



GOV. MSG. NO. 1110

EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

May 2, 2024

The Honorable Ronald D. Kouchi
President of the Senate,
and Members of the Senate
Thirty-Second State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki
Speaker, and Members of the
House of Representatives
Thirty-Second State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on May 2, 2024, the following bill was signed into law:

SB582 SD2 HD1 CD1

RELATING TO STATE BUDGET.
ACT 010

Sincerely,

Josh Green, M.D.
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO STATE BUDGET.

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

1 PART I

2 SECTION 1. This Act is recommended by the governor for
3 immediate passage in accordance with section 9 of article VII of
4 the Constitution of the State of Hawaii.

5 PART II

6 SECTION 2. In accordance with section 9 of article VII of
7 the Constitution of the State of Hawaii and sections 37-91 and
8 37-93, Hawaii Revised Statutes, the legislature has determined
9 that the general fund expenditure ceiling for fiscal year
10 2023-2024 has already been exceeded by \$1,033,839,854 or ten
11 per cent. The appropriations contained in this Act will cause
12 the state general fund expenditure ceiling for fiscal year
13 2023-2024 to be further exceeded by \$362,000,000 or four per
14 cent. This declaration takes into account the additional
15 general fund appropriations authorized for fiscal year 2023-2024
16 in this Act only. The reasons for exceeding the general fund
17 expenditure ceiling are that:



- 1 (1) The appropriations made in this Act are necessary to
2 serve the public interest; and
- 3 (2) The appropriations made in this Act meet the needs
4 addressed by this Act.

5 PART III

6 SECTION 3. The legislature finds that the devastating
7 wildfires brought on by winds from Hurricane Dora on August 8,
8 2023, resulted in one of the worst natural disasters in the
9 State's history. The wildfires caused loss of life and
10 displacement of thousands on the island of Maui. The disaster
11 also destroyed nearly all of Lahaina.

12 The legislature further finds that to support response and
13 recovery efforts and address immediate 2023 wildfire funding
14 needs, the governor, through the seventh emergency proclamation
15 relating to wildfires, dated September 8, 2023, and executive
16 memorandum no. 23-08, redirected \$164,100,000, after
17 adjustments, from selected general fund operating appropriations
18 from Act 164, Session Laws of Hawaii 2023, originally intended
19 for specific purposes and capital improvement projects, to the
20 department of budget and finance. The department of budget and
21 finance subsequently transferred the \$164,100,000 amount to the



1 major disaster fund along with another \$30,000,000 that the
2 governor authorized pursuant to section 5 of Act 164, Session
3 Laws of Hawaii 2023. With the existing \$5,000,000 major
4 disaster fund appropriation, a total of \$199,100,000 has been
5 allocated to the major disaster fund for initial wildfire
6 response and recovery, including the State's expected share of
7 noncongregate housing and debris clean-up costs initially being
8 paid by the Federal Emergency Management Agency. These steps
9 provided what was thought to be sufficient funding for the State
10 to address the expected fiscal year 2023-2024 response and
11 recovery expenses as of the beginning of January 2024. The
12 legislature further finds that the Federal Emergency Management
13 Agency executed the contract for debris clean-up costs, and the
14 State executed the contracts for noncongregate housing and
15 related expenses for room and board of Maui wildfire victims
16 displaced from their homes.

17 The legislature further finds that the immediate expenses
18 in fiscal year 2023-2024 that the State may be obligated to
19 provide total \$1,018,967,788, including:



- 1 (1) \$500,000,000 for noncongregate Federal Emergency
2 Management Agency eligible and Federal Emergency
3 Management Agency ineligible housing;
- 4 (2) \$135,512,492 for the State's share of mission
5 assignment and federal assistance expenses;
- 6 (3) \$123,680,797 for Federal Emergency Management Agency
7 ineligible transitional housing and rental assistance;
- 8 (4) \$194,774,499 for potential Federal Emergency
9 Management Agency ineligible state expenses made by
10 various state agencies; and
- 11 (5) \$65,000,000 for a victim relief fund.

12 The State's expenses for noncongregate housing and other
13 expenses, including expenses for individuals impacted by the
14 wildfires who have been classified as not eligible for Federal
15 Emergency Management Agency assistance, are expected to exceed
16 the amounts previously transferred to the major disaster fund.
17 Because the State executed these contracts, the State is
18 responsible for making payment and will seek reimbursement from
19 the Federal Emergency Management Agency for eligible costs.
20 Issues have recently arisen over what costs are eligible for
21 reimbursement, and the timeline in which the State will be



1 reimbursed for eligible costs is currently not clear. The State
2 will thus require additional funds to cover these immediate
3 expenses in fiscal year 2023-2024.

4 Accordingly, the purpose of this part is to make an
5 emergency appropriation to cover the State's immediate expenses
6 incurred in the Maui wildfires disaster response efforts.

7 SECTION 4. There is appropriated out of the general
8 revenues of the State of Hawaii to the department of budget and
9 finance, departmental administration and budget division
10 (BUF101), the sum of \$297,000,000 or so much thereof as may be
11 necessary for fiscal year 2023-2024 for expenses related to
12 noncongregate housing and other costs relating to the provision
13 of food, housing, or other assistance for individuals affected
14 by the Maui wildfires disaster that began on August 8, 2023;
15 provided that:

- 16 (1) \$72,500,000 or so much thereof as may be necessary may
17 be transferred to the department of human services to
18 pay for housing that is ineligible for reimbursement
19 by the Federal Emergency Management Agency and for
20 other costs relating to the provision of food,
21 housing, or other assistance for individuals affected



1 by the Maui wildfires disaster that began on August 8,
2 2023; provided further that no funds transferred under
3 this paragraph shall be expended unless matched with
4 not less than \$40,000,000 of private funds; and

5 (2) Any unexpended or unencumbered balance shall lapse to
6 the general fund on June 30, 2024.

7 SECTION 5. The sum appropriated shall be expended by the
8 department of budget and finance for the purposes of this part.

9 SECTION 6. Any law to the contrary notwithstanding, the
10 department of budget and finance and department of human
11 services shall submit the following information associated with
12 the Hawaii wildfires disaster that began on August 8, 2023, to
13 the legislature on the seventh day of each month:

- 14 (1) The date of any expenditures;
- 15 (2) The amounts of any expenditures made, separately, for
16 Federal Emergency Management Agency eligible and
17 Federal Emergency Management Agency ineligible
18 expenses;
- 19 (3) The purpose of the expenditures;
- 20 (4) Any contracts executed for the expenditure of funds;



- 1 (5) The liquidation date for all contracts or liabilities;
2 and
3 (6) A detailed explanation of the public purpose served by
4 the expenditure of resources; provided that the
5 governor shall submit to the legislature a summary
6 report containing the aforementioned information for
7 the previous twelve month period from December 1 to
8 November 30 no later than thirty days prior to the
9 convening of the regular session of 2025.

10 PART IV

11 SECTION 7. The legislature finds that the State's
12 contribution of public funds to the one ohana bank trust account
13 is for the compromise and settlement of claims to compensate
14 individuals or their personal representatives affected by
15 serious physical injury or death caused by the Maui wildfires
16 and serves a public purpose.

17 The purpose of this part is to make an emergency
18 appropriation to fund the State's contribution to the one ohana
19 bank trust account for the compromise and settlement of claims
20 based on the Maui wildfires.



