

STAND. COM. REP. NO.

1743

Honolulu, Hawaii

APR 04 2025

RE: H.B. No. 300
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 300, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to appropriate funds for the operating and capital improvement budget of the executive branch for fiscal years 2025-2026 and 2026-2027.

Your Committee received testimony in support of this measure from AAUW of Hawaii; ABA Positive Support Services; ABC Group; ABC Group Hawaii (ABA Clinic); Arc of Kona; Attorney General; BAYADA; Behavior Analysis No Ka Oi, Inc.; Board of Water Supply; Care for Aina Now Coalition Leadership Committee; Department of Accounting and General Services; Department of Budget and Finance; Department of Commerce and Consumer Affairs; Department of Corrections and Rehabilitation; Department of Hawaiian Home Lands; Department of Health; Department of Human Resources Development; Department of Human Services; Department of Labor and Industrial Relations; Department of Land and Natural Resources; Department of Law Enforcement; Department of Taxation; Department of Water Supply, County of Hawaii; Department of Business, Economic Development, and Tourism; Department of Education; Department of Transportation; Early Childhood Action Strategy; Early Learning Board; East Oahu County Farm Bureau; Executive Office on Aging;

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Executive Office on Early Learning; Full Life; Hawaii Oral Health Coalition; Hawaii Public Health Institute; Hawaii Aquaculture and Aquaponics Association; Hawaii Association for Behavior Analysis; Hawaii Childrens Action Network Speaks!; Hawaii Correctional System Oversight Commission; Hawaii Dental Service; Department of Agriculture; Hawaii Farm Bureau; Hawaii Green Infrastructure Authority; Hawaii Housing Finance and Development Corporation; Hawaii School Facilities Authority; Hawaii State Board of Education; Hawaii State Commission on the Status of Women; Hawaii State Council on Developmental Disabilities; Hawaii State Energy Office; Hawaii State Health Planning and Development Agency (SHPDA); Hawaii State Public Library System; Hawaii Technology Development Corporation; Hawaii True Cost Coalition; Hawaii Waiver Providers Association; Hawaiian Electric; Healthcare Association of Hawaii; Holomua Collaborative; Hunt Development Group, LLC; Kahoolawe Island Reserve Commission; Kahuku Medical Center; Kauai Island Utility Cooperative; Malama Pono Autism Centers; Mau Loa Learning, LLC; Maui Behavioral Therapy; Mindful Behavior Analysis; Office of the Governor; Office of Wellness and Resilience; Parents and Children Together; Planned Parenthood Alliance Advocates; Pride at Work - Hawaii; Public Utilities Commission; Special Education Advisory Council; State of Hawaii 911 Board; State of Hawaii Office of Planning and Sustainable Development; State Procurement Office; State Public Charter School Commission; Statewide Office on Homelessness and Housing Solutions; Stonewall Caucus of the Democratic Party of Hawaii; The Nature Conservancy; Title Guaranty; Mana Up; HPM Building Supply; aio; Tori Richard; UH John A. Burns School of Medicine; University of Hawaii System; Waimanalo CARES Center; Waimanalo Hawaiian Homes Association; and numerous individuals.

Your Committee received testimony in opposition to this measure from Ethical Environmental Consulting; Faith Action for Community Equity; Free Citizens of Maunaloa; Hawaii Unites; Retirees Concerned for Keiki and Aina; and numerous individuals.

Your Committee received comments on this measure from AF3IRM Hawaii; Catholic Charities Hawaii; Stadium Authority; Hawaii Friends of Restorative Justice; Hawaii Disability Rights Center; Hawaii Lodging and Tourism Association; Hawaii Public Housing Authority; Hawaii Tourism Authority; Indivisible Hawaii; Reimagining Public Safety; Reimagining Public Safety in Hawaii Coalition; Save Medicaid Hawaii; and numerous individuals.



PART I. OVERVIEW

This measure, as introduced, includes:

- (1) The base budget from Act 164, Session Laws of Hawaii 2023, as amended by Act 230, Session Laws of Hawaii 2024;
- (2) Previously appropriated collective bargaining amounts from prior acts;
- (3) Reductions of non-recurring amounts identified in the 2023 and 2024 executive budget worksheets issued by the Legislature;
- (4) Adjustments necessary to fulfill the Employee's Retirement System, Employer-Union Health Benefits Trust Fund, debt service, and Medicaid requirements for fiscal years 2025-2026 and 2026-2027; and
- (5) Adjustments as detailed in Finance Memorandum No. 24-17.

