

STAND. COM. REP. NO. **3317**

Honolulu, Hawaii

RE: APR 04 2014  
H.B. No. 648  
H.D. 1  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 648, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO STATE FINANCES,"

begs leave to report as follows:

The purpose and intent of this measure is to make a technical amendment to clarify the requirements of the annual report made by the Director of Finance for transfers of non-general funds to the general fund.

Prior to the hearing on this measure, your Committee made available a proposed S.D. 1 for review and comment. The proposed S.D. 1 amends this measure by deleting its entire contents and inserting language to repeal or reduce appropriations made in the Regular Session of 2013 that designated expending agencies do not plan to expend in fiscal year 2013-2014.

Specifically, the proposed S.D. 1 amends the following fiscal year 2013-2014 appropriations by:

- (1) Repealing the \$1,000,000 appropriation to the Department of Human Services for a rental assistance program known as the shallow subsidy program, pursuant to section 4 of Act 222, Session Laws of Hawaii 2013;
- (2) Repealing the \$150,000 appropriation to the Department of Human Services for the homelessness prevention and



rapid re-housing program, pursuant to section 9 of Act 222, Session Laws of Hawaii 2013;

- (3) Reducing the \$100,000 appropriation to the Department of Human Services to \$50,000 for the construction and demonstration of innovative temporary housing solutions as they relate to the homeless assistance working group's findings and recommendations, pursuant to section 17 of Act 222, Session Laws of Hawaii 2013;
- (4) Repealing the \$185,750 appropriation to the Department of Budget and Finance to support the work of the Hawaii Employer-Union Health Benefits Trust Fund task force, pursuant to section 5 of Act 268, Session Laws of Hawaii 2013; and
- (5) Repealing the \$500,000 appropriation to the Department of Budget and Finance for a study on joint investment information and service sharing by the Employees' Retirement System and the Hawaii Employer-Union Health Benefit Trust Fund, pursuant to section 13 of Act 268, Session Laws of Hawaii 2013.

Your Committee received no testimony on H.B. No. 648, H.D. 1.

Your Committee received comments on the proposed S.D. 1 from the Department of Budget and Finance.

Your Committee finds that repealing or reducing current fiscal year appropriations that are not expected to be expended by the designated agencies is preferable to allowing the unexpended and unencumbered amounts to lapse. Your Committee recognizes that lapsed appropriations cannot be considered until after the fiscal year for which the appropriation is made expires; however, repealing or reducing appropriations allows the savings to be factored into the next fiscal year's budgetary decisions.

Your Committee further finds that the medicaid investigations recovery fund contains funds that are in excess of what is necessary for the purposes of the fund. Your Committee finds that authorizing the Director of Finance to transfer the excess funds to the general fund will allow those moneys to be considered in budgetary decisions for fiscal year 2014-2015.

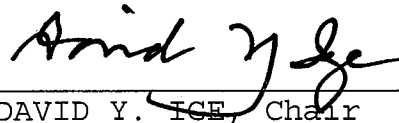


Your Committee has amended this measure by adopting the proposed S.D. 1 and amending it further by:

- (1) Until June 30, 2014, authorizing the Director of Finance to transfer \$1,500,000 in excess funds from the medicaid investigations recovery fund, established pursuant to section 28-91.5, Hawaii Revised Statutes, to the general fund;
- (2) Amending the amounts appropriated in section 13 of Act 268, Session Laws of Hawaii 2013, to the Department of Budget and Finance for a study on joint investment information and service sharing by the Employees' Retirement System and the Hawaii Employer-Union Health Benefit Trust Fund from \$500,000 to \$100,000 in fiscal year 2013-2014, and from \$500,000 to \$350,000 in fiscal year 2014-2015; and
- (3) Making technical nonsubstantive amendments for the purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 648, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 648, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
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DAVID Y. ICE, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>HB648 HD1</b>	Committee Referral: <b>WAM</b>	Date: <b>4-2-14</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.				✓
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.				✓
SLOM, Sam	✓			
	11	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes