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Honolulu, Hawaii

April 28, 2017

RE: H.B. No. 100
H.D. 1
S.D. 1
C.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 100, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE STATE 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.

PART I. OVERVIEW

Your Committee on Conference has approved a Conference Draft of the executive budget that reduces the operating budget request submitted by the Administration. The Conference Draft appropriates \$408,279,449 in all funds, inclusive of \$211,883,004 in general funds, for fiscal year 2017-2018 and appropriates an additional \$606,570,295 in all funds, inclusive of \$385,025,333 in general funds, for fiscal year 2018-2019.



The following table displays the net change to the Administration's budget request as a result of the Conference Draft amendments:

	Fiscal Year 2017-2018		Fiscal Year 2018-2019	
	All Funds	Gen. Funds	All Funds	Gen. Funds
Executive Request, as amended per Governor's Messages	\$458,337,625	\$252,025,122	\$675,599,421	\$490,218,824
Conference Draft Change To Executive Request	(\$50,058,176)	(\$40,142,118)	(\$69,029,126)	(\$105,193,491)

The net change of the Conference Draft results in an executive budget for fiscal biennium 2017-2019 as follows:

	Fiscal Year 2017-2018		Fiscal Year 2018-2019	
	All Funds	Gen. Funds	All Funds	Gen. Funds
Executive Budget Act 124, SLH 2016	\$13,702,289,565	\$7,036,572,289	\$13,702,289,565	\$7,036,572,289
Net Change Of Conference Draft	\$408,279,449	\$211,883,004	\$606,570,295	\$385,025,333
Total Appropriation	\$14,110,569,014	\$7,248,455,293	\$14,308,859,860	\$7,421,597,622

PART II. OPERATING BUDGET

Agriculture

The Administration's request was to add \$6,407,047 in general funds and \$2,666,977 in non-general funds for fiscal year 2017-2018



and reduce \$985,133 in general funds and add \$1,099,450 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Agriculture's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$1,821,083 in general funds and \$572,053 in non-general funds; and
- (2) For fiscal year 2018-2019, by reducing \$176,529 in general funds and adding \$490,699 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$1,500,000 in general funds for fiscal year 2017-2018 for the Agricultural Loan Revolving Fund;
- (2) Adding 2.00 permanent positions and \$226,134 for fiscal year 2017-2018 and 3.00 positions and \$200,000 for fiscal year 2018-2019 in general funds for the Agricultural Food Safety Certification Program;
- (3) Adding 1.00 permanent position and \$115,772 in general funds for each fiscal year for the Industrial Hemp Pilot Program;
- (4) Adding 3.00 permanent positions and \$79,236 for fiscal year 2017-2018 and \$158,472 for fiscal year 2018-2019 in general funds for pesticides compliance; and
- (5) Adding \$750,000 in general funds for each fiscal year, non-recurring after fiscal year 2018-2019, for pesticide regulation expenses and studies.

Accounting and General Services

The Administration's request was to add \$125,438 in general funds and reduce \$14,809,085 in non-general funds for fiscal year 2017-2018 and reduce \$130,829 in general funds and \$19,034,085 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Accounting and General Services' appropriation as follows:



- (1) For fiscal year 2017-2018, by reducing \$4,216,030 in general funds and \$14,941,251 in non-general funds; and
- (2) For fiscal year 2018-2019, by reducing \$4,051,133 in general funds and \$22,741,251 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding 1.00 permanent position and \$39,000 for fiscal year 2017-2018 and \$77,000 for fiscal year 2018-2019 in general funds for contract audits;
- (2) Adding \$3,175,000 in general funds for each fiscal year for carrier circuit and collocation costs;
- (3) Adding \$7,800,000 in special funds for fiscal year 2017-2018 for enhanced 911 board computer aided dispatch software upgrades; and
- (4) Changing means of financing for 5.00 permanent positions and \$505,585 from trust funds to general funds for each fiscal year for the Campaign Spending Commission.

