

Honolulu, Hawaii  
MAR 14 , 2022

RE: H.B. No. 1600  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1600 entitled:

"A BILL FOR AN ACT RELATING TO THE STATE BUDGET,"

begs leave to report as follows:

The purpose of this measure is to appropriate funds for the operating and capital improvement costs of the Executive Branch for fiscal year (FY) 2021-2022 and FY 2022-2023.

Testimony received for this measure can be found at the Legislature's website at: <http://www.capitol.hawaii.gov/>.

The Administration submitted an operating and capital improvement project (CIP) budget that totaled:

<u>Operating</u>	<u>FY 2021-2022</u>	<u>FY2022-2023</u>
General Funds:	\$7,424,917,404	\$8,443,505,275
All Means of Financing:	\$15,718,266,537	\$16,668,961,012
<u>Capital Improvement</u>	<u>FY 2021-2022</u>	<u>FY2022-2023</u>
General Obligation Bonds:	\$990,124,000	\$1,123,989,000
All Means of Financing:	\$1,644,285,000	\$2,717,505,000

Upon consideration, your Committee has amended this budget to appropriate the following in operating and CIP funds:

<u>Operating</u>	<u>FY 2021-2022</u>	<u>FY2022-2023</u>
General Funds:	\$7,424,917,404	\$8,325,226,021
All Means of Financing:	\$15,718,266,537	\$16,408,372,098
<u>Capital Improvement</u>	<u>FY 2021-2022</u>	<u>FY2022-2023</u>
General Obligation Bonds:	\$990,124,000	\$1,353,420,000
All Means of Financing:	\$1,644,285,000	\$3,168,172,000

Your Committee finds that total funding provided by the federal government for Hawaii between 2020 and 2024 will be \$21,809,421,000. The funding is for various programs to support individuals, families, businesses, and government. This federal action has been a key factor in the swift recovery of state level revenues in the current fiscal year. Between March 2021 and January 2022 the tax revenue projection for the State dramatically changed. Instead of a \$5,000,000,000 revenue shortfall between FY 2019-2020 and FY 2022-2023, the State is expecting a \$4,000,000,000 revenue increase over the same period.

Your Committee has determined that this revenue projection provides an unprecedented opportunity to take a strategic and forward-thinking approach to develop a budget that balances fundamental structural base reform with high priority investments to rebuild programs for a stronger, more resilient future.

Your Committee proposes a budget that takes a holistic approach to stabilize and enhance critical services and programs. Some of these enhancements include:

- Pre-school and early childhood education facilities and programs;
- Post-partum care and services;
- Family planning program assistance;
- Special education support;
- Child welfare services program enhancements;
- Long-Term Care Ombudsman program expansion to all islands;
- Re-entry programs and support services for women at the Women's Community Correctional Center's Intake Center;
- Home and community-based services;
- Mental health services for youth and adults suffering in crises in correction environments;
- Rapid Ohia Death response;
- Expenses for the Kahoolawe Island Reserve;

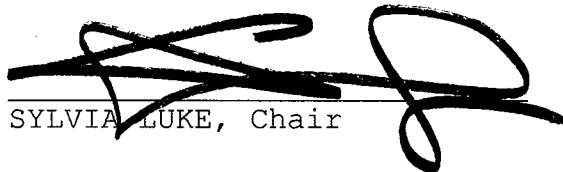


- Park maintenance and destination management;
- Aquaculture and coral nursery initiatives;
- Invasive pest species, such as the coffee berry borer beetle, spittle bug, and Japanese beetle mitigation efforts;
- The mission of the Bishop Museum;
- Special investigation and prosecution unit;
- Expansion of broadband services;
- Completion of the tax system modernization project;
- Replacement of Wiki Wiki buses and buses at the Daniel K. Inouye International Airport;
- The Promise Program at the community colleges, UH Manoa, Hilo, and West Oahu.

By appropriating a total of \$824,033,260 more in general funds across all departments, and utilizing enormous support from the federal government, this budget restores funding and provides an opportunity to rebuild programs, strengthen core services, restore transparency, and restructure how services are delivered.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1600, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1600, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,

  
SYLVIA LUKE, Chair