In Governor's Message No. 4, dated February 18, 2025, the Governor proposed to increase operating budget expenditures by \$48,345,002 in general funds for fiscal year 2025-2026 and \$31,144,079 in general funds for fiscal year 2026-2027.

In Governor's Message No. 8, dated March 21, 2025, the Governor proposed to increase operating budget expenditures by an additional \$1,612,210 in general funds for fiscal year 2025-2026 and \$2,444,644 in general funds for fiscal year 2026-2027.

In Governor's Message No. 9, dated March 28, 2025, the Governor proposed to increase operating budget expenditures by an additional \$20,000,000 in general funds for fiscal year 2025-2026.

This measure, as received from the House Committee on Finance, includes changes made by the House Committee on Finance, including adjustments as detailed in Finance Memorandum No. 24-17 and Governor's Message No. 4.



Amendments proposed by your Committee reaffirm the commitment of the Senate to advance solutions that help our communities thrive, which include:

- (1) Strategic investments that align with Senate Majority priorities; and
- (2) Reductions for positions that have been vacant since July 1, 2020, in accordance with Finance Memorandum No. 24-10.

Totals for fiscal years 2025-2026 and 2026-2027 are as follows:

	Fiscal Year 2025-2026		Fiscal Year 2026-2027	
Operating	All Funds	General Funds	All Funds	General Funds
Governor's Request	\$20,546,640,464	\$10,471,559,898	\$20,459,458,677	\$10,541,723,984
Governor's Amendments (GM4)	\$20,614,223,896	\$10,519,904,900	\$20,499,921,519	\$10,572,868,063
Governor's Amendments (GM8)	\$20,676,523,975	\$10,521,517,110	\$20,566,054,032	\$10,575,312,707
Governor's Amendments (GM9)	\$20,698,923,975	\$10,543,917,110	\$20,568,454,032	\$10,577,712,707
House Draft No. 1 (HD1)	\$20,484,862,473	\$10,668,359,711	\$20,216,604,470	\$10,519,050,655
Senate Draft No. 1 (SD1)	\$19,930,242,350	\$10,436,542,543	\$19,735,840,017	\$10,421,715,049

PART II. ECONOMIC OUTLOOK

The Council on Revenues met to forecast revenue growth for the general fund on March 12, 2025. The Council on Revenues lowered its forecast by 1.4% and 0.8% for fiscal year 2024-2025 and 2025-2026, respectively. The forecast for fiscal years 2026-2027, 2027-2028, 2028-2029, 2029-2030, and 2030-2031 was left unchanged at 2.9%, 2.5%, 2.6%, 1.9%, and 3.1%, respectively.

The revised forecast means a decrease in revenues by \$133,956,000, \$213,280,000, \$218,612,000, \$224,296,000, \$228,557,000, and \$235,642,000 for fiscal year 2024-2025, 2025-2026, 2026-2027, 2027-2028, 2028-2029, 2029-2030, 2030-2031, respectively, totaling \$1,461,640,000.



The forecasts for the state general fund tax revenues for fiscal year 2024-2025 through 2030-2021 are shown in the table below:

General Fund Tax Revenues						
September 10, 2024			January 10, 2025		March 12, 2025	
Fiscal Year	Amount (in Thousands of Dollars)	Growth From Previous Year	Amount (in Thousands of Dollars)	Growth From Previous Year	Amount (in Thousands of Dollars)	Growth From Previous Year
2025	\$9,902,112	3.5%	\$10,180,685	6.4%	\$10,046,729	5.0%
2026	\$10,124,45	2.2%	\$10,027,975	-1.5%	\$9,820,678	-2.3%
2027	\$10,480,07	3.5%	\$10,318,786	2.9%	\$10,105,506	2.9%
2028	\$10,807,94	3.1%	\$10,576,756	2.5%	\$10,358,144	2.5%
2029	\$11,148,14	3.1%	\$10,851,752	2.6%	\$10,627,456	2.6%
2030	\$11,365,52	1.9%	\$11,057,935	1.9%	\$10,829,378	1.9%
2031	\$11,723,48	3.1%	\$11,400,731	3.1%	\$11,165,089	3.1%

Unexpected increases in individual and corporate tax refunds resulted in reduced anticipated net revenues for the current fiscal year. A non-recurring estate tax collection in the previous fiscal year increased the revenue base, leading to a projected contraction in the upcoming fiscal year. Federal action, including layoffs, cessation of federal contracts and other federal funding, and implementation of trade tariffs, threaten the State's economy.