Attorney General

The Administration's request was to add \$2,691,320 in general funds and \$3,225,998 in non-general funds for fiscal year 2017-2018 and \$2,641,320 in general funds and \$3,191,474 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of the Attorney General's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$4,554,256 in general funds and \$3,170,721 in non-general funds; and
- (2) For fiscal year 2018-2019, by reducing \$885,744 in general funds and adding \$2,995,197 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$5,000,000 in general funds for fiscal year 2017-2018 for the Litigation Fund; and



- (2) Adding \$70,000 in special funds for each fiscal year for the maintenance of internet based registration systems and charity registration databases.

Business, Economic Development, and Tourism

The Administration's request was to add \$3,581,055 in general funds and reduce \$58,568,838 in non-general funds for fiscal year 2017-2018 and reduce \$1,257,489 in general funds and \$114,362,838 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Business, Economic Development, and Tourism's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$2,257,871 in general funds and reducing \$71,798,303 in non-general funds; and
- (2) For fiscal year 2018-2019, by reducing \$3,285,041 in general funds and \$71,254,303 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding 1.00 permanent position and \$25,386 for fiscal year 2017-2018 and \$50,772 for fiscal year 2018-2019 in general funds for compliance with decisions and orders of the Land Use Commission;
- (2) Adding \$250,000 in general funds for fiscal year 2017-2018 for a feasibility and benefits study for establishing a small satellite launch and processing facility in the State;
- (3) Adding \$200,000 in general funds for fiscal year 2017-2018 for a market assessment and feasibility study for the development of a basalt fiber manufacturing plant in Hawaii;
- (4) Adding 1.00 permanent position and \$28,584 for fiscal year 2017-2018 and \$57,168 for fiscal year 2018-2019 in general funds for economic research;
- (5) Adding \$1,000,000 in general funds for fiscal year 2017-2018 for the Excelerator Program;



- (6) Adding \$1,000,000 in general funds for fiscal year 2017-2018 for the Manufacturing Grant Program;
- (7) Adding \$1,000,000 in general funds for fiscal year 2017-2018 for the Small Business Innovation Research program; and
- (8) Adding 1.00 temporary position and \$27,618 for fiscal year 2017-2018 and \$55,236 for fiscal year 2018-2019 in general funds for the Special Action Team on Affordable Rental Housing.

Budget and Finance

The Administration's request was to add \$14,473,467 in general funds and reduce \$3,554,111 in non-general funds for fiscal year 2017-2018 and add \$237,814,627 in general funds and reduce \$6,722,045 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Budget and Finance's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$22,559,283 in general funds and reducing \$5,497,574 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$245,877,127 in general funds and reducing \$6,639,018 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$34,625,428 for fiscal year 2017-2018 and \$70,673,178 for fiscal year 2018-2019 in general funds for additional retirement benefit payments funding for the State to reflect phase-in of employer contribution rate increases;
- (2) Adding 1.00 permanent position and \$28,116 for fiscal year 2017-2018 and \$51,432 for fiscal year 2018-2019 in general funds for the Administrative and Research Office's information and technology staff;
- (3) Adding \$9,700,000 in general funds for each fiscal year for statewide centralized vacation payout;



- (4) Adding \$238,200 for fiscal year 2017-2018 and \$13,200 for fiscal year 2018-2019 in other funds for personally identifiable information protection;
- (5) Adding 3.00 permanent positions and \$445,768 in general funds for each fiscal year for the Community Court Outreach Project; and
- (6) Adding \$30,637,298 in general funds for fiscal year 2017-2018 for severance pay and social security and Medicare payments for employees to be separated from state employment due to the upcoming transfer of the Hawaii Health Systems Corporation's Maui Region to Kaiser Permanente management.

Commerce and Consumer Affairs

The Administration's request was to add \$7,577,865 in non-general funds for fiscal year 2017-2018 and \$6,007,392 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Commerce and Consumer Affairs' appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$3,697,257 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$3,147,780 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding 1.00 temporary position and \$51,000 for fiscal year 2017-2018 and \$84,000 for fiscal year 2018-2019 in trust funds for condominium education; and
- (2) Adding \$200,000 in special funds for fiscal year 2017-2018 for consultant services and training.

Defense

The Administration's request was to reduce \$1,035,255 in general funds and \$1,583,563 in non-general funds for fiscal year



2017-2018 and \$1,557,728 in general funds and \$1,503,563 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Defense's appropriation as follows:

- (1) For fiscal year 2017-2018, by reducing \$749,615 in general funds and adding \$415,537 in non-general funds; and
- (2) For fiscal year 2018-2019, by reducing \$1,877,614 in general funds and \$1,343,563 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$90,000 in general funds for each fiscal year for State Active Duty continuing operations;
- (2) Adding 1.00 permanent position and \$50,772 in general funds for each fiscal year for a Veteran Services Counselor;
- (3) Adding \$325,000 in general funds for fiscal year 2017-2018 for a Diamond Head Sewer Lift Station Emergency Generator;
- (4) Adding \$768,000 in general funds for fiscal year 2017-2018 for tree trimming and removal services at Hawaii State Veterans Cemetery; and
- (5) Adding 1.00 permanent positions and \$27,556 for fiscal year 2017-2018 and \$54,112 for fiscal year 2018-2019 in general funds for heating, ventilation, and air conditioning maintenance.

Education

Regular Education

The Administration's request was to add \$64,287,540 in general funds and \$2,867,548 in non-general funds for fiscal year 2017-2018 and \$65,848,291 in general funds and \$2,867,548 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Education's appropriation as follows:



- (1) For fiscal year 2017-2018, by adding \$55,120,221 in general funds and \$6,606,548 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$50,192,377 in general funds and \$3,806,548 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$1,000,000 in general funds for each fiscal year for the Early College High School Initiative;
- (2) Adding \$2,027,645 in general funds for fiscal year 2017-2018 for the Office of Hawaiian Education;
- (3) Adding \$2,800,000 in general funds and \$2,800,000 in federal funds for fiscal year 2017-2018 for the Hawaii Keiki Healthy and Ready to Learn Program;
- (3) Adding 15.00 permanent positions and \$703,980 in general funds for each fiscal year for Homeless Concerns Liaisons;
- (4) Adding 6.00 permanent positions and \$135,216 for fiscal year 2017-2018 and \$270,432 for fiscal year 2018-2019 in general funds for the Worker's Compensation Program;
- (5) Adding \$293,557 in general funds for fiscal year 2017-2018 for the Office of Community Engagement;
- (6) Adding \$670,000 in general funds for fiscal year 2017-2018 for Alternative Teacher Route Programs;
- (7) Adding 15.00 permanent positions and \$779,310 for fiscal year 2017-2018 and \$1,434,885 for fiscal year 2018-2019 in general funds for Title IX and Civil Rights Compliance Capacity;
- (8) Adding \$100,000 in general funds for fiscal year 2017-2018 for athletic travel to and from Molokai and Hana;
- (9) Adding \$800,000 in general funds for each fiscal year for environmental health services;
- (10) Adding 4.00 permanent positions and \$1,755,525 for fiscal year 2017-2018 and \$3,711,835 for fiscal year 2018-2019 in



general funds for statewide student transportation services; and

- (11) Adding \$1,500,000 in general funds for each fiscal year for utilities.

Hawaii State Public Library System

The Administration's request was to add \$1,295,169 in general funds for fiscal year 2017-2018 and add \$1,480,317 in general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Hawaii State Libraries' appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$1,664,613 in general funds; and
- (2) For fiscal year 2018-2019, by adding \$1,215,205 in general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding 3.00 permanent positions and \$50,592 for fiscal year 2017-2018 and \$101,184 for fiscal year 2018-2019 in general funds for Nanakuli Public Library; and
- (2) Adding \$500,000 in general funds for fiscal year 2017-2018 for the repair and maintenance backlog for public libraries statewide.

Charter Schools

The Administration's request was to add \$11,336,693 in general funds and \$303,150 in federal funds for fiscal year 2017-2018 and add \$11,419,807 in general funds and \$303,150 in federal funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Charter Schools' appropriation as follows:



- (1) For fiscal year 2017-2018, by adding \$10,813,540 in general funds and \$303,150 in federal funds; and
- (2) For fiscal year 2018-2019, by adding \$11,684,877 in general funds and \$303,150 in federal funds.