1 SECTION 8. The legislature finds and declares that the
2 contribution of state moneys to the one ohana bank trust account
3 under this part for the compromise and settlement of claims is
4 in the public interest and for the public health, safety, and
5 general welfare of the State for the following reasons:

6 (1) The State recognizes the devastating impact of the
7 Maui wildfires on its residents, resulting in physical
8 injury and loss of life;

9 (2) It is imperative for the State to respond with
10 compassion and support for those affected by the Maui
11 wildfires, ensuring that victims or their personal
12 representatives are provided with fair and just
13 compensation on a timely basis;

14 (3) The State's contribution to the one ohana bank trust
15 account is for the compromise and settlement of claims
16 for those who have lost loved ones or suffered serious
17 physical injuries in the Maui wildfires.

18 Participation in seeking compensation from the one
19 ohana bank trust account is purely voluntary;

20 (4) The legislature recognizes that contributors to the
21 one ohana bank trust account besides the State



1 include, among others, the county of Maui, Hawaiian
2 Electric Company, the Kamehameha Schools, Charter
3 Communications/Spectrum, Hawaiian Telcom, and the West
4 Maui Land Company;

5 (5) The legislature recognizes the one ohana bank trust
6 account as an efficient mechanism to address this
7 urgent and exceptional situation, and understands the
8 one ohana bank trust account's unique ability to
9 provide assistance to those in need;

10 (6) The legislature recognizes the complexity and
11 challenges of tort litigation and finds it prudent to
12 provide an alternative through the one ohana bank
13 trust account of streamlining the compensation process
14 for those impacted by the Maui wildfires;

15 (7) The legislature finds that it is in the public
16 interest to encourage swift and fair resolution to
17 claims arising from the Maui wildfires, thus
18 alleviating the burden on the judicial system, and
19 fostering community support, unity, and recovery in
20 the aftermath of the Maui wildfires; and



1 (8) The legislature recognizes that individuals seeking
2 compensation from the one ohana bank trust account
3 will be required to release the contributing parties
4 to the fund from further liability and are willingly
5 waiving their rights to pursue damages through tort
6 litigation for wrongful death or personal injury
7 claims, contributing to a more efficient resolution
8 process.

9 Consequently, the legislature finds and declares that the
10 public purpose is served by authorizing the expenditure of
11 public moneys as the State's contribution to the one ohana bank
12 trust account for the compromise and settlement of claims to
13 provide an alternative for compensation to any individual or
14 personal representative of a deceased individual who suffered
15 serious physical injury or died as a result of the Maui
16 wildfires, thus offering a timely and compassionate resolution
17 to those affected by the Maui wildfires while relieving the
18 burden on the judicial system and contributing to the rebuilding
19 of lives and community.

20 SECTION 9. Any individual who receives compensation from
21 the one ohana fund under this Act shall waive the right to sue



1 for damages related to physical injury or death resulting from
2 the Maui wildfires, recognizing the one ohana fund as an
3 alternative to tort litigation.

4 SECTION 10. The department of the attorney general shall
5 submit a report to the legislature no later than twenty days
6 prior to the convening of each regular session, which shall
7 include lists of:

8 (1) Claims and the amounts paid by the one ohana bank
9 trust account for the calendar year;

10 (2) The administrative costs incurred for the one ohana
11 bank trust account for the calendar year; and

12 (3) Contributors and their contribution amounts to the one
13 ohana bank trust account received during the calendar
14 year.

15 SECTION 11. There is appropriated out of the general
16 revenues of the State of Hawaii the sum of \$65,000,000, or so
17 much thereof as may be necessary for fiscal year 2023-2024, to
18 fund the State's contribution to the one ohana bank trust
19 account for the compromise and settlement of claims to
20 compensate individuals or personal representatives affected by
21 serious physical injury or death caused by the 2023 Maui



1 wildfires; provided that the moneys appropriated in this section
2 shall not lapse at the end of the fiscal year for which the
3 appropriation is made; and provided further that any moneys that
4 remain unencumbered on June 30, 2025, shall lapse on that date;
5 provided further that upon closure of the one ohana bank trust
6 account, the remaining balance after the settlement of all
7 administrative costs shall be returned to the contributors to
8 the one ohana bank trust account in proportion to their
9 contributions, with the State's proportionate contribution being
10 returned to the general fund.

11 SECTION 12. The sum appropriated shall be expended by the
12 department of the attorney general for the purposes of this
13 part.

14 PART V

15 SECTION 13. Act 115, Session Laws of Hawaii 2022,
16 section 4, as amended by Act 35, Session Laws of Hawaii 2023,
17 section 5, is amended to read as follows:

18 "SECTION 4. In accordance with article VII, section 6, of
19 the Hawaii State Constitution, there is appropriated out of the
20 general revenues of the State of Hawaii the sum of \$300,000,000
21 or so much thereof as may be necessary for fiscal year 2022-2023



1 for deposit into the pension accumulation fund established under
2 section 88-114, Hawaii Revised Statutes; provided that any
3 unexpended [~~or~~], unencumbered, unallotted, or unrequired
4 balances from the appropriation shall lapse to the general fund
5 on [~~June 30, 2024,~~] the effective date of Act _____, Session Laws
6 of Hawaii 2024; provided further that funds shall not be
7 expended nor deposited into the pension accumulation fund before
8 July 1, 2023."

9 PART VI

10 SECTION 14. Section 37-41.5, Hawaii Revised Statutes, is
11 amended by amending subsection (c) to read as follows:

12 "(c) In addition to the five per cent retainage under
13 subsection (a), the department of education may retain any
14 appropriation received pursuant to section 127A-16(a) or as
15 reimbursement for disaster relief pursuant to section
16 [~~127A-16(d)~~] 127A-16(e) at the close of the fiscal year in which
17 the appropriation or reimbursement was received, and the funds
18 retained shall not lapse until June 30 of the first fiscal year
19 of the next fiscal biennium. [~~Such~~] The funds shall be
20 considered as separate and distinct from the funds the



1 department of education is authorized to retain pursuant to
2 subsection (a)."

3 SECTION 15. Section 127A-16, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**§127A-16 Major disaster fund.** (a) The administrator
6 shall submit requests to the legislature to appropriate from the
7 general revenues of the State sufficient moneys as may be
8 necessary for expenditure by or under the direction of the
9 governor for immediate relief in response to an emergency or
10 disaster in any part of the State; provided that:

11 (1) The governor has issued a proclamation of a state of
12 emergency;

13 (2) The governor shall not expend in excess of \$10,000,000
14 for immediate relief as a result of any single
15 emergency or disaster; and

16 (3) In addition to the funds in paragraph (2), an
17 additional \$5,000,000 may be made available solely for
18 the purpose of matching federal disaster relief funds
19 when these funds become available to the State
20 following a presidential disaster declaration.



1 In expending the moneys, the governor may allot any portion
2 thereof to any agency, office, or employee of the State or a
3 county for the most efficient relief for the population.

4 Notwithstanding this subsection, the only exception to
5 paragraphs (1), (2), and (3) is that the administrator may use
6 up to \$250,000 per year to support the emergency management
7 reserve corps.

8 (b) No later than sixty days after any allotment by the
9 governor or the expenditure of any fund moneys, the
10 administrator shall report to the legislature on the purpose of
11 the allotment or expenditure.

12 (c) Except as provided in [~~subsection (d)~~], subsections
13 (d) and (e), federal reimbursement moneys for disaster relief
14 shall be deemed to be trust moneys and shall be deposited into a
15 trust account with and under the control of the Hawaii emergency
16 management agency. Upon receipt by the Hawaii emergency
17 management agency, these moneys shall be reimbursed to the
18 originating fund of the expending agency; provided that if the
19 original appropriation has lapsed, the funds shall be returned
20 to the general fund.



1 (d) Federal reimbursement moneys for disaster relief for
2 the Maui wildfires disaster that began on August 8, 2023, shall
3 be deemed to be trust moneys and shall be deposited into a trust
4 account with and under the control of the Hawaii emergency
5 management agency. These moneys and any interest earned thereon
6 shall be used for the recovery efforts from the Maui wildfires
7 disaster that began on August 8, 2023, and shall not lapse to
8 the general fund.