According to the Economic Research Organization at the University of Hawaii, near-term risks include federal layoffs and funding cuts, which could fully nullify growth within the State. The Governor's budget, as proposed, includes federal funding in the amount of \$3,875,555,199 for operating costs and 2,673.82 permanent and 572.93 temporary full-time equivalent positions in fiscal year 2025-2026; and in fiscal year 2026-2027, federal funding in the amount of \$3,839,750,906 for operating costs and 2,673.82 permanent and 566.93 temporary full-time equivalent positions. The Economic Research Organization at the University of Hawaii also suggests that new trade tariffs and mass deportations imposed by the federal government could thwart growth from our agriculture and construction sectors.



On January 25, 2025, the U.S. House of Representatives passed a budget resolution that proposed a potential \$2,000,000,000,000 cut in federal spending impacting safety net programs such as Medicaid, Supplemental Nutrition Assistance Program (SNAP), and Temporary Assistance for Needy Families (TANF).

On January 27, 2025, the Federal Office of Management and Budget Memorandum No. M-25-13 was issued to the heads of federal executive departments and agencies to require federal agencies to identify and review all federal financial assistance programs and supporting activities consistent with the President's policies and requirements, many of which are outlined in the Executive Orders of the President, as noted in the memorandum. On January 29, 2025, the memorandum was rescinded.

On February 13, 2025, Finance Memorandum No. 25-03 was issued to conduct a survey of federal funds (means of financing = "N") that each state agency has received or anticipates receiving in fiscal year 2024-2025. The total amount of federal funds surveyed was \$3,474,042,792. The deadline for responses to the survey was February 28, 2025, as detailed in the memorandum. The memorandum also noted that a survey of other federal awards (i.e. means of financing = "P") would be conducted at a later date. To date, no survey results for means of financing "N" were published and no survey for means of financing "P" was issued.

In March 2025, to prevent a government shutdown, Congress passed a full-year continuing resolution that extends federal funding through September 30, 2025, maintaining funding at existing levels for most programs, including those targeted by the proposed budget cuts, and thereby averting immediate reductions. However, the continuing resolution also includes a \$13,000,000,000 decrease in non-defense discretionary spending and a \$6,000,000,000 increase in defense spending. Your Committee finds that while the continuing resolution provides temporary stability, it does not resolve the underlying fiscal challenges, and the proposed substantial cuts to critical safety net programs remain a looming threat to the economy.

In addition to fiscal challenges presented by changes to federal policies, yet to be identified, the State must fulfill the following obligations:



- (1) The State's obligation of the Maui wildfire settlement in the amount of \$882,500,000, including \$75,000,000 pursuant to Act 10, Session Laws of Hawaii 2024, and \$400,000,000 for fiscal year 2025-2026 and \$407,500,000 for fiscal year 2026-2027 pursuant to House Bill No. 1001;
- (2) Previously appropriated collective bargaining amounts from prior acts, which total an additional \$135,246,478 for fiscal year 2025-2026 and \$161,185,454 for fiscal year 2026-2027 in general funds; and
- (3) The State's obligation to fulfill the Employee's Retirement System, Employer-Union Health Benefits Trust Fund, debt service, and Medicaid requirements for fiscal years 2025-2026 and 2026-2027, which were included in the Governor's proposed draft as detailed in the following table:

Fixed Costs (Program ID)	Fiscal Year 2025-2026	Fiscal Year 2026-2027
Debt Service - BUF 721, 725, 728	\$1,280,199,461	\$1,320,450,277
Health Benefits - BUF 761, 762, 765, 768	\$1,253,138,546	\$1,269,816,196
Retirement Benefits - BUF 741, 745, 748	\$1,285,044,848	\$1,319,693,340
Total	\$3,818,382,855	\$3,909,959,813

Your Committee finds that in the face of economic uncertainty, the Governor proposed amendments that added general fund appropriations to this measure, without making any reductions. Your Committee must exercise its constitutional mandate to adopt a balanced budget, upholding fiscal responsibility to sustain essential public services that support residents and drive economic stability.