The Conference Draft of the executive budget includes the following major adjustment:

- (1) Adding \$9,797,069 for fiscal year 2017-2018 and \$10,668,406 for fiscal year 2018-2019 in general funds for per pupil adjustment.

Early Learning Program

The Administration's request was to add \$89,486 in general funds for fiscal year 2017-2018 and add \$118,070 in general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Early Learning Program's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$230,414 in general funds; and
- (2) For fiscal year 2018-2019, by adding \$679,152 in general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding 2.00 permanent positions and \$53,733 for fiscal year 2017-2018 and \$82,317 for fiscal year 2018-2019 in general funds for the Executive Office on Early Learning; and
- (2) Adding \$136,688 for fiscal year 2017-2018 and 10.00 permanent positions and \$556,842 for fiscal year 2018-2019 in general funds for the Pre-Kindergarten and Induction Program.

Governor

The Administration's request was to add \$184,035 in general funds for fiscal year 2017-2018 and \$184,035 in general funds for fiscal year 2018-2019.



The Conference Draft of the executive budget adjusts the Office of the Governor's appropriation as follows:

- (1) For fiscal year 2017-2018, by reducing \$354,070 in general funds; and
- (2) For fiscal year 2018-2019, by reducing \$354,070 in general funds.

The Conference Draft of the executive budget includes the following major adjustment:

- (1) Adding \$117,167 in general funds for each fiscal year for membership fees for national and regional chief executive organizations.

Hawaiian Home Lands

The Administration's request was to add \$1,195,390 in general funds and reduce \$31,484,159 in non-general funds for fiscal year 2017-2018 and to add \$1,195,390 in general funds and reduce \$31,484,159 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Hawaiian Home Lands' appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$1,195,390 in general funds and reducing \$5,743,625 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$1,195,390 in general funds and reducing \$5,743,625 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustment:

- (1) Adding \$6,865,887 in general funds for each fiscal year for fringe benefit funding for the Department of Hawaiian Home Lands' general funded positions.

Health

The Administration's request was to add \$22,123,885 in general funds and \$52,363,112 in non-general funds for fiscal year 2017-2018



and \$25,041,849 in general funds and \$8,296,893 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Health's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$21,608,232 in general funds and \$52,473,444 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$15,442,557 in general funds and \$8,407,225 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$1,300,000 for fiscal year 2017-2018 and \$500,000 for fiscal year 2018-2019 in general funds for outreach and counseling services for homeless individuals and families with serious and persistent mental health challenges or severe substance abuse disorders;
- (2) Adding \$300,000 in general funds for each fiscal year for clean and sober housing for chronically homeless individuals with severe substance use disorders;
- (3) Adding \$1,340,000 for fiscal year 2017-2018 and \$1,613,000 for fiscal year 2018-2019 in general funds for purchase of service contracts for Child and Adolescent Mental Health;
- (4) Adding \$2,754,980 for fiscal year 2017-2018 and \$7,118,914 for fiscal year 2018-2019 in general funds for rebased provider payment rates;
- (5) Adding \$3,000,000 in general funds for each fiscal year for maintenance of effort for the maternal infant early childhood home visiting grant;
- (6) Adding \$6,507,305 in general funds for each fiscal year for base budget funding for Chronic Disease Prevention and Health Promotion Administration, Primary Prevention, and Chronic Disease Management per funding in Act 118, SLH 2015;
- (7) Adding 6.00 permanent positions and \$422,540 in general funds for each fiscal year for vector control;



- (8) Adding \$500,000 in general funds for each fiscal year to address Rat Lungworm Disease;
- (9) Adding \$799,833 in general funds for fiscal year 2017-2018 for statewide emergency ambulance services;
- (10) Adding \$4,145,695 in general funds for fiscal year 2017-2018 for Kupuna Care; and
- (11) Adding \$1,700,000 in general funds for fiscal year 2017-2018 for the Aging and Disability Resource Center.

