

Honolulu, Hawaii

May 1, 2009

RE: H.B. No. 1364
H.D. 1
S.D. 1
C.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 1364, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE BUDGET,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to require the Governor or Director of Finance to submit a report to the Legislature for each restriction placed on an appropriation authorized by the Legislature.

This bill, among other things, also:

- (1) Appropriates federal funds to various programs that are expected to receive federal support under the American Recovery and Reinvestment Act (ARRA) of 2009;



- (2) Reduces general fund appropriations for programs receiving offsetting federal funds;
- (3) Appropriates general funds to the adult mental health outpatient program and the Hawaii Health Systems Corporation; and
- (4) Appropriates additional Temporary Assistance for Needy Families funds that the State recently qualified for under the Deficit Reduction Act of 2005.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii Constitution, the Governor, in her Governor's Message No. 298 to the Legislature, as amended in a subsequent message dated April 17, 2009, requested immediate consideration and passage of this bill by the Legislature citing a budget shortfall in FY 2008-2009 and the need to promote openness and transparency in the use of ARRA funds.

Upon further consideration, your Committee on Conference has amended this bill by, among other things:

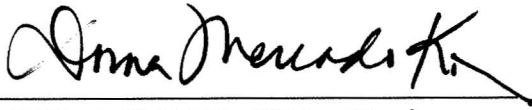
- (1) Deleting the reporting requirements on restricted appropriations;
- (2) Changing the means of financing for appropriations relating to the Hawaii Health Systems Corporation (HTH 210) from the general fund to the Emergency and Budget Reserve Fund;
- (3) Changing the means of financing for appropriations relating to the adult mental health outpatient program (HTH 420) from the general fund to the Emergency and Budget Reserve Fund;
- (4) Inserting the sum of \$175,966 in federal funds for fiscal year 2008-2009 for the program to educate the homeless in the Department of Education's instructional support program (EDN 200);
- (5) Accounting for a \$25,000,000 general fund increase for the Medicaid program in fiscal year 2008-2009; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.



As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1364, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1364, H.D. 1, S.D. 1, C.D. 1.

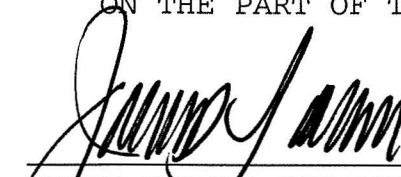
Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE

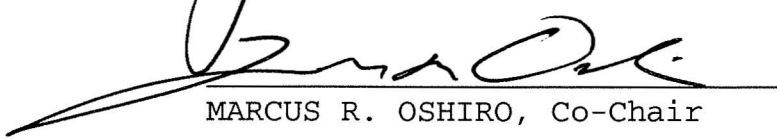


DONNA MERCADO KIM, Chair

ON THE PART OF THE HOUSE



JAMES KUNANE TOKIOKA, Co-Chair



MARCUS R. OSHIRO, Co-Chair



