

STAND. COM. REP. NO. 1780-24

Honolulu, Hawaii

APR 05 , 2024

RE: S.B. No. 582
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 582, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Transfer to the general fund the excess balances of various non-general funds from various state departments and agencies; and
- (2) Appropriate funds to support the State's response to the August 2023 wildfires that affected the County of Maui.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Hawai'i Emergency Management Agency; and one member of the Maui County Council. Your Committee received comments on this measure from the Department of Land and Natural Resources; Department of Agriculture; Department of Budget and Finance; Department of Human Services; Department of the Attorney General; Department of Transportation; Hawai'i Tourism Authority; Hawaii Technology Development Corporation; and Hawaii State Energy Office.

2024-2740 SB582 HD1 HSCR HMSO-1



Your Committee finds that the transfer of excess amounts in various non-general funds to the general fund is one option to free up funds to help the State pass a balanced budget and provide much-needed assistance to the County of Maui in the wake of the wildfires. However, issues have arisen regarding the eligibility of certain costs related to Maui wildfire response for Federal Emergency Management Agency (FEMA) assistance, and other mechanisms have been proposed to provide assistance for Maui wildfire victims. Given these recent developments, your Committee has determined that other mechanisms are needed to cover the State's immediate expenses incurred in wildfire response efforts and to provide other assistance for Maui wildfire victims.

Accordingly, your Committee has amended this measure by:

- (1) Removing the transfer of excess balances of various non-general funds from various state departments and agencies to the general fund;
- (2) Making emergency appropriations for expenses related to FEMA-ineligible noncongregate housing and other costs relating to the provision of food, housing, and other assistance and for services, goods, or construction that are eligible for partial reimbursement through FEMA;
- (3) Requiring the monthly reporting of information related to the expenditure of funds;
- (4) Making an emergency appropriation to fund the State's contribution to the One Ohana Bank Trust Account for the compromise and settlement of claims caused by the Maui wildfires;
- (5) Requiring the Department of the Attorney General to submit an annual report on claims, amounts paid, administrative costs incurred, contributors, and contribution amounts associated with the One Ohana Bank Trust Account;
- (6) Repealing the general obligation bond authorization for the payment or prepayment of the State's other post-employment benefits liability through Act 247, Session Laws of Hawaii 2022;



- (7) Lapsing the general fund appropriation to the Pension Accumulation Fund through Act 115, Session Laws of Hawaii 2022, as amended by Act 35, Session Laws of Hawaii 2023;
- (8) Temporarily lifting various restrictions on the use of Major Disaster Fund monies and extending the lapse date of certain funds set aside for wildfire response;
- (9) Requiring the Department of Defense to submit a monthly report to the Legislature on federal reimbursements and expenditures related to the wildfire disaster and the Governor to submit a summary of that information to the Legislature before the Regular Session of 2025;
- (10) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (11) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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 S.B. No. 582, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 582, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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



KYLE T. YAMASHITA, Chair