Hawaii Health Systems Corporation

The Administration's request was to add \$44,409,003 in general funds and \$23,459,087 in special funds for fiscal year 2017-2018 and \$28,029,003 in general funds and \$23,459,087 in special funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Hawaii Health Systems Corporation's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$28,681,003 in general funds and \$23,459,087 in special funds; and
- (2) For fiscal year 2018-2019, by reducing \$9,938,997 in general funds and adding \$23,459,087 in special funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$36,486,000 for fiscal year 2017-2018 and \$34,686,000 for fiscal year 2018-2019 in general funds for operations subsidy;
- (2) Adding \$3,000,000 in general funds for fiscal year 2017-2018 for Hawaii Health Systems Corporation - Regions or Maui Health System, a Kaiser Foundation Hospitals LLC; and
- (3) Adding \$33,420,000 in general funds for fiscal year 2017-2018 for operations subsidy.

Human Resources Development



The Administration's request was to add \$2,052,292 in general funds for fiscal year 2017-2018 and \$2,302,292 in general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Human Resources Development's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$2,052,292 in general funds; and
- (2) For fiscal year 2018-2019, by adding \$2,201,212 in general funds.

The Conference Draft of the executive budget includes the following major adjustment:

- (1) Adding \$3,274,000 for fiscal year 2017-2018 and \$3,524,000 for fiscal year 2018-2019 in general funds for workers' compensation claims.

Human Services

The Administration's request was to add \$25,596,723 in general funds and \$157,393,373 in non-general funds for fiscal year 2017-2018 and \$66,440,270 in general funds and \$276,330,208 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Human Services' appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$7,122,833 in general funds and \$147,622,055 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$28,361,291 in general funds and \$253,920,541 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$3,000,000 in general funds for fiscal year 2017-2018 for the Housing First Program;
- (2) Adding \$1,500,000 in general funds for fiscal year 2017-2018 for homeless outreach services;



- (3) Adding \$250,000 in general funds for fiscal year 2017-2018 for legal services for homeless persons;
- (4) Adding \$2,100,000 in general funds for each fiscal year for Hawaii Public Housing Authority state family and elderly housing facilities;
- (5) Adding \$1,553,559 in general funds and \$2,309,090 in federal funds for each fiscal year for the nursing facility inflation factor; and
- (6) Adding \$240,000 in general funds for fiscal year 2017-2018 for juvenile justice and delinquency prevention.

Labor and Industrial Relations

The Administration's request was to reduce \$2,753,210 in general funds and \$19,987 in non-general funds for fiscal year 2017-2018 and to reduce \$376,494 in general funds and to add \$45,604 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Labor and Industrial Relations' appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$105,985 in general funds and reducing \$19,987 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$765,821 in general funds and \$45,604 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$750,000 in general funds for each fiscal year to support workforce advisory councils;
- (2) Adding \$450,000 in general funds for each fiscal year for transition to the federal Workforce Innovation Opportunity Act; and
- (3) Adding 1.00 permanent position and \$515,386 for fiscal year 2017-2018 and \$2,810,772 for fiscal year 2018-2019 in general funds for Disability Compensation Division Modernization.



Land and Natural Resources

The Administration's request was to add \$21,234,212 in general funds and \$16,036,430 in non-general funds for fiscal year 2017-2018 and \$20,766,112 in general funds and \$1,891,237 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Land and Natural Resources' appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$22,827,227 in general funds and \$12,279,060 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$21,505,253 in general funds and \$362,117 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$14,049,108 in general funds for each fiscal year for various programs' base budgets per funding in Act 84, Session Laws of Hawaii 2015;
- (2) Adding 15.00 temporary positions and \$1,065,147 for fiscal year 2017-2018 and \$1,097,047 for fiscal year 2018-2019 in general funds for personnel and operating funds for management and restoration of Kahoolawe Island Reserve;
- (3) Adding \$4,000,000 in general funds for each fiscal year for the Hawaii Invasive Species Council; and
- (4) Adding \$400,000 in general funds for each fiscal year for the fire protection program.

