

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 state assistance is
2 needed to recover from the Kilauea eruption in the county of
3 Hawai'i, which the President has declared a major disaster. The
4 eruption 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 the eruption caused permanent displacement that involves complex
9 recovery planning to assess whether to rebuild or to relocate.
10 Although the eruption has paused for the time being, the Hawai'i
11 Volcanoes Observatory's alert level is "advisory" rather than
12 "normal", reflecting an uncertainty as to whether the eruption
13 has ended. Other hazards persist including high surface
14 temperatures, the sporadic release of sulfur dioxide and
15 hydrogen sulfide gases, ground cracks, and the possibility that
16 the eruption may resume. In addition to the funds needed to



1 provide recovery for existing damages, additional resources are
2 needed to monitor and respond to these continuing hazards.

3 The impacts and losses resulting from the eruption are
4 extensive. Over eight thousand acres were inundated by lava
5 tens of feet thick, covering entire neighborhoods, farms, a
6 school, cultural sites, recreational destinations, roadways,
7 water systems, and large portions of the electrical grid. The
8 eruption was centered in the heart of the most socio-
9 economically vulnerable communities, pushing many households
10 deeper into poverty and destroying what little wealth had been
11 accumulated. More than seven hundred homes were destroyed
12 totaling over \$100,000,000 in property losses. Over three
13 thousand parcels were destroyed or made inaccessible,
14 translating to a loss of \$4,000,000 in annual county real
15 property tax revenue. A thirty-eight megawatt geothermal plant
16 was isolated and shut down, resulting in the loss of one-third
17 of the county's power production and half of its renewable
18 energy portfolio. Economic impacts are in the hundreds of
19 millions of dollars, including an unprecedented 134-day closure
20 of Hawai'i Volcanoes National Park, the county's largest tourist



1 attraction and economic engine, and an estimated \$27,900,000 in
2 lost papaya, nursery, orchid, vegetable, and tree crops.

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

14 The purpose of this Act is to appropriate funds to meet the
15 needs for response, relief, and recovery activities in the
16 county of Hawai'i, including:

- 17 (1) Covering the local cost share of various federal
18 programs, such as the twenty-five per cent cost share
19 for the Federal Emergency Management Agency's public
20 assistance and hazard mitigation programs as required
21 by the Robert T. Stafford Disaster and Emergency



1 Assistance Act, and other federal programs that may
 2 become available from the Department of Housing and
 3 Urban Development, Economic Development
 4 Administration, and other agencies;

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

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

15 SECTION 2. There is appropriated out of the general
 16 revenues of the State the sum of \$155,000,000 or so much thereof
 17 as may be necessary for fiscal year 2019-2020 and the same sum
 18 or so much thereof as may be necessary for fiscal year 2020-2021
 19 for the purposes of providing relief and recovery assistance
 20 from the damages caused by the Kilauea eruption in the county of
 21 Hawai'i, and for continued emergency response as follows:



- 1 (1) \$61,000,000 to the governor's office for regional
2 infrastructure and public facilities projects to
3 support resettlement patterns in accordance with a
4 recovery plan;
- 5 (2) \$55,000,000 to the governor's office for temporary or
6 permanent housing projects to accommodate the impacted
7 population in accordance with a recovery plan;
- 8 (3) \$23,000,000 to the governor's office to sustain
9 emergency operations, major equipment repair, and
10 maintenance, or construction of emergency or bypass
11 routes;
- 12 (4) \$10,000,000 to the governor's office for
13 administrative support and establishing implementation
14 systems;
- 15 (5) \$4,000,000 to the department of agriculture for
16 economic recovery programs to revitalize the impacted
17 agricultural industry through loans; and
- 18 (6) \$2,000,000 to the department of health for permanent
19 air quality stations and mental health programs.

20 The sums appropriated shall be expended by the designated
21 expending agency for purposes of this Act; provided that the



1 moneys appropriated shall not lapse at the end of the fiscal
2 year for which the moneys have been appropriated, and that any
3 moneys appropriated pursuant to this section that are
4 unencumbered as of June 30, 2021, shall lapse on that date.

5 Should any projects paid for by state funds under this Act
6 later become eligible for federal reimbursement, the federal
7 reimbursement funds shall be paid into the state treasury to the
8 credit of the general fund; provided that money expended by
9 departments and agencies of the State or the county of Hawai'i
10 for projects above the amounts appropriated under this Act that
11 later become eligible for federal reimbursements shall be
12 reimbursed to the county or the appropriate department or
13 agency.

14 SECTION 3. The office of the governor, department of
15 agriculture, and department of health shall submit annual
16 reports to the legislature, beginning no later than January 15,
17 2020, relating to expenditures made pursuant to section 2 of
18 this Act. The reports shall include at a minimum the date of
19 each expenditure, the purpose and description of each
20 expenditure, the department or agency receiving the



1 appropriation, and prospects for federal reimbursement or the
2 relationship to other sources of funds.

3 SECTION 4. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$15,000,000 or so
5 much thereof as may be necessary for fiscal year 2019-2020 and
6 the same sum or so much thereof as may be necessary for fiscal
7 year 2020-2021 for the purposes of re-opening Highway 132 (also
8 known as Kapoho Road) in the Puna District, from Lava Tree State
9 Park to the Four Corners Intersection, and continuing North,
10 reconnecting with Highway 137, also known as Government Beach
11 Road.

12 The sums appropriated in this section shall be expended by
13 the department of transportation for the purposes of this Act.

14 SECTION 5. This Act shall take effect on July 1, 2019.

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INTRODUCED BY:

Ross E. Paden
[Signature]
Armine R. Anouye
[Signature]



S.B. NO. 469

Report Title:

Kilauea Eruption; County of Hawaii; Disaster Relief; Governor;
Department of Agriculture; Department of Health; Reporting;
Appropriation

Description:

Appropriates funds to support and sustain the disaster relief
and recovery efforts in Hawaii County resulting from the Kilauea
eruption.

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