PART III. APPROACH TO THE SENATE DRAFT

Focusing on delivering impactful policies that uplift our communities, fortify our economy, and protect Hawaii's agricultural innovations and unparalleled natural resources, your Senate Majority has identified the following priorities for the 2025 Regular Session:

- (1) Education and workforce development;
- (2) Housing, homelessness, and stabilizing Hawaii's property insurance market;
- (3) General governance and constitutional rights;
- (4) Environmental sustainability and infrastructure; and
- (5) Agricultural innovation and other revenue streams.

In accordance with the priorities set forth by the Senate Majority, your Committee amended this measure to advance meaningful solutions and continue providing the support our communities need to thrive.

These amendments include changing means of financing from general obligation bond funds to general funds for certain capital improvement programs. Cash-funded capital improvement projects boost the construction industry, which helps to stimulate the economy while directly combatting potential negative impacts from adverse policy decisions made by the federal government. Secondly, general-funded appropriations for capital improvement projects provide flexibility for potential funding cuts in the future.

To prepare for potential economic downturns, the House Committee on Finance appropriated \$200,000,000 in fiscal year 2025-2026 for deposit into the emergency and budget reserve fund. According to the Department of the Attorney General, the following provision is recommended to execute the deposit: "provided that of the general fund appropriation to departmental administration and budget division (BUF101), the sum of \$200,000,000 or so much thereof as may be necessary for fiscal year 2025-2026 shall be



deposited into the emergency and budget reserve fund established under section 328L-3, Hawaii Revised Statutes." Your Committee finds that no such provision was included in the measure, as received from the House Committee on Finance, which calls into question the mechanics by which the proposed deposit can be executed.

Furthermore, the most recent time that the Legislature upheld its constitutional mandate to deposit funds into the emergency and budget reserve fund, the Governor slashed that appropriation. House Bill No. 40, Session Laws of Hawaii 2024, as adopted by the Legislature, included a \$300,000,000 deposit into the emergency and budget reserve fund. However, the Governor line-item vetoed the \$300,000,000 to just \$1, pursuant to Governor's Message No. 1330, dated July 8, 2024. In 2023, the Legislature similarly attempted to deposit additional funds, in the amount of \$500,000,000 for fiscal year 2024-2025 into the emergency and budget reserve fund. The same amount was line-item vetoed pursuant to Governor's Message No. 1233, dated June 29, 2023. Therefore, your Committee finds that the Governor has not expressed a willingness to accept the Legislature's intent to bolster reserves, thereby circumventing the Legislature's authority to appropriate funds out of the emergency and budget reserve fund during times of emergency, severe economic downturn, or unforeseen reduction in revenues. Therefore, your Committee finds that funding for the emergency and budget reserve fund, although fiscally responsible at face value, is not an effective use of resources.

Taken together, your Committee has set aside general funds in the amount of \$262,200,000 for capital improvement projects to provide a near-term stimulus for the economy while ensuring long-term flexibility in the face of fiscal uncertainty.

In accordance with the general policies set forth by Finance Memorandum No. 24-10, your Committee amended this measure to reduce positions vacant since July 1, 2020. Finance Memorandum No. 24-10 states that positions vacant since July 1, 2020, shall be deleted. This measure, as proposed, was not consistent in implementing this directive.

Your Committee received updated lists of vacant positions from each department in March, which informed amendments to reduce



long-term vacancies in this proposed draft. Excluded from these lists were positions filled by any means or positions for which a qualified candidate has been selected. Position numbers from these vacancy lists were utilized to extract information from Budget Journal Tables provided by the Department of Budget and Finance, which provide specific information on each budgeted position, including the means of financing and budgeted salaries. Budget Journal Tables for the Department of Hawaiian Home Lands, Department of Land and Natural Resources, Department of Law Enforcement, and the Department of Health-Hawaii Health Systems Corporation were provided by the Department of Budget and Finance on March 28, 2025, and therefore could not be utilized for this analysis.

