

Honolulu, Hawaii

APR 27 2017

RE: S.B. No. 724
H.D. 1
C.D. 1

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

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

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 724, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO NON-DISCRETIONARY COSTS,"

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 measure is to require the Department of Budget and Finance to report certain data on non-discretionary costs.

Specifically, this measure requires the Department of Budget and Finance to annually report information and financial ratios based upon the following non-discretionary general fund costs:

- (1) Debt service payments for general obligation bonds;
- (2) Medicaid service costs; and



- (3) Employer contributions for pension, retirement, and health benefits for state employees and retirees.

Your Committee on Conference finds that requiring the Department of Budget and Finance to submit a one-time report prior to the 2019 Regular Session would assist the Legislature in monitoring future financial liabilities for the 2018-2019 and 2019-2020 fiscal years and determining whether additional reports would provide meaningful information for future state budgets.

Accordingly, your Committee on Conference has amended this measure by:

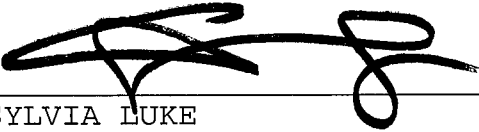
- (1) Replacing the annual report with a one-time report, to be submitted prior to the 2019 Regular Session, on the various non-discretionary costs and related ratios for the 2018-2019 and 2019-2020 fiscal years;
- (2) Setting forth the reporting requirements within the Session Laws of Hawaii rather than within the Hawaii Revised Statutes;
- (3) Requiring the Department of Budget and Finance to issue a recommendation on whether the information required by this Act should be provided annually; and
- (4) Changing the effective date to July 1, 2018.

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 S.B. No. 724, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 724, H.D. 1, C.D. 1.


Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



SYLVIA LUKE
Chair



JILL N. TOKUDA
Chair



Hawaii State Legislature

CCR 18

**Record of Votes of a
Conference Committee**

Bill / Concurrent Resolution No.: SB 724, HD 1	Date/Time: 4/21/17 @ 2:17 pm
--	-------------------------------------

The recommendation of the House and Senate managers is to pass with amendments (CD).

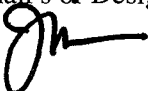
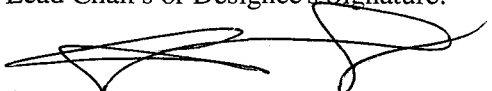
The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
---	---

Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
TOKUDA, Jill N., Chr.	/				LUKE, Sylvia, Chr.	/			
DELA CRUZ, Donovan M.	/				CULLEN, Ty J.K.	/			
ENGLISH, J. Kalani	/				TUPOLA, Andria P.L.				/
TOTAL	3				TOTAL	2			1

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
---	--

Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature: 
---	---

Distribution: **Original** **Yellow** **Pink** **Goldenrod**
File with Conference Committee Report House Clerk's Office Senate Clerk's Office Drafting Agency