



# UNIVERSITY OF HAWAII SYSTEM

## ‘ŌNAEHANA KULANUI O HAWAII

### Legislative Testimony

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

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Testimony Presented Before the  
Senate Committee on Ways and Means  
Friday, March 3, 2023 at 10:20 a.m.

By

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

#### SB 1317 SD2 – RELATING TO BROADBAND

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The University of Hawai'i, representing the State's broadband interests, supports SB 1317 SD2.

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

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

Thank you for the opportunity to provide testimony in support on SB 1317 SD2.



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

**JOSH GREEN, M.D.**  
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Statement of  
**CHRIS J. SADAYASU**  
Director  
Department of Business, Economic Development, and Tourism  
before the  
**SENATE COMMITTEE ON WAYS AND MEANS**

Friday, March 3, 2023  
10:20 AM  
State Capitol, Conference Room 211

In consideration of  
**SB 1317, SD2**  
**RELATING TO BROADBAND.**

Chair Dela Cruz, Vice Chair Keith-Agaran and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) **supports SB1317, SD2** that appropriates general fund moneys that are required to match federal moneys for broadband programs and requires the Office of the Lieutenant Governor to convene and chair the working group established pursuant to Act 231 (SLH 2022).

In the Notice of Funding Opportunity for the Broadband, Equity, Access, and Deployment issued on May 13, 2022, by the National Telecommunications and Information Administration (NTIA-BEAD-2022) it states each *Eligible Entity shall provide, require its subgrantee to provide, or provide in concert with its subgrantee, matching funds of not less than 25 percent of project costs.* This moneys will help to meet that requirement.

For the purpose of clarity and focus, DBEDT recommends the following amendment to insert into **SB1317, SD2**:

Part IV

The purpose of this part is to transfer the functions, duties, appropriations, and positions of the Hawaii digital equity office from the department of business, economic

development, and tourism to the Hawaii technology development corporation.

SECTION 6. Section 206S-2, Hawaii Revised Statutes, is amended to read as follows:

**"[+]206S-2[+] Hawaii broadband and digital equity office; establishment; strategic broadband coordinator; staff.**

(a) There is established the Hawaii broadband and digital equity office within the [~~department of business, economic development, and tourism.~~] Hawaii technology development corporation.

(b) The [~~governor~~] Hawaii technology development corporation's board [~~upon the advice and consent of the senate,~~] shall [~~appoint~~] hire a strategic broadband coordinator, who shall be exempt from chapter 76, to head the office."

SECTION 7. All rights, powers, functions, and duties of the Hawaii broadband and digital equity office are transferred to the Hawaii technology development corporation.

SECTION 8. All appropriations, records, equipment, machines, files, supplies, contracts, books, papers, documents, maps, and other personal property heretofore made, used, acquired, or held by the Hawaii broadband and digital equity office shall be transferred to the Hawaii technology development corporation with the functions to which they relate.

SECTION 9. Any employee who, prior to this Act, is exempt from civil service and is transferred as a consequence of this Act may retain the employee's exempt status, but shall not be appointed to a civil service position as a consequence of this Act. An exempt employee who is transferred by this Act shall not suffer any loss of prior service credit, vacation or sick leave credits previously earned, or other employee benefits or privileges as a consequence of this Act; provided that the employees possess legal and public employment requirements for the position to which transferred or appointed, as applicable provided further that subsequent changes in status may be made pursuant to applicable employment and compensation laws.

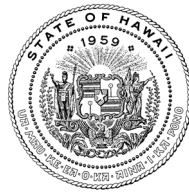
SECTION 10. All rules, policies, procedures, guidelines, and other materials adopted or developed by the Hawaii broadband and digital equity office to implement provisions of the Hawaii Revised Statutes that are reenacted or made applicable to the Hawaii technology development corporation shall remain in full force and effect until amended or repealed by the Hawaii technology development corporation pursuant to chapter 91, Hawaii Revised Statutes. In the interim, every reference to the department of business, economic development, and tourism in those rules, policies, procedures, guidelines, and other material is amended to refer to the Hawaii technology development corporation as appropriate.

SECTION 11. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2023-2024 and fiscal year 2024-2025 to fund the existing three full-time equivalent (3.0 FTE) administrative positions, exempt from Chapter 76, Hawaii Revised Statutes, for the operation and administration of the Hawaii broadband and digital equity office.

The sum appropriated shall be expended by the Hawaii technology development corporation for the purposes of this Act.

**Thank you for the opportunity to submit this testimony.**

JOSH GREEN, M.D.  
GOVERNOR



LUIS P. SALAVERIA  
DIRECTOR

SABRINA NASIR  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII  
DEPARTMENT OF BUDGET AND FINANCE  
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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 SENATE COMMITTEE ON WAYS AND MEANS  
ON  
SENATE BILL NO. 1317, S.D. 2

**March 3, 2023**  
**10:20 a.m.**  
**Room 211 and Videoconference**

RELATING TO BROADBAND

The Department of Budget and Finance supports this bill.

Senate Bill (S.B.) No. 1317, S.D. 2, appropriates: 1) an unspecified amount of general funds needed to provide non-federal matching funds for various federal broadband grant programs in FY 24 as matching funds for the Broadband Equity, Access, and Deployment (BEAD) Program; 2) an unspecified amount in FY 24 out of funds the State of Hawai'i receives from the Infrastructure Investment and Jobs Act for the BEAD Program; and 3) an unspecified amount of general funds in FY 24 and FY 25 to provide additional matching funds for federal broadband-related programs. S.B. No. 1317, S.D. 2, also amends Act 231, SLH 2022, to add the Lieutenant Governor to the working group to determine the appropriate governance structure to implement, operate, and maintain broadband infrastructure development in the State to serve as its chair.

Access to high-speed internet is an essential need in the State. There are several federal programs that provide significant amounts of funding to states to

improve broadband access. Some of these programs, including the BEAD Program, require matching funds. At this time, the State will need to show a 25% match for the BEAD Program which amounts to matching funds of \$33,000,000. The intent of the blank appropriations in FY 24 and FY 25 in Section 4 of S.D. 2 is to demonstrate that additional matching funds are available for the additional BEAD funding the State is likely to be awarded. The amount of the additional matching funds is not known at this time. The known required State match amount for the BEAD Program is \$33,000,000 and \$95,000,000 in federal funds will be required for this program.

In addition, given the possibility that supply chain difficulties may delay the construction of the facilities for the BEAD Program, an extended lapse date of June 30, 2026, for the appropriations made in this bill has been provided.

Thank you for your consideration of our comments.

**SB-1317-SD-2**

Submitted on: 3/2/2023 3:04:10 PM

Testimony for WAM on 3/3/2023 10:20:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Leimomi Khan	Individual	Support	Written Testimony Only

Comments:

Support. Our experiences with COVID made clear the importance of broadband internet, especially in neighbor island and O'ahu rural communities and Native Hawaiian homestead communities. Thus, glad to see the representation of Mayors of all islands and the Chairperson of the Hawaiian Homes Commission on the working group.