As such, your Committee amended this measure to increase reductions from long-term vacancies to over 150.00 permanent and 120.00 temporary full-time equivalent general-funded positions, resulting in nearly \$15,000,000 in general-fund savings for each of fiscal years 2025-2026 and 2026-2027. For all means of financing, your Committee amended this measure to increase reductions from long-term vacancies to over 500.00 permanent and 150.00 temporary full-time equivalent positions, resulting in nearly \$50,000,000 in savings across all means of financing.

Finally, your Committee provided funding in fiscal year 2025-2026 only for most new programs to allow for fiscal flexibility in the face of economic uncertainties caused by policies of the federal administration.

PART IV. THE SENATE DRAFT

Your Committee highlights the following changes that were incorporated in the House Draft that negatively impact the safety, financial sustainability, and prosperity of the State:

- (1) A general fund reduction of \$1,999,999 for fiscal year 2025-2026 from \$2,000,000 to \$1 for irrigation systems;
- (2) A special fund ceiling reduction of \$49,500,000 for fiscal year 2025-2026 from \$49,500,000 to \$0 for the New Aloha Stadium Entertainment District;



- (3) A general fund reduction of \$99,999 and 1.00 permanent full-time equivalent position for fiscal year 2025-2026 and fiscal year 2026-2027 from \$100,000 to \$1 for the Hawaii Community Development Authority's ninety-nine year leasehold program;
- (4) A general fund reduction of \$465,000 for fiscal year 2025-2026 and fiscal year 2026-2027 from \$465,000 to \$0 for Public Charter School teacher differentials; and
- (5) A reduction of \$876,000 and 6.00 permanent full-time equivalent positions for fiscal year 2025-2026 and fiscal year 2026-2027 from \$876,000 to \$0 for the Office of Wellness and Resilience's State of Well-Being Project.

Your Committee received testimony from the impacted departments that details some of the negative impacts of each of the aforementioned adjustments included in House Bill No. 300, H.D. 1, as amended by the House Committee on Finance.

Your Committee received testimony from the Department of Agriculture to restore the \$2,000,000 general fund appropriation for irrigation systems, as proposed. The proposed general fund appropriation will aid in keeping irrigation water rates affordable for users and supports agricultural production. The general fund appropriation would help the State meet statutorily mandated food goals, pursuant to sections 27-8 and 302A-405.6, Hawaii Revised Statutes. Your Committee notes that current irrigation costs are \$0.50 per 1,000 gallons. Failure to secure the proposed general fund appropriation would result in irrigation costs of \$1.11 per 1,000 gallons, a significant cost increase. The restoration of the \$2,000,000 general fund appropriation would minimize projected cost increases, resulting in irrigation costs of \$0.52 per \$1,000 gallons. Your Committee remains steadfast in its commitment to support local farmers. Therefore, your Committee recommends supporting the proposed general fund appropriation in the amount of \$2,000,000 to assist local farmers.

Your Committee received testimony from the Department of Business, Economic Development, and Tourism to restore the \$100,000 general fund appropriation and 1.00 permanent full-time equivalent position for the ninety-nine year leasehold program, as



proposed, pursuant to Act 97, Session Laws of Hawaii 2023. According to the Hawaii Community Development Authority, the position is currently filled. Therefore, failure to secure the proposed general fund appropriation would result in a reduction in force and force one person into unemployment. After years of adopting rules to execute Act 97, Session Laws of Hawaii 2023, the proposed general fund appropriation will allow the Hawaii Community Development Authority to deliver on plans for an affordable residential condominium building. Your Committee remains steadfast in its commitment to support affordable housing. Therefore, your Committee recommends supporting the proposed general fund appropriation in the amount of \$100,000 and 1.00 permanent full-time equivalent position for the Hawaii Community Development Authority.

Your Committee received testimony from the Department of Business, Economic Development, and Tourism and the Stadium Authority to restore the \$49,500,000 special fund ceiling increase for the New Aloha Stadium Entertainment District, as proposed. The proposed ceiling increase would allow the Stadium Authority to expend funds previously appropriated by the Legislature, as agreed upon by the House Committee on Finance, in Act 248, Session Laws of Hawaii 2022, to advance the New Aloha Stadium Entertainment District. Failure to increase the special fund ceiling could delay the execution of the stadium development and operation agreement, jeopardizing the millions of dollars already invested in this project by the State. Moreover, the proposed ceiling increase would help to ensure the project's long-term sustainability and positive impact on Hawaii's communities. Your Committee remains steadfast in its commitment to support economic resilience. Therefore, your Committee recommends supporting the proposed special fund ceiling increase in the amount of \$49,500,000 for the New Aloha Stadium Entertainment District.

Your Committee received testimony from the Hawaii State Public Charter School Commission to restore the \$465,000 general fund appropriation for teacher differentials. The proposed general fund appropriation would cover the collectively-bargained differentials for teachers in hard-to-staff geographic areas and Hawaiian immersion programs. According to the Hawaii State Public Charter School Commission, this includes over three hundred teachers across the State. Your Committee remains steadfast in its commitment to support teachers. Therefore, your Committee



recommends supporting the proposed general fund appropriation in the amount of \$465,000 for the Hawaii State Public Charter School Commission.

Your Committee received testimony from the Office of Wellness and Resilience to restore the \$876,000 general fund appropriation and 6.00 permanent full-time equivalent positions for the State of Well-Being Project, as proposed, pursuant to Act 106, Session Laws of Hawaii 2024. The proposed general fund appropriation enables the Office of Wellness and Resilience to continue working on Hawaii's largest statewide health survey ever, as well as the largest dataset using the Center for Disease Control's National Institute for Occupational Safety and Health Worker Well-being Questionnaire. The testimony states that the Office of Wellness and Resilience has built partnerships with city, county, state, and community stakeholders and that all six positions are filled. Therefore, failure to secure the proposed general fund appropriation would result in a reduction in force and force six people into unemployment. The testimony further states that without the proposed general fund appropriation, the Office of Wellness and Resilience will not be able to execute critical deliverables to support the mental health and well-being of first responders, healthcare providers, and school staff within communities of need. Your Committee remains steadfast in its commitment to support first responders, healthcare providers, and school staff. Therefore, your Committee recommends supporting the proposed general fund appropriation in the amount of \$876,000 and 8.00 permanent full-time equivalent positions for the Office of Wellness and Resilience.

Having received testimony on the impacts of changes included in House Bill No. 300, House Draft 1, your Committee has worked in collaboration with each impacted department to identify the resources needed to deliver critical programs and services.

Following the latest downward forecast from the Council on Revenues and amidst ongoing economic uncertainty, your Committee has adopted a budget that maintains essential services for the State's most vulnerable populations and proactively expands the economy through strategic investments in emerging sectors. With potential cuts in federal funding and policy changes that could result in broader economic challenges, your Senate remains steadfast in its commitment to foster economic resilience and



advance meaningful solutions that Hawaii communities need to thrive. This wholistic approach makes strategic appropriations to promote system changes and implement priorities of the Senate as follows:

Education and Workforce Development

- Add 1.00 position and \$55,068 in FY26 and \$110,136 in FY27 to advance financial literacy education initiatives statewide.
- Add 2.00 positions and \$220,272 for educational programming for students in residential facilities and for neglected and delinquent youth.
- Add \$1,450,000 in FY26 and FY27 to address healthcare workforce shortages in collaboration with the Department of Education.
- Add 4.00 positions and \$947,736 in FY26 and FY27 to provide career foundations across core and emerging industries, in collaboration with the McKinley Community School for Adults and the Business Development and Support Division.
- Add 11.00 positions and \$1,243,212 in FY26 and \$1,468,488 in FY27 to address nursing shortages statewide.
- Add \$15,000,000 in FY26 and FY27 for the Healthcare Education Loan Repayment Program to help improve access to quality healthcare in underserved areas.
- Add \$1,000,000 in FY26 and FY27 to establish the Aloha Intelligence Institute in UH Community College Systems to develop pathways for workforce development.
- Add \$4,000,000 in FY26 and FY27 for the Hoakea Program, in partnership with the Polynesian Voyaging Society.
- Add \$465,000 in FY26 and FY27 for differentials for Charter Schools teachers, including for hard-to-fill positions and Hawaiian Immersion teachers.
- Add 58.00 positions and \$5,027,927 in FY26 and 108.00 positions and \$8,236,302 in FY27 for the Lieutenant Governor's Ready Keiki initiative, which aims to expand access to pre-school statewide.

Housing and Homelessness

- Add \$4,100,000 in FY26 and FY27 to help offenders reintegrate into society, including by providing replacement vital documents, mental health treatment



services, substance abuse treatment services, and transitional housing.

- Add \$1,550,000 in FY26 and FY27 for Family Assessment Centers for homeless families with minor children.
- Add \$3,750,000 in FY26 and FY27 for Housing First Program to provide transitional housing to individuals who frequent healthcare services and the criminal justice system.
- Add \$1,750,000 in FY26 and FY27 for Homeless Outreach Services to collaborate with state agencies to transition individuals into long-term housing solutions.
- Add \$5,000,000 in FY26 to support state agencies to address homeless encampments on state lands.
- Add \$3,750,000 in FY26 and FY27 for Rapid Re-housing Program, which provides supportive services to families.
- Add \$250,000 in FY26 and FY27 for State Rent Supplement Program to provide housing subsidies for low-income families.
- Increase State Low-Income Housing revolving fund ceiling to add 2.00 positions and \$160,478 in FY26 and \$300,356 in FY27 to assist with Public Housing programs.
- Add 1.00 position and \$100,000 in FY26 and FY27 for the 99-year leasehold program, which aims to develop low-cost residential condominium units for first-time homebuyers.
- Increase special fund ceiling by \$200,000,000 in FY26 and FY27 for distribution of insurance proceeds from the Maui wildfires.

General Governance and Constitutional Rights

- Add \$200,000 in FY26 and \$220,000 in FY27 for information technology accessibility implementation in the Office of Enterprise Technology Services, in consultation with the Disability and Communication Assess Board.
- Increase special fund ceiling by \$5,000,000 in FY26 and FY27 to expand 911 services to new and emerging technologies.
- Add 2.00 positions and \$440,000 in FY26 and FY27 to establish the Immigrant Services and Access Unit to promote economic self-sufficiency, community inclusion, and integration.
- Add \$1,500,000 in FY26 to improve paid family and medical leave.



- Add \$250,000 in FY26 and \$264,000 in FY27 for the Silver Alert Program, which helps protect vulnerable kupuna and persons with cognitive impairments or developmental disabilities.
- Add 8.00 positions and \$5,042,937 in FY26 and \$2,292,014 in FY27 to create the Explosives Enforcement Section to help stop the importation of illegal fireworks.
- Add 1.00 position and \$200,000 in FY26 and FY27 to help incorporate language access laws into disaster management plans.
- Add 6.00 positions and \$876,000 in FY26 and FY27 for the Office of Wellness and Resilience to continue Hawaii's largest statewide health survey ever, as well as the largest dataset using the Center for Disease Control's National Institute for Occupational Safety and Health Worker Well-being Questionnaire.
- Add \$125,000 in FY26 for medical transportation across rural Oahu.
- Add 2.00 positions and \$612,210 in FY26 and \$1,694,644 in FY27 to expand critical state services to blind and visually impaired residents of the neighbor islands.

Environmental Sustainability and Infrastructure

- Add 44.00 positions and \$13,324,731 in FY26 and FY27 for biosecurity.
- Add 7.50 positions and \$422,604 in FY26 and FY27 to operate and maintain irrigation systems statewide.
- Add \$200,000 in FY26 and FY27 to minimize the spread of rat lungworm disease.
- Add \$1,500,000 in FY26 and FY27 for overtime payments within the Division of Conservation and Resources Enforcement.
- Add 21.00 positions and \$4,967,103 in FY26 and \$2,002,972 in FY27 to protect the natural resources of our State.
- Add 1.00 position and \$110,000 in FY26 and FY27, and increase special fund ceiling by \$5,000,000 in FY26 and FY27, to revitalize plantation-era reservoirs statewide.
- Add \$500,000 in FY26 for climate change assessments in community development districts.
- Increase federal fund ceiling by \$393,600 in FY26 and \$442,800 in FY27 for 3.00 positions for the Tribal



Broadband Connectivity Program, which aims to expand high-speed internet access to Native Hawaiian households.