Public Safety

The Administration's request was to add \$7,265,245 in general funds and \$1,292,671 in non-general funds for fiscal year 2017-2018 and \$4,201,373 in general funds and \$1,292,671 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Public Safety's appropriation as follows:



- (1) For fiscal year 2017-2018, by adding \$6,592,410 in general funds and \$1,292,671 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$1,518,800 in general funds and \$1,292,671 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$3,334,801 in general funds for fiscal year 2017-2018 for housing inmates in non-state facility during renovation of Halawa Correctional Facility;
- (2) Adding \$165,000 in general funds for each fiscal year for Malpractice Insurance; and
- (3) Adding \$1,500,000 in general funds for fiscal year 2017-2018 for lease rent for Department of Public Safety Administration building and moving costs.

Taxation

The Administration's request was to add \$648,279 in general funds and \$3,572 in non-general funds for fiscal year 2017-2018 and \$523,279 in general funds and \$3,572 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Taxation's appropriation as follows:

- (1) For fiscal year 2017-2018, by reducing \$393,819 in general funds and adding \$3,572 in non-general funds; and
- (2) For fiscal year 2018-2019, by reducing \$518,819 in general funds and adding \$3,572 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustment:

- (1) Adding \$93,860 in general funds for each fiscal year for security for medical marijuana tax collections.

Transportation

The Administration's request was to reduce \$500,000 in general funds and \$43,904,674 in non-general funds for fiscal year 2017-2018



and reduce \$500,000 in general funds and add \$28,461,212 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Transportation's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$500,000 in general funds and \$37,264,241 in non-general funds; and
- (2) For fiscal year 2018-2019, by reducing \$1,500,000 in general funds and adding \$25,794,742 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding 7.00 permanent positions and \$157,939 for fiscal year 2017-2018 and \$303,878 for fiscal year 2018-2019 in special funds for Airside Operations Section Security Unit Pass and Identification Office;
- (2) Adding 13.00 permanent positions and \$684,787 for fiscal year 2017-2018 and \$1,369,574 for fiscal year 2018-2019 in special funds for Aircraft Rescue and Fire Fighting Unit;
- (3) Adding 6.00 permanent positions and \$162,752 for fiscal year 2017-2018 and \$293,004 for fiscal year 2018-2019 in special funds for the Federal Inspection Station;
- (4) Adding 2.00 permanent positions and \$97,161 for fiscal year 2017-2018 and \$194,322 for fiscal year 2018-2019 in special funds for the Office of Environmental Compliance;
- (5) Adding 2.00 permanent positions and \$101,809 for fiscal year 2017-2018 and \$203,618 for fiscal year 2018-2019 in special funds for the H-3 Tunnel Management Center;
- (6) Adding 10.00 permanent positions and \$679,152 in special funds for fiscal year 2017-2018 and \$1,243,998 in special funds and \$216,000 in federal funds for fiscal year 2018-2019 for the Intelligent Technology Systems Branch;
- (7) Adding \$800,000 in special funds for fiscal year 2018-2019 for trash reduction plan implementation; and
- (8) Adding \$3,514,950 for fiscal year 2017-2018 and \$1,242,000 for fiscal year 2018-2019 in special funds for information technology projects.



University of Hawaii

The Administration's request was to add \$42,558,733 in general funds and \$5,540,939 in non-general funds for fiscal year 2017-2018 and fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the University of Hawaii's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$42,176,529 in general funds and \$5,540,939 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$42,131,529 in general funds and \$5,540,939 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$350,000 in general funds for each fiscal year for concussion testing and awareness;
- (2) Adding \$1,829,000 in general funds for each fiscal year for the Hawaii Promise Program;
- (3) Adding \$250,000 in general funds for each fiscal year for Title IX positions;
- (4) Adding 2.00 permanent positions and \$150,000 in general funds for each fiscal year for Title IX compliance for the University of Hawaii, Hilo;
- (5) Adding 4.00 permanent positions and \$820,000 in general funds for each fiscal year for Title IX compliance for the University of Hawaii Community Colleges;
- (6) Adding 1.00 permanent position and \$70,000 in general funds for each fiscal year for Title IX compliance for the University of Hawaii, West Oahu; and
- (7) Adding 2.00 permanent positions and \$375,000 in general funds for each fiscal year for University of Hawaii systemwide Title IX legal support.



