱ An investment into climate mitigation and resilience is an investment into our people, economy and future. Annual allocations do not allow for both the flexibility needed to respond to emergency situations nor for the long term planning that can take place when funding is dedicated.

There is no shortage of actions that can be taken today. The Commission’s “Grants to Projects Bridge” (<https://climate.hawaii.gov/grants-to-projects-bridge>) has identified unfunded climate projects totaling nearly \$1 billion annually. These projects were identified as needs by state agencies, included in state and county plans, and submitted by community members ready to implement climate resilience in their communities. Climate action can not take place without funding. The new version of this bill does little to ensure that funding will be readily available to meet the needs of communities to build a resilient, affordable and safe climate ready Hawai‘i. Funding climate action is a hugely popular initiative that will not only save kama‘aina money and boost the economy but will also save lives.

Mahalo for the opportunity to testify on this measure.

ⁱ <https://www.uschamber.com/security/the-preparedness-payoff-the-economic-benefits-of-investing-in-climate-resilience>

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT GOVERNOR



Hawaii Green Infrastructure Authority

An Agency of the State of Hawaii

JAMES KUNANE TOKIOKA
CHAIR

GWEN S YAMAMOTO LAU
EXECUTIVE DIRECTOR

Testimony of
Gwen Yamamoto Lau
Executive Director
Hawaii Green Infrastructure Authority
before the
House Committee on Energy & Environmental Protection
Thursday, March 13, 2025, 9:45 AM
State Capitol, Conference Room 325
in consideration of
Senate Bill No. 1395, SD2
RELATING TO STATE FUNDS

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

Thank you for the opportunity to testify on SB1395, SD2, which addresses the impacts of climate change from interest accrued in the emergency and budget reserve fund. The Hawaii Green Infrastructure Authority supports the intent of this bill but respectfully requests that it reverts back to its original version.

Serving as a member of the Climate Advisory Team over the past six months has heightened my awareness of the devastating impacts of disasters and underscored the importance of investing in pre-disaster preparedness to mitigate future losses and long-term recovery.

As an island state, we are at ground-zero for climate related disasters. Adding to our vulnerabilities are islanded grids, with the next closest land mass that will be able to provide much needed resources over 2,300 miles away.

The objective in creating a Climate Mitigation and Resiliency Special Fund is to provide ongoing funding to:

- Increase resilience in our communities by fortifying homes susceptible to hurricanes, as well as ensuring our communities are provided with necessary resources, capacity building technical assistance (e.g., Vibrant Hawaii, Hawaii Hazards Awareness and Resilience Program; Hawaii Wildfire Management Organization, etc.) to provide pre and post-disaster education, planning and coordination through community-based organizations, to increase a community's readiness, in collaboration with local, state and federal agencies;
- Coordinate statewide planning, collaboration and conduct disaster preparedness exercises and drills on a regular basis to ensure communities, local, state and federal governments are aligned during an actual disaster; and
- Ensure a thriving environment by removing invasive plants that provide fuel for wildfires and fortify natural protections against hurricanes and storm surges.

Thank you for this opportunity to testify and provide comments on SB 1395, SD2.



Hawai'i Climate Advisory Team

To: Rep. Nicole E. Lowen, Chair
Rep. Amy A. Perruso, Vice Chair
House Committee on Energy & Environmental Protection

From: The Climate Advisory Team
SB1395, SD2 - Relating to State Funds - Support With Comments
Thursday, March 13, 2025, 9:45 a.m., Conference Room 325 & Videoconference

Aloha Chair Lowen, Vice Chair Perruso, and Members of the Committee,

Mahalo for the opportunity to testify **in support of the intent** of SB1395, SD2 relating to state funds. The Climate Advisory Team (CAT) strongly believes sustained resilience funding is urgently needed to protect Hawai'i residents, businesses, communities, and the environment from the adverse impacts of disasters like hurricanes, wildfires, earthquakes, and tsunamis. Such disasters are happening with increasing frequency and severity. The state must act now to fund resilience projects and programs that strengthen our ability to withstand catastrophic events.

The CAT is a volunteer group, convened by Governor Green to develop community-informed policy recommendations to help make Hawai'i more resilient to natural disasters. The CAT published its findings and recommendations in a [policy paper](#) in January 2025. **The CAT's top priority recommendation is for the state to establish dedicated revenue sources that ensure long-term funding for resilience projects. It is also a top priority of the Governor's administration for the 2025 legislative session.**

While we support the intent of SB1395, SD2 in that it would establish a funding mechanism to use the excess interest from the Emergency and Budget Reserve Fund (EBRF), the CAT respectfully requests that the bill be reverted to its original form which would establish a dedicated Climate Mitigation and Resiliency Special Fund. The special fund would ensure revenues generated from excess EBRF interest are directly spent on disaster resilience and climate mitigation work and allow for more expeditious release of funds for projects. The CAT underscores the viability of this funding approach to support disaster resilience work in Hawai'i, particularly the fact that it would not place added financial burden on residents, while still providing urgently needed revenues to address the increasing costs associated with disasters.

The magnitude of financial risk Hawai'i faces from potential disasters cannot be overstated. The ongoing expected loss to all properties in Hawai'i due to disasters is \$14 billion over the next 10 years, according to an actuarial analysis of disaster risk commissioned by the CAT. If no new resilience measures are implemented, losses are expected to increase roughly 25 percent over the next 25 years



Hawai'i Climate Advisory Team

because of continued climate change. These forecasted losses are strictly financial and do not begin to cover the impact of lives lost, community hardship, or irreparable damage done to Hawai'i's unique cultural fabric. More information about this analysis is available in [Section 3.1 of our Policy Recommendations on Climate Disaster Resilience, Recovery and Funding](#).

Investing in Hawai'i's environmental, infrastructure, and community resilience now can significantly reduce expected losses from disasters like hurricanes, wildfires, and floods. FEMA estimates that for every dollar invested, an average of \$6 can be averted in disaster costs. A California study similarly finds that every \$1 million spent annually on vegetation management, a form of environmental resilience work, can save roughly \$3.7 million in costs. Funding efforts that make our land, public infrastructure, residential homes, and communities more capable of weathering future disasters is a sound investment.

Revenues generated from the excess interest of the Rainy Day Fund should be directed to the most urgently needed environmental, infrastructure, and community resilience projects:

Environmental Resilience Projects:

- **Removal of Invasive Plants that Fuel Wildfires:** 25% of Hawai'i's land area is covered in flammable invasive grasses and shrubs. Investing in perpetual management of high-fire-risk vegetation will reduce the risk of wildfires and protect communities from the same kind of devastation Lahaina experienced. Examples of projects that urgently need funding for wildfire prevention are in South Kona, where highly flammable invasive fountain grass needs to be removed (\$500,000), and in West Maui, where a green break must be established to prevent the spread of wildfires to adjacent areas where natural resources, property, and public safety may be threatened (\$3 million).
- **Restore and Conserve Natural Projections Against Storm Surge, Tsunamis, and Flooding:** Fortifying mauka and makai ecosystems will significantly increase our protection against inland and marine flooding. One project that urgently needs funding is the Lumahai Watershed protection project on Kaua'i (\$1 million), which hooved animals, particularly feral pigs, are damaging. The loss of these forests impacts the communities below, which are threatened by flooding and erosion.

There are dozens of environmental resilience projects across the state in areas that face the highest risk of disaster devastation. Summaries of these projects are [available from the Department of Land and Natural Resources](#) (DLNR).

Community and Infrastructure Resilience Projects:

- **Address Critical System Vulnerabilities:** Our state's infrastructure is inadequately built for the known threat of future disasters. The CAT estimates that \$267.5 million over five years is



Hawai'i Climate Advisory Team

needed to enhance critical systems and address Hawai'i's greatest energy and supply chain vulnerabilities. Examples of projects that urgently need more funding and expediency are the Hawai'i Department of Transportation's (HDOT) harbor modernization projects that will address our supply chain vulnerabilities, and the upgrading of emergency communication systems across the counties and state.

- **Support Community Resilience Hubs:** Resilience hubs support residents before, during, and after emergencies, including disasters. Communities with well-equipped resilience hubs will fare better during and after disasters. The CAT's analysis finds that the state should invest \$60 million over the next five years to expand and strengthen resilience hubs on every island and work with on-the-ground organizations leading this work over the last several years.

Thank you for the opportunity to testify before your committee and provide comments on SB1395, SD2.

With aloha,

The Climate Advisory Team

**Testimony of The Nature Conservancy
Supporting SB 1395 SD2, Relating to Economic Development.
Committee on Energy & Environmental Protection
March 13, 2025 at 9:45 am
Conference Room 325 and via Videoconference**

Aloha Chair Lowen, Vice Chair Perruso, and Members of the Committees:

Mahalo for the opportunity to testify today. The Nature Conservancy (TNC) Hawai'i and Palmyra supports SB 1395 SD2, which allocates interest earned on balances within the emergency and budget reserve fund to the general fund in years in which the emergency and budget reserve fund's balance exceeds the State's fund balance objective. For any fiscal year following a fiscal year in which emergency and budget reserve fund interest is deposited into the general fund, requires the Governor to include in the budget or supplemental budget submitted to the Legislature a request that an amount of general funds equal to the amount of interest deposited be expended to advance projects that address climate change impacts.

Hawai'i faces surmounting environmental challenges like wildfires, disappearing coastlines, bleached coral reefs, and an underinvestment in the management of these natural and cultural resources. As an island region, our community safety faces growing risk the longer we go without significant funding toward environmental protection and restoration. Hawai'i is in immediate need of additional resources to conserve and protect our ecosystems, native species, coastlines, and the community livelihoods that depend on these resources.

Recent polling funded by the Nature Conservancy and the Trust for Public Land shows that 3 in 4 visitors support paying their appropriate contribution for the protection and restoration of the natural places and resources they use, visit, and experience during their time here. Paired with polling from previous years showing support with over 85% of Hawai'i voters, there is clearly immense public support for this initiative.

SB 1395 SD2 is one clear pathway to protecting, restoring, and enhancing Hawai'i for our local communities and the visitors we share it with, for future generations and beyond. By establishing a clear climate resilience fund, we ensure that our State makes the long-term, sustained investments to care for our 'āina and reduce risk to our communities. However, we encourage the legislature to ensure that the proposed mechanisms in this bill align with the scale of our challenges and make use of the strong expertise already in place in our State government.

Mahalo for the opportunity to testify in support of SB 1395 SD2.

Guided by science, TNC is a non-profit organization dedicated to the preservation of the lands and waters upon which all life depends. The Conservancy has helped protect more than 200,000 acres of natural lands in Hawai'i and Palmyra Atoll. We manage 40,000 acres in 13 nature preserves and have supported over 50 coastal communities to help protect and restore the nearshore reefs and fisheries of the main Hawaiian Islands.

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CATHOLIC CHARITIES HAWAII



SENATE COMMITTEE ON WAYS & MEANS

March 13, 2025, 9:45 a.m., Room 325

Testimony in strong support of SB 1395 SD2

Aloha Chair Lowen, Vice Chair Perruso, and members of the Energy & Environmental Protection Committee:

As partners of Climate Hawaii, an initiative of the Hawaii Executive Collaborative (HEC), we strongly support SB 1395, which seeks to provide increased funding for projects that reduce climate disaster risks, strengthen community resilience, and protect Hawaii's environment and economy from the escalating impacts of climate change. We do support early drafts of this measure which establishes the Climate Mitigation and Resiliency Special Fund to provide this dedicated, long-term funding.

By using the interest from the state's Emergency and Budget Reserve Fund, or "Rainy Day Fund," this measure ensures that Hawai'i can invest in resilience without placing new financial burdens on residents.

