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TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
HOUSE BILL NO. 2380, H.D. 2, S.D. 1

April 5, 2024
10:20 a.m.
Room 211 and Videoconference

MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF BUDGET
AND FINANCE

The Department of Budget and Finance (B&F) supports this Administration bill and offers comments.

House Bill No. 2380, H.D. 2, S.D. 1, makes an emergency appropriation of an unspecified amount from the Mass Transit Special Fund (MTSF) for FY 24 to allow B&F to disperse moneys in the fund. In FY 23, the MTSF received revenues totaling \$405,454,763, which was \$27,879,763 above the special fund ceiling appropriated in Act 88, SLH 2021, as amended by Act 248, SLH 2022. In addition, \$95,877,228 was carried over from the MTSF's ending cash balance for FY 22. As a result, B&F was unable to disperse all the available funds in FY 23 and carried over \$123,756,991 into FY 24. This bill is necessary to provide special fund ceiling to distribute moneys in the MTSF that is anticipated to exceed the existing appropriation in FY 24.

Based on updated revenue estimates for FY 24 of approximately \$433,242,000, and the carryover ending cash balance from prior years, B&F anticipates there will be a shortfall in special fund ceiling for the MTSF. B&F recommends that the appropriation

amount be updated to \$179,000,000 to reflect the increases in revenue estimates for the Transient Accommodations Tax and the General Excise Tax County Surcharge.

Thank you for the opportunity to provide testimony in support of this bill.



Lori M.K. Kahikina, P.E.
Executive Director and CEO |
Po'o Ho'okō a Kahu Luna Nui Ho'okō

Rick Keene
Deputy Executive Director and COO |
Hope Po'o Ho'okō a Kahu Luna Ho'oponopono

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SENATE COMMITTEE ON WAYS AND MEANS

April 5, 2024

10:20 A.M.

Conference Room 211, State Capitol & Video Conference

To: Chair Dela Cruz, Vice Moriwaki, and Members of the Senate Committee on Ways and Means

From: Lori M.K. Kahikina, P.E., Executive Director and CEO

Subject: Testimony in Support of HB2380, Making an Emergency Appropriation for the Mass Transit Special Revenue Fund for the Honolulu Authority for Rapid Transportation (HART)

The HART Board of Directors supports HB2380, which makes an emergency appropriation to the State Department of Budget and Finance to provide for timely disbursement of monies in the Mass Transit Special Fund. The current State budget limitations are impacting the ability of HART to fully receive its allocated portion of the State's General Excise Tax (GET) and Transient Accommodations Tax (TAT) collections. For Fiscal Year (FY) 2023, approximately \$22 million from the State's collection of GET and TAT surcharge funds could not be transferred to HART because of the special fund ceiling. These funds were carried over and transferred to HART in the beginning of FY 2024; however, with the special fund ceiling unchanged and still in place, a similar amount, compounded by last year's deferred payment, will not be transferred to HART at the end of FY 2024. In future years, the deferred amount could continue to compound. These funds are essential to HART's capital program.

The HART Board of Directors supports HB2380, which makes an adjustment to the FY 2024 budget via emergency appropriation to increase the amount that can be transferred from the Mass Transit Special Revenue Fund to \$500,000,000 from its current budget of \$377,575,000. This adjustment will allow the funds from the Mass Transit Special Fund to be fully and appropriately transferred to HART on a timely basis. We also ask that the FY 2025 and future budgets include higher budget amounts for the payments from the Mass Transit Special Revenue Fund.

Mahalo for the opportunity to testify.



Testimony of the Oahu Metropolitan Planning Organization

Committee on Ways and Means

April 5, 2024 at 10:20AM

Conference Room 211

HB 2380 HD 2 SD 1

Relating to Transportation

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Committee Members,

The Oahu Metropolitan Planning Organization (OahuMPO) **supports HB 2380 HD 2 SD 1**, which would make an emergency appropriation to provide special funds for disbursements of moneys in the Mass Transit Special Fund (MTSF).

The OahuMPO strongly supports the bill as it is necessary to provide an appropriation of special funds to allow the Department of Budget and Finance to disburse all the available funds that is anticipated to exceed the existing appropriation in fiscal year 2023-2024.

As the MTSF benefits the Honolulu Rail Transit Project, this measure is consistent with multiple goals in the Oahu Regional Transportation Plan (ORTP) related to improving active and public transportation and equity.

The OahuMPO is the federally designated Metropolitan Planning Organization (MPO) on the island of Oahu responsible for carrying out a multimodal transportation planning process, including the development of a long-range (25-year horizon) metropolitan transportation plan, referred to as the Oahu Regional Transportation Plan (ORTP) that encourages and promotes a safe and efficient transportation system to serve the mobility needs of people and freight (including walkways, bicycles, and transit), fosters economic growth and development, and takes into consideration resiliency needs, while minimizing fuel consumption and air pollution ([23 CFR 450.300](#)).

Thank you for the opportunity to provide testimony on this measure.