9 [~~d~~] (e) In cases in which the department of education
10 expends the funds appropriated to the department for purposes
11 deemed to be reimbursable by federal reimbursement moneys for
12 disaster relief, the federal reimbursement moneys shall not
13 lapse to the general fund and shall be credited directly to the
14 department of education without regard to whether the original
15 appropriation has lapsed. [~~Such~~] The funds shall carry over in
16 accordance with section 37-41.5(c).

17 [~~e~~] (f) Any unspent funding under \$2,500,000 shall be
18 rolled over to the next fiscal year to support current and
19 future emergencies and disasters.

20 [~~f~~] (g) Each state department and agency shall submit to
21 the administrator, no later than August 1 of each year, a report



1 of all funds expended, if any, for the prior fiscal year by the
2 state department and agency for disaster response. The report
3 shall include:

- 4 (1) The source of funds, including the name and account
5 number of the funding source;
- 6 (2) The amount and purpose of each expenditure; and
- 7 (3) Whether any programs, activities, or contracts were
8 reduced as a result of disaster response spending by
9 the state department and agency.

10 [~~g~~] (h) The administrator shall submit an annual report
11 to the legislature no later than September 1 of each year on:

- 12 (1) The amount of federal reimbursement moneys for
13 disaster response that the State could have applied
14 for during the prior fiscal year. The report shall
15 indicate the amount of federal reimbursement moneys
16 for disaster response broken down by department and
17 agency;
- 18 (2) The amount of federal reimbursement moneys for
19 disaster response that the State applied for and the
20 amount received during the prior fiscal year. The
21 report shall indicate the amount of federal



1 reimbursement moneys for disaster response broken down
2 by department and agency;

3 (3) The justification for any difference in the amount of
4 federal reimbursement moneys for disaster response
5 that the State was eligible for and the amount the
6 State applied for;

7 (4) The average amount of time between the submittal of an
8 application for a Federal Emergency Management Agency
9 reimbursement and receipt of the funds;

10 (5) The number of disaster accounts opened for the prior
11 fiscal year; and

12 (6) The information relating to the expenditure of funds
13 that is reported by each state department and agency
14 pursuant to subsection [~~(f)~~] (g)."

15 PART VII

16 SECTION 16. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 17. This Act shall take effect upon its approval;
19 provided that on July 1, 2026, sections 14 and 15 of this Act
20 shall be repealed and sections 37-41.5 and 127A-16, Hawaii
21 Revised Statutes, shall be reenacted in the form in which they

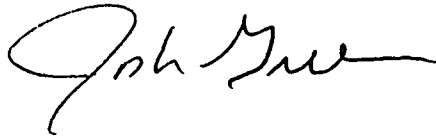


1 read on the day prior to the effective date of this Act;
2 provided further that on June 30, 2026, any unencumbered trust
3 account moneys retained, pursuant to section 15 of this Act, in
4 the account to be used for the recovery efforts from the Maui
5 wildfires disaster that began on August 8, 2023, shall lapse to
6 the general fund.



S.B. NO. 582
S.D. 2
H.D. 1
C.D. 1

APPROVED this **2nd** day of **May**, 2024

A handwritten signature in black ink, appearing to read "Josh Green", written in a cursive style.


GOVERNOR OF THE STATE OF HAWAII

THE SENATE OF THE STATE OF HAWAI‘I

Date: May 1, 2024
Honolulu, Hawai‘i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-Second Legislature of the State of Hawai‘i, Regular Session of 2024.


President of the Senate


Clerk of the Senate

SB No. 582, SD 2, HD 1, CD 1

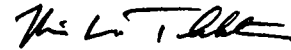
THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 1, 2024
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Second Legislature of the State of Hawaii, Regular Session of 2024.



Scott K. Saiki
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives