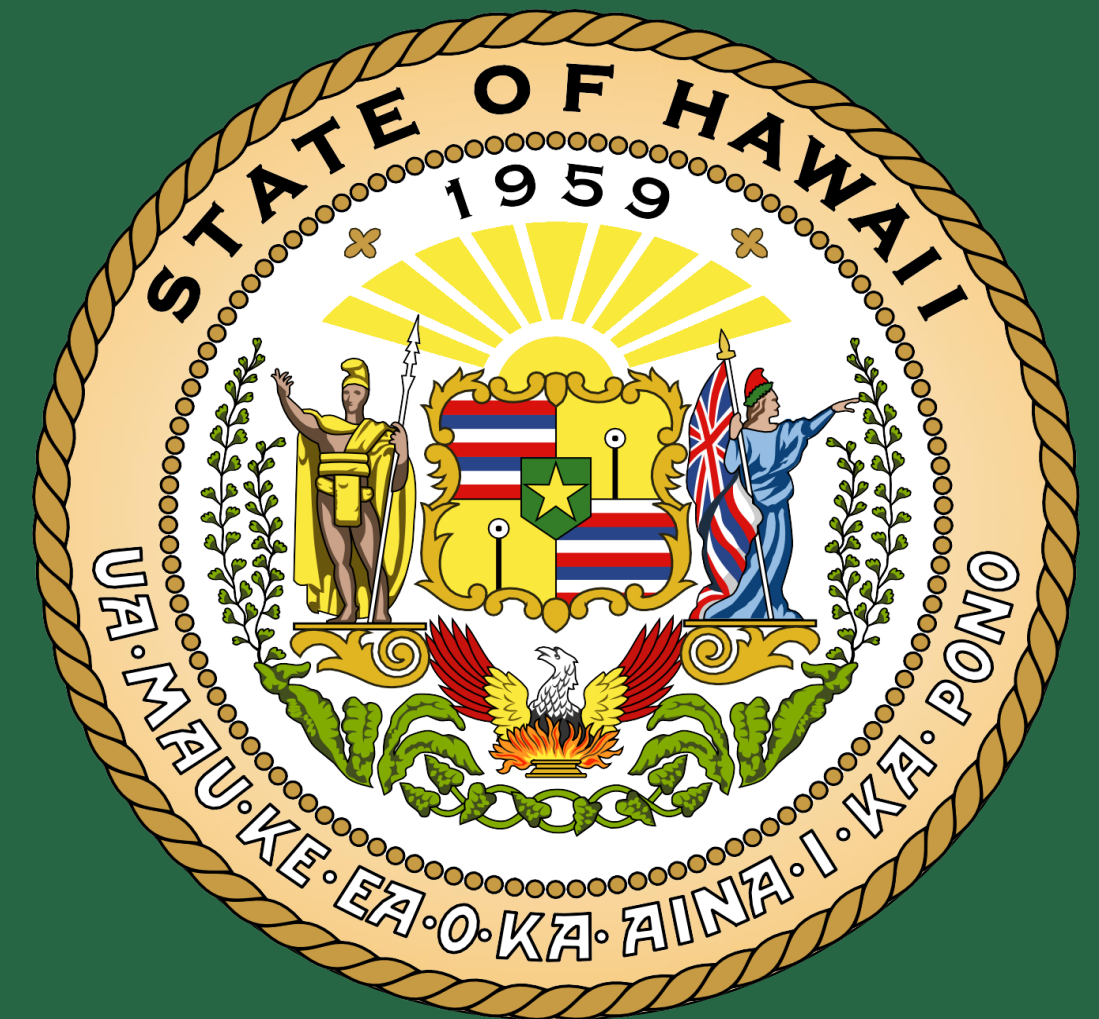


Office of the Governor

Informational Briefing 2025

Governor Josh Green, M.D.
State of Hawai'i

January 13, 2025





The Budget Reflects our Values

Administration Goals

- Reduce the cost of living and homelessness
- Provide robust healthcare and social services
- Enhance our education system
- Preserve our natural resources
- Safeguard our community against future disasters

Budget Prioritizes Significant Investments

- Affordable housing, infrastructure, homelessness, education, climate and health care, including mental health.
- Preserves the historic Rainy Day Fund in case of future emergencies.
- Maintain strong balances in the state financial plan while providing historic tax relief for our families.



