

JAN 18 2019

A BILL FOR AN ACT

RELATING TO THE STATE BUDGET.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that assistance from the
2 State is needed for the county of Hawaii to recover from the
3 Kilauea eruption, a presidentially-declared major disaster. The
4 disaster permanently altered large portions of the landscape,
5 communities, and the economy, with losses tallying in the
6 hundreds of millions of dollars. Unlike floods or hurricanes
7 where affected residents could possibly return to their homes,
8 this eruption caused permanent displacement that involves
9 complex recovery planning to assess whether to rebuild or to
10 relocate. Although the eruption has paused, the Hawaii
11 volcanoes observatory's alert level is "advisory" rather than
12 "normal," reflecting the uncertainty that the eruption is over.
13 The hazards persist with high subsurface temperatures, sporadic
14 sulfur dioxide or hydrogen sulfide gas release, ground cracks,
15 and potential to resume eruption, requiring additional resources
16 to monitor and respond, while concurrently initiating recovery.



S.B. NO. 166

1 Eruption-related impacts and losses are extensive. Over
2 eight thousand acres were inundated by lava tens of feet thick,
3 covering entire neighborhoods, farms, a school, cultural sites,
4 recreational destinations, roadways, water systems, and large
5 portions of the electrical grid. The eruption was centered in
6 the heart of the most socio-economically vulnerable communities,
7 pushing many households deeper into poverty and destroying what
8 little wealth had been accumulated. More than seven hundred
9 homes were destroyed, totaling over \$100,000,000 in property
10 losses. Over three thousand parcels were destroyed or made
11 inaccessible, translating to \$4,000,000 in annual county real
12 property tax revenue losses. A thirty-eight megawatt geothermal
13 power plant shut down and was isolated, resulting in the loss of
14 one-third of the county's power production and half of its
15 renewable energy portfolio. Economic impacts are in the
16 hundreds of millions of dollars, including an unprecedented one
17 hundred thirty-four day closure of Hawaii volcanoes national
18 park, the county's largest tourist attraction and economic
19 engine, and an estimated \$27,900,000 in lost papaya, nursery,
20 orchid, vegetable, and tree crops.



1 The scale of the recovery exceeds the county's capacity.
2 As a rural county with the lowest average per capita income in
3 the State, the county's \$500,000,000 annual operating budget has
4 been stretched to its limit with the \$4,000,000 annual revenue
5 loss from the inundated properties, the depletion of disaster
6 response reserves for overtime and expenses incurred to respond
7 to the disaster, and the looming bargaining unit salary and
8 benefit increases beyond the county's control. Even with
9 federal disaster assistance, the county will need additional
10 assistance to provide the local match to federal funding and to
11 address recovery needs beyond what federal programs cover.

12 The purpose of this Act is to appropriate funds to meet the
13 needs for response, relief, and recovery activities in the
14 county of Hawaii including:

- 15 (1) Covering the local cost share of various federal
16 programs, including the twenty-five per cent cost
17 share for the Federal Emergency Management Agency's
18 public assistance and hazard mitigation programs as
19 required by the Robert T. Stafford Disaster Relief and
20 Emergency Assistance Act, and other federal programs
21 that may become available from the Department of



1 Housing and Urban Development, the Department of
2 Commerce's Economic Development Administration, and
3 other departments or agencies;

4 (2) Covering the costs of recovery projects that may or
5 may not be covered by federal programs in accordance
6 with a recovery plan to address needs related to
7 temporary and permanent housing, infrastructure and
8 public facilities, economic recovery, community
9 planning, health and social services, and ongoing
10 emergency response as needed; and

11 (3) Covering the costs to administer and implement the
12 various funding sources to ensure efficiency and
13 accountability.

14 SECTION 2. There is appropriated out of the general
15 revenues of the State of Hawaii the sum of \$61,000,000 or so
16 much thereof as may be necessary for fiscal year 2019-2020 and
17 the same sum or so much thereof as may be necessary for fiscal
18 year 2020-2021 for regional infrastructure and public facilities
19 projects to support resettlement patterns in the county of
20 Hawaii in accordance with a Kilauea eruption recovery plan.



1 The sums appropriated shall be expended by the office of
2 the governor for the purposes of this Act, provided that the
3 moneys appropriated pursuant to this section shall not lapse at
4 the end of the fiscal year for which the moneys have been
5 appropriated; provided further that any moneys appropriated
6 pursuant to this section that are unencumbered as of June 30,
7 2021, shall lapse on that date.

8 SECTION 3. There is appropriated out of the general
9 revenues of the State of Hawaii the sum of \$55,000,000 or so
10 much thereof as may be necessary for fiscal year 2019-2020 and
11 the same sum or so much thereof as may be necessary for fiscal
12 year 2020-2021 for temporary or permanent housing projects to
13 accommodate the impacted population in the county of Hawaii in
14 accordance with a Kilauea eruption recovery plan.

15 The sums appropriated shall be expended by the office of
16 the governor for the purposes of this Act, provided that the
17 moneys appropriated pursuant to this section shall not lapse at
18 the end of the fiscal year for which the moneys have been
19 appropriated; provided further that any moneys appropriated
20 pursuant to this section that are unencumbered as of June 30,
21 2021, shall lapse on that date.



1 SECTION 4. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$23,000,000 or so
3 much thereof as may be necessary for fiscal year 2019-2020 and
4 the same sum or so much thereof as may be necessary for fiscal
5 year 2020-2021 for emergency operations, major equipment repair
6 and maintenance, or construction of emergency bypass routes in
7 the county of Hawaii.

8 The sums appropriated shall be expended by the office of
9 the governor for the purposes of this Act, provided that the
10 moneys appropriated pursuant to this section shall not lapse at
11 the end of the fiscal year for which the moneys have been
12 appropriated; provided further that any moneys appropriated
13 pursuant to this section that are unencumbered as of June 30,
14 2021, shall lapse on that date.

15 SECTION 5. There is appropriated out of the general
16 revenues of the State of Hawaii the sum of \$10,000,000 or so
17 much thereof as may be necessary for fiscal year 2019-2020 and
18 the same sum or so much thereof as may be necessary for fiscal
19 year 2020-2021 for administrative support and establishment of
20 implementation systems relating to relief and recovery
21 assistance from disaster damages, losses, and suffering caused



1 by the extensive damages of the Kilauea eruption in the county
2 of Hawaii and for preparation for ongoing emergency response.

3 The sums appropriated shall be expended by the office of
4 the governor for the purposes of this Act, provided that the
5 moneys appropriated pursuant to this section shall not lapse at
6 the end of the fiscal year for which the moneys have been
7 appropriated; provided further that any moneys appropriated
8 pursuant to this section that are unencumbered as of June 30,
9 2021, shall lapse on that date.

10 SECTION 6. There is appropriated out of the general
11 revenues of the State of Hawaii the sum of \$4,000,000 or so much
12 thereof as may be necessary for fiscal year 2019-2020 and the
13 same sum or so much thereof as may be necessary for fiscal year
14 2020-2021 for economic recovery programs, including loans, to
15 revitalize the impacted agricultural industry in the county of
16 Hawaii.

17 The sums appropriated shall be expended by the department
18 of agriculture for the purposes of this Act, provided that the
19 moneys appropriated pursuant to this section shall not lapse at
20 the end of the fiscal year for which the moneys have been
21 appropriated; provided further that any moneys appropriated



1 pursuant to this section that are unencumbered as of June 30,
2 2021, shall lapse on that date.

3 SECTION 7. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$2,000,000 or so much
5 thereof as may be necessary for fiscal year 2019-2020 and the
6 same sum or so much thereof as may be necessary for fiscal year
7 2020-2021 for permanent air quality stations and mental health
8 programs in the county of Hawaii.

9 The sums appropriated shall be expended by the department
10 of health for the purposes of this Act, provided that the moneys
11 appropriated pursuant to this section shall not lapse at the end
12 of the fiscal year for which the moneys have been appropriated;
13 provided further that any moneys appropriated pursuant to this
14 section that are unencumbered as of June 30, 2021, shall lapse
15 on that date.

16 SECTION 8. Should any projects paid for by state funds
17 under this Act later become eligible for federal reimbursement,
18 the federal reimbursement funds shall be deposited into the
19 general fund; provided that money expended by a state or county
20 department or agency for projects under this Act that later



1 become eligible for federal reimbursements shall be reimbursed
2 to the appropriate state or county department or agency.

3 SECTION 9. The office of the governor, the department of
4 agriculture, and the department of health shall submit annual
5 reports to the legislature no later than twenty days prior to
6 the convening of the 2020, 2021, and 2022 regular sessions. The
7 reports shall include, at a minimum, the following:

- 8 (1) The date of each expenditure;
- 9 (2) A description of each expenditure, including its
10 purpose;
- 11 (3) The name of the agency receiving each expenditure; and
- 12 (4) Prospects for reimbursement or relationship to other
13 sources of funding.

14 SECTION 10. This Act shall take effect on July 1, 2019.

15

INTRODUCED BY: *Namin. M.*
By Request



S.B. NO. 166

Report Title:

Hawaii County Mayor's Package; State Budget; Office of the Governor; HDOA; DOH; Kilauea Eruption Disaster Relief and Recovery; Appropriations

Description:

Appropriates funds to the Office of the Governor, the Department of Agriculture, and the Department of Health for disaster relief and recovery for the County of Hawaii.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