Why the Climate Mitigation and Resiliency Fund is Essential

Hawai'i is on the frontlines of the climate crisis. Rising sea levels, extreme weather, wildfires, and prolonged droughts threaten communities, infrastructure, and natural resources. Without proactive investment, climate-related disasters could cause billions of dollars in economic losses in the coming decades. Senate Bil 1395 establishes a stable, state-level funding source to support climate adaptation and mitigation efforts, resilient infrastructure investments, ecosystem restoration, and community-driven preparedness initiatives—all critical to safeguarding Hawai'i's future.

Beyond immediate disaster response, this fund allows for long-term, proactive planning, ensuring our state is not solely dependent on unpredictable and often insufficient federal grants. Investing in resilience now is a financially responsible approach—every \$1 spent on adaptation saves \$6 in future disaster costs. Yet historically, climate mitigation has been underfunded compared to post-disaster recovery. Senate Bil 1395 corrects this imbalance by providing consistent, dedicated resources to strengthen Hawai'i's ability to withstand climate-related threats.

Preferred Provisions of SB 1395

- Establishes the Climate Mitigation and Resiliency Special Fund under the Department of Defense, ensuring a coordinated, strategic approach to disaster mitigation.
- Allocates all earned interest from the Emergency and Budget Reserve Fund ("Rainy Day Fund") to finance climate resilience projects.
- Avoids new taxes or burdens on residents, leveraging existing state resources without depleting the principal of the Rainy Day Fund.
- Supports long-term, proactive planning rather than relying solely on costly post-disaster recovery efforts.

A Community-Centered Approach to Resilience

For Hawai'i to maximize the impact of this fund, resources must reach the communities most at risk. We urge the Legislature to ensure that vulnerable areas, particularly those prone to wildfires, flooding, and coastal erosion, receive priority funding. Local expertise and Indigenous knowledge must also play a central role, with partnerships that support Native Hawaiian stewardship practices, community-based organizations, and locally driven resilience efforts. Training programs, home retrofits, and neighborhood-scale emergency preparedness initiatives will be essential to making Hawai'i's communities more climate-resilient from the ground up.

The Cost of Inaction

Without this fund, Hawai'i will remain dangerously exposed to climate disasters, with no dedicated mechanism to mitigate risks. The cost of inaction is immense—higher taxpayer burdens from repeated emergency response, lost economic opportunities as insurance costs rise, and increased disruptions for businesses and communities. Investing in resilience today prevents greater losses tomorrow, ensuring a more sustainable and prepared future for Hawai'i's people and economy.

A Needed Solution for Hawai'i's Climate-Resilient Future

Senate Bil 1395 represents a commonsense, fiscally responsible approach to protecting lives, reducing costs, and strengthening Hawai'i's ability to adapt to a changing climate. We strongly urge the Legislature to pass this measure to provide the long-term investment Hawai'i urgently needs.

Mahalo for your leadership and the opportunity to testify.

About the Hawai'i Executive Collaborative

The Hawai'i Executive Collaborative (HEC) is a nonprofit organization that serves as a convener and provides backbone support to leaders from different sectors who want to help build a more resilient economy and state. HEC members believe in the power of acting collectively and focus their energies and resources on areas where immediate and systemic changes will benefit Hawai'i and the world. For more information on Climate Hawai'i's real-world, high-impact solutions, please visit climatehawaii.earth.

Hawai'i Executive Collaborative Climate Hawai'i partners supporting this testimony:

- AES Hawai'i
- aio
- Blue Planet Foundation
- Bowers + Kubota
- Catholic Charities Hawaii
- Chaminade University
- County of Kaua'i
- Elemental Impact
- Hawaii Solar Energy Association
- Hawaiian Electric
- Hua Nani Partners
- Manoa Valley Theatre
- Sun Noodle
- Young Brothers
- Zephyr Insurance
- The Nature Conservancy, Hawai'i and Palmyra



Care for 'Āina Now Coalition

March 13, 2025

House Committee on Energy & Environmental Protection
Rep. Nicole Lowen, Chair
Members of the Committee

Re: The Imperative of Allocating Adequate Funding to Protect Natural Resources
Support SB1395 SD2, Relating to State Funds

Aloha!

Thank you for the opportunity to support SB1395 SD2, relating to State Funds.

At its core, our recommendation is for Hawai'i to significantly increase funding for natural resource management and restoration. How we protect and manage our natural resources will determine whether our children and future generations inherit a healthy, safe, and sustainable environment. An additional \$560 million annually is needed to close the current budget shortfall in protecting our islands against in protecting our islands against climate threats, wildfires, and the impacts of over-tourism. We support this measure for its potential to help close that gap.

Natural resources are the lifeblood of our pae 'āina, providing us with the essentials for survival and the foundation for Hawaii's economy, our very society. These resources include clean air and water, fertile soil, living coral reefs, stable coastlines and beaches, biodiversity and healthy forests. We commend the legislature, cognizant of the local and global threats to these riches, for declaring Hawaii to be the first state in the nation to declare a climate emergency. Protecting and restoring these resources is a moral, economic, and ecological imperative.

We are a coalition of individuals and organizations committed to supporting better management of the state's natural resources for the protection of our communities, our water supplies, our economy, and our environment. Legislators have a unique role in shaping policies that reflect our ethical obligation to safeguard the environment for all living beings.

Please support this measure.

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, Requires Governor to include in budget an amount to advance projects that address climate change

BILL NUMBER: SB 1395 SD 2

INTRODUCED BY: Senate Committee on Ways and Means

EXECUTIVE SUMMARY: Allocates interest earned on balances within the emergency and budget reserve fund to the general fund in years in which the emergency and budget reserve fund's balance exceeds the State's fund balance objective. For any fiscal year following a fiscal year in which emergency and budget reserve fund interest is deposited into the general fund, requires the Governor to include in the budget or supplemental budget submitted to the Legislature a request that an amount of general funds equal to the amount of interest deposited be expended to advance projects that address climate change impacts.

SYNOPSIS: Amends section 328L-3 HRS, to credit interest earned on balances within the Emergency and Budget Reserve Fund to the General Fund in years in which the Emergency and Budget Reserve Fund's balance exceeds its' fund balance objective established in Administrative Directive No. 22-01 (available at <https://budget.hawaii.gov/wp-content/uploads/2022/12/Administrative-Directive-No.-22-01.pdf>).

Adds a new section 37-____, HRS, to have the Governor request in the budget or supplemental budget that the interest deposited into the General Fund pursuant to amended section 328L-3, HRS, be expended for specific projects that address climate change impacts, including projects that mitigate, adapt to, or increase resiliency to climate change.

EFFECTIVE DATE: July, 1 2050.

STAFF COMMENTS: This is an Administration bill sponsored by the Office of the Governor and designated GOV-01 (25).

The current draft of the bill contemplates the following:

1. If the rainy day fund plus the interest that it earns does not exceed the fund balance objective (which appears to be 10% of the preceding year's general fund revenues under section I.d.ii of Administrative Directive 22-01).
2. If the rainy day fund plus interest does exceed the fund balance objective, then the amount of excess E is deposited into the general fund.
3. If the amount E from the previous fiscal year is not zero, the Governor must request the Legislature to expend the amount E to advance specific projects that address climate change.

We are impressed that the bill is trying to solve this problem without the use of a special fund. However, we are concerned that step 3 violates the separation of powers doctrine. Less

Re: SB 1395 SD 2

Page 2

objectionable would be a requirement that the executive branch report the amount E to the Legislature and/or selected committees and executive departments, so said committees and executive departments can work out a way to spend the funds.

Digested: 3/11/2025



Testimony in Support of SB1395 SD1 Relating to State Funds

Aloha Chair Lowen, Vice Chair Perruso, and Members of the House Committee on Energy and Environmental Protection,

Hawai'i Food+ Policy strongly supports SB1395 SD2, which ensures that interest earned from the Emergency and Budget Reserve Fund is allocated toward advancing projects that mitigate, adapt to, and build resilience against climate change. This critical funding mechanism provides Hawai'i with a sustainable, long-term strategy to address the growing threats of climate change while leveraging existing financial resources.

Hawai'i is on the frontlines of the climate crisis, facing extreme droughts, wildfires, rising sea levels, and increasingly unpredictable weather patterns. The devastating Lahaina wildfires, which claimed 102 lives on Maui, serve as a stark reminder that urgent action is needed. Without dedicated investments in climate adaptation and mitigation, these disasters will become more frequent and severe.

SB1395 SD2 ensures that Hawai'i has the physical resources to take proactive measures, such as strengthening infrastructure, protecting coastal communities, and enhancing disaster preparedness. **By passing this bill, the Legislature has an opportunity to make an inevitable investment towards the long-term safety, sustainability, and resilience of our islands.**

We urge you to **pass SB1395 SD2** and ensure Hawai'i is equipped to confront the climate crisis with the urgency it demands.

Mahalo,
Hawai'i Food+ Policy Team

The Food+ Policy internship develops student advocates who learn work skills while increasing civic engagement to become emerging leaders. We focus on good food systems policy because we see the importance and potential of the food system in combating climate change and increasing the health, equity, and resiliency of Hawai'i communities.

In 2025, the cohort of interns are undergraduate and graduate students and young professionals working in the food system. They are a mix of traditional and nontraditional students, including parents and veterans, who have backgrounds in education, farming, public health, nutrition, and Hawaiian culture.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF SB 1395, SD2: RELATING TO STATE FUNDS

TO: House Committee on Energy & Environmental Protection

FROM: Tina Andrade, President and CEO, Catholic Charities Hawaii

Hearing: **Thursday, 3/13/25; 9:45 am;** Videoconference and Room 325

Chair Lowen, Vice Chair Perruso, and Members, Committee on Energy & Environmental Protection::

Catholic Charities Hawaii **supports SB 1395, SD2**, which would increase the state's resilience to climate change by allocating the interest earned from the balance in the Emergency and Budget Reserve Fund (EBRF) to the General Fund if the EBRF balance exceeds the State's objectives for this fund. Requires the Governor to utilize this interest in the following year and to request to expend general funds equal to this interest to advance projects that address climate change impacts.

Catholic Charities Hawaii (CCH) is a tax exempt, community-based organization that has been providing social services in Hawaii for over 77 years. CCH has programs serving elders, children, families, veterans, homeless and immigrants. We serve over 40,000 people each year throughout the state.

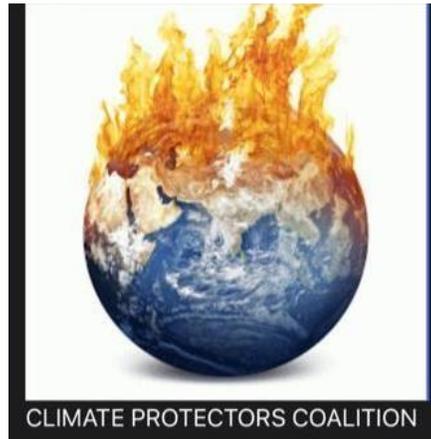
As a community-based organization committed to serving Hawaii's most vulnerable populations, we recognize that climate change disproportionately impacts low-income families, kupauna, and underserved communities. Rising sea levels, wildfires, and extreme weather events pose an increasing threat to homes, livelihoods, and essential services. Without proactive investment, these challenges will continue to escalate, placing greater burdens on our residents and economy.

SB 1395 provides a fiscally responsible solution by leveraging interest from the state's Emergency and Budget Reserve Fund, ensuring that Hawaii can invest in climate resilience without imposing new financial burdens on residents. This dedicated funding could kickstart forward-thinking investments that would mitigate, adapt to, or increase resiliency to climate change. These projects would be essential to safeguard Hawaii's future.

We urge the Legislature to pass SB 1395 to ensure a stable, long-term funding mechanism for climate adaptation and disaster preparedness. By taking action now, we can protect our communities, reduce future recovery costs, and build a more resilient Hawaii for generations to come.

We urge your support for this bill. If you have any questions, please contact our Legislative Liaison, Betty Lou Larson at (808) 527-4813.





To: The Honorable Chair Nicole Lowen, the Honorable Vice Chair Amy Perruso, and Members of the Committee on Energy and Environment.

From: Hawai'i Reef and Ocean Coalition and Climate Protectors Hawai'i (by Ted Bohlen)

Re: Hearing **SB1395 SD2 RELATING TO STATE FUNDS**

Hearing: Thursday March 13, 2025 9:45 a.m. Rm.325

Aloha Chair Lowen, Vice Chair Perruso, and Members of the Committee on Energy and Environment:

Hawai'i Reef and Ocean Coalition (HIROC) is a group of scientists, educators, filmmakers and environmental advocates who have been working since 2017 to protect Hawaii's coral reefs and ocean. The Climate Protectors Hawai'i seeks to educate and engage the local community in climate change action, to help Hawai'i show the world the way back to a safe and stable climate.

Hawai'i Reef and Ocean Coalition and Climate Protectors Hawai'i **SUPPORT** SB1395 SD2!

Hawai'i is experiencing a **climate emergency! The effects of climate warming are here now and will increase in the future!** From the rain bomb in Haena to the catastrophic fire in Lahaina, to droughts, floods, and more intense storms and more invasive species, **climate warming will necessitate greater reserves for the increased level of disasters. We need to invest now in efforts to limit and adapt to climate effects and become more resilient against both current and future climate impacts.**

This bill would allocate interest earned on balances within the emergency and budget reserve fund to the general fund and require the Governor to request in the budget an equal amount to advance projects that address climate change.

Please pass a funding bill to mitigate the impacts and costs of climate warming and make Hawaii more resilient against climate warming.

Mahalo!

Hawai'i Reef and Ocean Coalition and Climate Protectors Hawai'i (by Ted Bohlen)



HAWAI'I LAND TRUST

House Committee on Energy & Environmental Protection

Date: Thursday, March 13, 2025

Time: 9:45 AM

Place: Via Video Conference & Conference Room 325

Re: **SUPPORT – SB1395 SD2, Relating to State Funds**

Aloha e Luna Ho'omalua Lowen, Hope Luna Ho'omalua Perruso, a me nā Lālā o ke Kōmike:

Hawai'i Land Trust **SUPPORTS** SB1395 SD2, which provides a mechanism to allocate surplus interest from the Emergency and Budget Reserve Fund (EBRF) toward climate mitigation and resiliency efforts. This measure provides critical tools and funding to help Hawai'i adapt to and mitigate the growing threats of climate change while building resilience for our future.

Hawai'i's communities, ecosystems, and cultural resources are already feeling the effects of climate change, from rising sea levels to extreme weather events and ecosystem disruptions. These challenges jeopardize the well-being of our people our 'āina, and the sustainability of our economy. SB1395 SD2 recognizes the urgency of this crisis by ensuring that climate resilience remains a priority in the state's financial planning.

We support continued efforts to strengthen funding commitments and ensure that resources are allocated toward climate resilience projects that protect our natural and cultural resources, enhance disaster preparedness, and support vulnerable communities.

I ola ka 'āina, ola kākou nei. Healthy lands support thriving communities. SB1395 SD2 is essential to safeguarding Hawai'i's future and ensuring that our communities and 'āina can thrive in the face of climate change.

Mahalo for this opportunity to testify,

'Olu Campbell

President and Chief Executive Officer



HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

MARCH 13, 2025

SB 1395, SD2, RELATING TO STATE FUNDS

POSITION: SUPPORT WITH AMENDMENTS

Coalition Earth **supports and suggests amendments** for SB 1395, SD2, relating to state funds, which allocates interest earned on balances within the emergency and budget reserve fund to the general fund in years in which the emergency and budget reserve fund's balance exceeds the state's fund balance objective; and for any fiscal year following a fiscal year in which emergency and budget reserve fund interest is deposited into the general fund, requires the Governor to include in the budget or supplemental budget submitted to the Legislature a request that an amount of general funds equal to the amount of interest deposited be expended to advance projects that address climate change impacts.

Please amend this measure by reverting its language back to the bill's original intent, which mandated the allocation of all earned interest from the Emergency and Budget Reserve Fund into the newly created Climate Mitigation and Resiliency Special Fund. While we understand the desire to sustain the legislature's appropriation authority, we note that the climate crisis is a persistent threat, something the legislature itself acknowledged In July 2021, when it passed SCR 44 and made Hawai'i the first state to declare a climate emergency.

According to a report produced by the Hawai'i Climate Change Mitigation and Adaptation Commission, global sea levels could rise more than three feet by 2100, with more recent projections showing this occurring as early as 2060. In turn, over the next 30 to 70 years, approximately 6,500 structures and 19,800 people statewide will be exposed to chronic flooding. Additionally, an estimated \$19 billion in economic loss would result from chronic flooding of land and structures located in exposure areas. Finally, approximately 38 miles of coastal roads and 550 cultural sites would be chronically flooded, on top of the 13 miles of beaches that have already been lost on Kaua'i, O'ahu, and Maui to erosion fronting shoreline armoring.

As we work to reduce carbon emissions and stave off the worst consequences of climate change, we must begin preparing for the adverse impact of sea level rise on our shores. We are now quantifying the speed at which we must act. We cannot continue to develop the 25,800-acre statewide sea level rise exposure area—one-third of which is designated for urban use—without risking massive structural damage and, potentially, great loss of life.

Just two years ago, we witnessed the impact of the climate emergency on our shores. On August 8, 2023, wildfires swept across Maui and killed at least 100 people, making it one of the nation's deadliest natural disasters. The spread of the fires has been attributed to climate change conditions, such as unusually dry landscapes and the confluence of a strong high-pressure system to the north and Hurricane Dora to the south. The wildfires destroyed over 2,200 structures, including numerous residential buildings, historic landmarks, and school facilities. In September 2023, a report from the United States Department of Commerce estimated the total economic damage of the wildfires to be roughly \$5.5 billion. Investing in renewable energy generation could not be more urgent, given the growing threat of climate catastrophes to our island home.

Therefore, **our state should take steps to accelerate our transition to a clean energy economy and continue our fight against climate change, including by increasing investments in the climate mitigation and adaptation strategies necessary to protect our society and our shores.** In 2019, Conservation International published a report on our need to boost funding to defend our islands' natural resources. Entitled "Green Passport: Innovation Financing Solutions for Conservation In Hawai'i," the report concluded that the state has an annual spending gap of \$358 million to sufficiently manage its natural environment.

We are facing a similar gap when it comes to generating sustainable revenue to combat the worst effects of the climate emergency. In June of last year, the state reached a settlement agreement in the landmark case of *Navahine v. Hawai'i Department of Transportation*, in which Gov. Josh Green acknowledged the constitutional rights of Hawai'i's youth to a life-sustaining climate and confirmed the commitment by HDOT to plan and implement transformative changes to Hawai'i's transportation system to achieve the state's goal of net-negative emissions by 2045. The agreement included numerous provisions for climate action, such as:

- Establishing a Greenhouse Gas Reduction Plan within one year of the agreement, laying the foundation and roadmap to decarbonize Hawai'i's transportation system within the next 20 years;
- Creating a lead unit and responsible positions within HDOT to coordinate the mission of GHG reduction throughout the agency; oversee climate change mitigation and adaptation for the highways program; and ensure implementation of the Complete Streets policy of building and upgrading public highways for all users, ages, and abilities;
- Establishing a volunteer youth council to advise on HDOT mitigation and adaptation commitments in the years to come;
- Improving the state transportation infrastructure budgeting process to prioritize reduction of GHG and vehicles miles traveled (VMT) and transparently analyze and disclose the GHG and VMT impacts of each project and the overall program; and

- Making immediate investments in clean transportation infrastructure, including completing the pedestrian, bicycle, and transit networks in five years, and dedicating a minimum of \$40 million to expanding the electric vehicle charging network by 2030.

On January 28th, Gov. Green issued an executive order to promote and expedite the development of renewable energy in our state. Amidst uncertainty regarding renewable energy policy created by the Trump administration and concerns over grid stability across the state, the order accelerates renewable development for neighbor island communities to hit 100 percent renewable portfolio standards from 2045 to 2035, sets a statewide goal of 50,000 distributed renewable energy installations (such as rooftop solar and battery systems) by 2030, and directs state departments to streamline the permitting of renewable developments to reduce energy costs and project development timelines.

These ambitious actions are essential to the preservation of our state's and our keiki's future. We must ensure that funding is available to meet our obligation to safeguard our planet from the climate catastrophe for generations to come.

Coalition Earth is a nongovernmental organization that works to preserve the well-being of people and our planet. We champion policies that advance climate resilience, clean energy, public health, and economic fairness for working families. Contact us at info@coalitionearth.org.



To: Rep. Nicole E. Lowen, Chair
Rep. Amy A. Perruso, Vice Chair
House Committee on Energy & Environmental Protection

From: The Climate Advisory Team
SB1395, SD2 - Relating to Economic Development - In Strong Support
Thursday, March 13, 2025, 9:45 a.m., Conference Room 325 & Videoconference

Aloha Chair Lowen, Vice Chair Perruso, and Members of the Committee,

Mahalo for the opportunity to testify **in support** of SB1395, SD2 relating to state funds. I am the Executive Director of Vibrant Hawai'i, a nonprofit organization on Hawai'i Island dedicated to bringing people together to build capacity, confidence, and courage to take action and build a vibrant Hawai'i. I write today in support of this bill, which would establish a funding mechanism for the state to address climate-related disasters by allocating excess interest from the Emergency and Budget Reserve Fund to critical environmental and community resilience projects.

Vibrant Hawai'i is deeply involved in fortifying the resilience of our island communities, particularly in the face of increasingly severe disasters like wildfires, hurricanes, earthquakes, floods, and tsunamis. We coordinate a network of community-led [Resilience Hubs](#) that are equipped to fulfill community needs during disasters. We also facilitate the [Resilience Alliance](#), a network of Hawai'i Island nonprofits and businesses that are committed to building internal resilience and preparedness in the event of an emergency, as well as participating in coordinated responses to disasters when they happen.

Hawai'i Island – with its vast geography, rural communities, and exposure to multiple disaster risks – needs sustained investment in environmental, infrastructure, and community resilience initiatives. SB1395, SD2 would provide a practical revenue source to fund programs that will build a more resilient future for our people without placing added financial burden on kama'āina. At a time when federal funding sources are uncertain, we need our state government to prioritize and fund efforts that protect our precious natural resources and our communities, and increase our ability to withstand extreme weather events.

Disasters exacerbate existing economic disparities by drastically increasing the cost of housing, food, and utilities – not to mention the staggering cost associated with recovery and rebuilding when disasters do hit. Investing in disaster resilience has been found to reduce the cost of recovery in other states. It could also provide employment opportunities for Hawai'i Island youth to do impactful work in their local communities, ensuring more of our young people can remain in Hawai'i.



Disasters are not a future problem: they are here now, and growing worse each year. SB1395, SD2 is an important step in ensuring that excess interest earned from the Rainy Day Fund can be strategically directed towards solutions that protect Hawai'i Island communities, our environment, and our way of life. Please advance this measure for further discussion. Mahalo for your leadership and commitment to a more resilient Hawai'i.

Mahalo,

Janice Ikeda
Executive Director
Vibrant Hawai'i

SB-1395-SD-2

Submitted on: 3/12/2025 12:29:06 PM

Testimony for EEP on 3/13/2025 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Matthew Chalker	Wildfire Safety Advocates of Waikoloa	Support	Written Testimony Only

Comments:

Testimony in Support of SB1395 and SB1396

**Submitted by Matt Chalker
Wildfire Safety Advocates of Waikōloa**

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, and Members of the Senate Ways and Means Committee,

My name is Matt Chalker, and I am submitting testimony on behalf of the Wildfire Safety Advocates of Waikōloa, a community-based organization dedicated to reducing wildfire risk and improving wildfire safety across Hawai‘i Island. We strongly support SB1395 and SB1396, both of which provide essential, long-term funding for climate resilience, disaster preparedness, and economic sustainability—crucial investments in the safety of Hawai‘i’s communities.

SB1395 ensures that excess interest from the Emergency and Budget Reserve Fund is directed toward climate adaptation, mitigation, and resilience projects. This is a fiscally responsible approach to funding disaster preparedness that does not require new taxes or additional financial burdens on local residents.

This bill is critical because it:

- Dedicates up to \$75 million annually to resilience projects, preparing Hawai‘i for wildfires, hurricanes, earthquakes, and floods.**
- Utilizes existing state funds rather than increasing costs for Hawai‘i families.**
- Supports proactive disaster preparedness, reducing the financial and human costs of future climate-related disasters.**

The Waikōloa region faces extreme wildfire risks, with some of the most hazardous power lines in the state. Without investment in defensible space, vegetation management, and infrastructure hardening, our communities remain highly vulnerable to future disasters. SB1395 helps ensure the state acts proactively to mitigate these threats.

SB1396, SD3 – Investing in Climate Resilience & Sustainable Tourism

SB1396 proposes a moderate increase to the Transient Accommodations Tax (TAT) to fund climate resilience and responsible tourism management. Visitors who enjoy our islands must also contribute to protecting them, ensuring Hawai‘i remains a desirable and safe destination for future generations.

This bill is vital because it:

- Ensures visitors help fund resilience projects that protect our communities and environment.**
- Acknowledges the impact of tourism on Hawai‘i’s resources and provides a sustainable funding source for disaster preparedness.**
- Strengthens economic stability by safeguarding Hawai‘i’s infrastructure, natural landscapes, and communities from climate disasters.**

The wildfires that devastated Lāhainā and threatened Waikōloa Village show that Hawai‘i cannot afford to delay climate action. Every dollar spent on mitigation saves six dollars or more in disaster recovery costs. Investing in climate resilience today will protect lives, reduce financial losses, and safeguard Hawai‘i’s future.

We urge the Senate Ways and Means Committee to advance SB1395 and SB1396 to ensure Hawai‘i makes the necessary investments in climate resilience and disaster preparedness. The Wildfire Safety Advocates of Waikōloa remain committed to working with state leaders, local agencies, and community partners to build a safer, more sustainable future for our islands.

Mahalo for your time and consideration. Please do not hesitate to contact me if you have any questions or require additional information.

**Sincerely,
Matt Chalker
Wildfire Safety Advocates of Waikōloa**



Testimony **in Opposition** to Climate Special Funds

The residents of Hawaii are fed up with being coerced into funding government extravagances at their expense. SB1395/HB1076 is an obvious overreach of state power that would mandate financial contributions from hardworking individuals to fuel government whims. Our emergency funds are allocated for true emergencies.

This proposed bill seeks to siphon off resources from taxpayers under the guise of addressing climate concerns. However, the citizens of Hawaii are tired of shouldering the burden of government inefficiency and misplaced priorities. We demand transparency and accountability in our financial affairs, and this bill fails to provide clear numbers, directives, or safeguards to ensure the responsible allocation of public funds.

Hawaii's people understand the necessity of preserving emergency reserves for genuine crises and the need to preserve fiscal prudence for when it truly matters. It is time for our leaders to prioritize the rights and interests of the people over their own pet projects and bureaucratic ambitions. How can you approve a bill with no specified amounts anyway? At best, it's irresponsible. At worst, it's *very shady!*

Oppose this measure and heed the pressing concerns of the people of Hawaii. Uphold the principles of fiscal responsibility, prioritize emergency readiness, and respect the hard-earned income of your constituents. Let's keep Hawaii from becoming a playground for government excesses and financial coercion.

In Freedom,
Abbra Green
lphisecretary@gmail.com

House Committee on Energy and Environmental Protection

March 12, 2025

Subject: Support for SB1395

Dear Chair Lowen and Members of the Committee,

I am Melissa Chimera, a Landcare Program Specialist working with Dr. Clay Trauernicht, the UH wildfire scientist on land stewardship as it relates to wildfire planning and mitigation. Preserving and protecting Hawaii's natural resources is a career-long concern of mine, having worked in ecological protection, Pacific island wildfire science and environmental education for thirty years—for the Hawaii Army National Guard, the Nature Conservancy, Haleakala National Park, and the Hawaii Wildfire Management Organization.

I am writing in support of Senate Bill 1395 which would invest in projects that address climate change impacts.

As you know, Hawaii is on the front lines of climate change. Our islands face threats such as rising sea levels, increasingly frequent and severe storms, droughts, wildfires and loss of biodiversity, all of which pose significant risks to our people, economy, and infrastructure. Addressing these challenges requires immediate and sustained action.

SB1395 ensures that Hawaii can tap into existing financial resources without placing additional strain on taxpayers or diverting funds from essential services. This will allow the state to make meaningful investments in climate action, including but not limited to:

- Coastal protection and restoration projects.
- Renewable energy development and infrastructure.
- Water conservation and drought management initiatives.
- Resilience and adaptation planning for communities most vulnerable to climate change impacts.

This bill creates a level of accountability and ensures that these resources are consistently and transparently directed toward combating climate change. By including these requests in the budget or supplemental budget, SB1395 provides a structured approach for long-term climate action planning. Having worked in Hawaiian land stewardship and advocacy since 1996, it's an approach I have long wanted to see.

Thank you for the opportunity to submit this testimony.

Sincerely,



Melissa Chimera
Landcare Program Specialist
University of Hawai'i at Mānoa
Department of Natural Resources and Environmental Management
808-280-2669

SB-1395-SD-2

Submitted on: 3/12/2025 7:56:18 AM

Testimony for EEP on 3/13/2025 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

A good way to raise funds without raising taxes. Mahalo!

SB-1395-SD-2

Submitted on: 3/10/2025 3:22:58 PM

Testimony for EEP on 3/13/2025 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Caroline Azelski	Individual	Oppose	Written Testimony Only

Comments:

Oppose. If all the interest is withdrawan yearly then there is no compound growth. It should be 50% retained in the fund and 50% withdrawn or something like this. Then both the balace and the interest amounts can grow over time potentially faster and faster.

SB-1395-SD-2

Submitted on: 3/11/2025 1:57:41 PM

Testimony for EEP on 3/13/2025 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Denise E Antolini	Individual	Support	Written Testimony Only

Comments:

Aloha EEP Chair Lowen, Vice Chair Perruso, and Members,

I write in my individual capacity, as a community member living in a rural area vulnerable to climate disasters - I am in strong support of SB1395.

I greatly appreciate your hearing this bill and moving it forward!

Mahalo,

Denise

SB-1395-SD-2

Submitted on: 3/11/2025 10:04:21 PM

Testimony for EEP on 3/13/2025 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Nicholas Zehr	Individual	Oppose	Written Testimony Only

Comments: Honorable Chair, Vice Chair, and Members of the Committee, I am writing to express my opposition to SB1395, which proposes reallocation of interest from the Emergency and Budget Reserve Fund to fund state-directed climate change projects. While I agree that climate change is a critical issue, I believe this bill presents several concerns regarding the potential for inefficient use of public resources and the appropriate role of government in addressing this challenge. Climate change is an urgent issue, but government-run initiatives often suffer from inefficiencies, bureaucratic delays, and a lack of flexibility. Mandating that the state direct funds toward specific climate mitigation projects could limit the ability of businesses and individuals to develop and implement innovative, cost-effective solutions. The private sector is often better positioned to find flexible and efficient ways to address climate challenges. The state's role should be to facilitate, rather than mandate, solutions that allow for the most effective use of resources. Government-driven projects can be slow and cumbersome, and the state should focus on fostering an environment that encourages private-sector innovation rather than imposing top-down mandates. The Emergency and Budget Reserve Fund is meant to provide financial stability during emergencies, such as natural disasters or economic downturns. By redirecting interest from this fund toward climate change projects, the state risks weakening its ability to respond to unforeseen emergencies. While climate change is a growing concern, the priority for this fund should remain on ensuring that the state is prepared for immediate and unpredictable crises. Instead of committing funds to long-term climate projects that may not have an immediate impact, it is crucial that the state preserves the flexibility to address emergencies that require swift and decisive action. While this bill does not create new taxes, it mandates increased government spending by reallocating interest from the Emergency and Budget Reserve Fund for climate change projects. History has shown that government-run projects often exceed budgets, suffer from inefficiencies, and fail to deliver the desired results. Without clear accountability and oversight, this bill could result in ineffective use of taxpayer money. A more effective approach would involve creating transparent processes for evaluating the effectiveness of climate projects. This could include performance metrics, independent reviews, and clear objectives to ensure that funds are used efficiently and achieve measurable outcomes. Hawai'i is particularly vulnerable to the impacts of climate change, and while global efforts are essential, state and local solutions are often the most effective. However, these solutions do not necessarily require large-scale, state-mandated projects. Instead, Hawai'i should prioritize creating an environment that encourages innovation and collaboration across sectors. For example, public-private partnerships and tax incentives for businesses to invest in climate resilience could be more effective than direct state intervention. Encouraging voluntary actions and empowering individuals and businesses to address climate challenges could lead to more tailored, efficient, and scalable solutions. The state can play a supportive role without resorting to heavy-handed mandates. The Emergency and Budget Reserve Fund is designed to help the state navigate

unforeseen crises, not to fund long-term projects. While climate change is a critical issue, it is better funded through other mechanisms that do not compromise the state's ability to respond to urgent, unpredictable needs. Redirecting the interest from the reserve fund could limit its effectiveness in times of real emergencies. The funds in the reserve fund should remain available for pressing needs, and any climate change adaptation efforts should be funded through other, more suitable channels that do not compromise fiscal flexibility. While I fully recognize the importance of addressing climate change, SB1395 overextends the role of government by mandating state-directed climate projects funded through the Emergency and Budget Reserve Fund. Rather than relying on government-run initiatives, Hawai'i should focus on creating an environment that fosters private sector involvement, innovation, and market-based solutions. If the state chooses to take action, it should do so in a way that ensures accountability, prioritizes immediate needs, and preserves financial flexibility. I urge the legislature to reconsider this bill and focus on solutions that allow for efficient, accountable, and flexible responses to both climate change and other unforeseen emergencies. Thank you for considering my testimony. Respectfully, Nicholas Zehr

SB-1395-SD-2

Submitted on: 3/13/2025 9:27:40 AM

Testimony for EEP on 3/13/2025 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Hartley Adriana Kohana Cassetta	Individual	Support	Written Testimony Only

Comments:

Good morning Chair Lowen, Vice Chair Perruso and members of the Committee,

I write in support of SB1395, relating to funds allocated to the emergency and budget reserve funds for the purpose of climate mitigation.

As Hawai'i continues to experience the effects of climate change on our economy and environment, this bill addresses its impacts, helping us to prepare for what we can expect and what we may not be able to anticipate.

I urge you to support this bill.

Cheers,

Hartley