Biennium Budget Totals

	Operating Budget		Capital Improvements	
	General Funds	All Means of Financing	G.O. Bonds	All Means of Financing
FY26 (July 1, 2025 – June 30, 2026)	\$10.4B	\$20.5B	\$1.3B	\$1.3B
FY27 (July 1, 2026 – June 30, 2027)	\$10.5B	\$20.4B	\$601M	\$601M
Total	\$20.9B	\$40.9B	\$1.9B	\$1.9B



Maintaining a Healthy Financial Plan

	FY25	FY26	FY27
Carry-Over Balance	\$1.08B	\$1.2B	\$1.3B
Rainy Day Fund Balance	\$1.56B	\$1.61B	\$1.67B
Rainy Day Fund Interest	\$50M	\$52M	\$61M



Washington D.C. Update

- Robert Kennedy Jr. nomination
- Mahalo meetings with Biden Administration Officials
- President Carter lie in state



Office of the Governor Budget Requests



- Request for Federal Affairs and Boards and Commissions positions
6.00 positions and \$725,000
- Transfer of OWR to DHRD
6.00 positions and 470,000





Legislative Proposals

Administration package of legislative proposals will be submitted on January 21, 2025

Key Items will include:

- Proposals to generate revenue for resilience and mitigation projects (CAT recommendations)
- Repurposing interest earned on the historic Rainy Day Fund
- Office of Wellness and Resiliency proposals to support vulnerable children



Budget Continues Support for State Priorities



- Balanced budget with tax relief
- Housing and infrastructure
- Health care workforce
- Homelessness solutions
- Fire mitigation, state Fire Marshal, wildfire settlement
- Education





To Increase Affordable Housing, We Need to Keep Making Meaningful Investments

- \$100M for Rental Housing Revolving Fund
- \$150M for RHRF Tier II
- \$40M for DURF
- \$30M for Aloha Homes
- \$50M for Student Housing
- \$56M for Mayor Wright and Ka Lei Momi
- \$62M for UH West O'ahu Infrastructure



Rendering of Mayor Wright Homes. Photo courtesy: HPHA.



Health Care Workforce Stability

Health Care

Hawai'i Landmark Health Care Education Loan Repayment Program (HELP)

Support for Rural Health Care System

4,000 Hawai'i's health care professional shortage

\$30M Requested in Executive Biennium Budget

\$50,000 Maximum qualifying eligibility for loan forgiveness



Reduces cost of living

Supports primary and behavioral care capacity

Promotes care for Medicaid recipients

Reduces health care worker shortage

\$87M each fiscal year in operating subsidy

Over \$44M each year for HHSC facilities including Kea'au Outpatient Center and Kona Community Hospital Emergency Department



Maui Wildfire: Cash Settlement



Disaster Resilience

Cash Total: \$4.037B
(Over 3 years)*

HECO

\$1.99 billion

**Kamehameha
Schools**

\$872.5 million

State of Hawai‘i

\$872.5 million

Telecom Industry

\$300 million

Fed/County

Funds through Recovery Efforts

*Cash Settlement for
Claims Related to:*

- Wrongful death
- Personal injury
- Personal property
- Business income
- Subrogation
- Plaintiffs' attorneys' fees
- Maui County
- Non-economic damages

*Settlement includes \$175M One 'Ohana Fund contribution



Kauhale and Homelessness Solutions

- 16 total kauhale completed to date
- 10 kauhale in the pipeline for 2025
- 30 operational kauhale by 2026
- \$50M each fiscal year; projected savings of up to 73% and \$485M over 10 years

“This place will change me in many ways because it will give me housing, it’ll give me a shelter over my head when I didn’t have one just some time ago.”
– Laura, kauhale resident





Fire Mitigation and Wildfire Settlement



- \$2.2M for State Fire Marshal to move to state Dept of Defense
- \$15M for Dept of Transportation for Fire Breaks
- 27 positions and \$2.2M to increase the base level of positions at HI-EMA for long-term disaster preparedness
- \$4.037B Global Maui Wildfire Settlement (all parties) provides direct resources to survivors for rebuilding efforts



Mahalo!