PART III. CAPITAL IMPROVEMENT PROJECTS BUDGET

Your Committee on Conference finds that capital improvement projects are essential to our economy and play a pivotal role in building social infrastructure and helping strengthen communities.

Your Committee on Conference has provided a total of \$1,027,951,000 for fiscal year 2017-2018 and \$49,445,000 for fiscal year 2018-2019 for projects funded by general obligation bonds and \$1,907,509,000 in fiscal biennium 2017-2019 for projects funded by all other means of financing. In comparison, the Administration's proposed capital improvement projects' biennium budget, as amended pursuant to Governor's Messages, provided a total of \$1,375,734,000 for fiscal year 2017-2018 and \$151,676,000 for fiscal year 2018-2019 for projects funded by general obligation bonds and \$1,748,338,000 in fiscal biennium 2017-2019 for projects funded by all other means of financing.

Highlights of the capital improvements projects' budget for the biennium include:

- (1) \$23,800,000 in general obligation bond funds for the Department of Agriculture for fiscal year 2017-2018 to purchase over 600 acres of agricultural land to lease to local farmers, and an additional \$12,200,000 in upgrades and improvements to critical water infrastructure systems and agricultural facilities statewide;
- (2) \$10,000,000 in general obligation bond funds for fiscal year 2017-2018 for the Department of Accounting and General Services for an environmental impact study and master plan for a new stadium, adding \$15,000,000 in general obligation bond funds in fiscal year 2017-2018 for lump sum maintenance of existing facilities, along with an additional \$1,200,000 in general obligation bond funds in fiscal year 2017-2018 to begin the rehabilitation of the chambers level waterproofing system at the State Capitol Building;
- (3) A rental housing revolving fund capital infusion of \$25,000,000 in general obligation bond funds and a dwelling unit revolving fund capital infusion of \$25,000,000 in general obligation bond funds for fiscal year 2017-2018 to expand affordable housing statewide;



- (4) \$155,900,000 for lump sum condition, equity, and program support for Department of Education schools, and an additional \$332,209,000 in general obligation bond funds in various other Department of Education capital improvement projects for a total of \$488,109,000 in the 2017-2019 fiscal biennium;
- (5) Lump sum repair, maintenance, and new housing units statewide for the Department of Public Safety totaling \$78,710,000 in general obligation bond funds for the 2017-2019 fiscal biennium;
- (6) Support for repair, maintenance, and renovations at the University of Hawaii campuses statewide, including \$20,000,000 in general obligation bond funds for community colleges and \$83,250,000 in general obligation bond funds for University of Hawaii, systemwide support in fiscal year 2017-2018; and
- (7) Encouragement of the future chefs and culinary industry of Hawaii with an infusion of \$20,000,000 in general obligation bond funds, and a \$10,000,000 match in private funds for phase II of the Kapiolani Community College Culinary Institute of the Pacific.

Your Committee on Conference recognizes the great need in the State for services provided by non-governmental groups and nonprofit agencies and has thus provided \$19,975,000 in general obligation bond funds in fiscal year 2017-2018 to help aid these organizations in better serving the community.

Finally, your Committee on Conference provided funding for various projects within the Department of Defense, Department of Hawaiian Home Lands, Department of Health, Department of Human Services, Department of Land and Natural Resources, and Department of Transportation, among others, to ensure that contributions of matching federal, private, and other funds may be maximized and not lost or forfeited.

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. 100, 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. 100, H.D. 1, S.D. 1, C.D. 1.



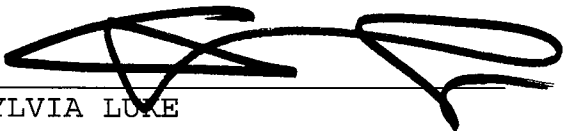
Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE



JILL M. TOKUDA
Chair



SYLVIA LUKE
Chair