- Add \$15,000,000 in FY26 for fire mitigation on highways statewide.

Agricultural Innovation and Other Revenue Streams

- Add \$2,058,118 in FY26 and FY27 for the Agribusiness Development Corporation to support local farmers, in collaboration with the College of Tropical Agriculture and Human Resilience.
- Add \$2,000,000 in FY26 to supplement the revolving fund to keep irrigation water rates affordable for local farmers.
- Add \$865,000 in FY26 and FY27 to help local entrepreneurs expand to global markets.
- Add \$4,150,000 in FY26 and FY27 for the First Lady's Feeding Hawaii Keiki initiative, in collaboration with the DOE and CTAHR.
- Add \$1,500,000 in FY26 to establish the Smart Food Program that will allow Hawaii food producers and retailers to make specific food items available at discounts to SNAP recipients.
- Add \$4,000,000 in FY26 and FY27 to cement Hawaii's position as the gateway between the East and the West.
- Add 1.00 position and \$35,508 in FY26 and \$71,016 in FY27 for the Hawaii Film Office.
- Add 2.00 positions and \$66,888 in FY26 and \$133,776 in FY27 for the Academy of Creative Media.
- Add \$126,000 in FY26 and FY27 for the Small Business Coordinator, to help ensure equal opportunity for businesses owned by veterans, Native Hawaiians, and women.
- Add 1.00 position and \$57,500 in FY26 and \$115,000 in FY27 for antitrust laws and the promotion of a fair and competitive economy.

PART V. CAPITAL IMPROVEMENTS PROGRAM BUDGET

Your Committee has further amended this measure to focus on essentials during this time of uncertainty – health and safety, compliance, infrastructure, and maintaining and modernizing our State's assets. It also reflects the Senate's priorities of education and workforce development, affordable housing, environmental sustainability, and economic development and



diversification, including agricultural innovations. Highlights of the budget are:

Education and Workforce Development

- \$195,000,000 for Department of Education building improvements, repair and maintenance, and upgrading to compliance and code requirements.
- \$6,070,000 for a Tropical Agricultural Technology Center helping to create high-paying jobs in rural Hawaii County.

Housing and Homelessness

- \$193,802,000 in FY26 and \$124,898,000 in FY27 for various affordable housing and infrastructure projects statewide.
- \$5,500,000 in FY26 and \$29,450,000 in FY27 for kupuna supportive housing projects.
- \$190,500,000 in FY26 and \$57,000,000 in FY27 for University of Hawaii student housing solutions.

Environmental Sustainability and Infrastructure

- \$7,000,000 in FY26 for various aquifer protection programs.
- \$39,000,000 in FY26 and \$6,000,000 in FY27 for federal compliance and cesspools conversions.
- \$98,150,000 in FY26 and \$2,000,000 in FY27 for health and safety repair and maintenance statewide.

Agricultural Innovation and Other Revenue Streams

- \$22,076,000 in FY26 for a state post-harvest facility.
- \$7,700,000 in FY26 for irrigation system improvements statewide.
- \$1,500,000 in FY26 for development of a new Value-Added Center in Hawaii County.
- \$52,000,000 in FY26 for repair and maintenance for the Hawaii Convention Center.

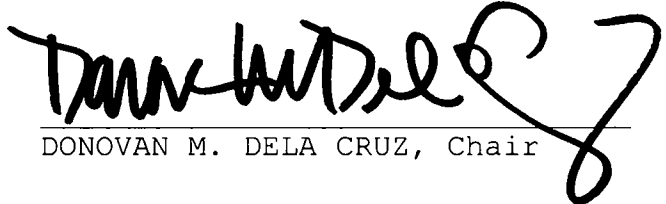
The Senate Draft's capital improvement budget appropriates \$1,556,332,000 in fiscal year 2025-2026 and \$339,507,000 in fiscal year 2026-2027 in general obligation bond funds, and \$3,722,213,000 in fiscal year 2025-2026 and \$2,047,775,000 in fiscal year 2026-2027 in all means of financing.



Finally, your Committee has amended this measure's effective date to July 1, 2050, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 300, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 300, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.


Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* <div style="font-family: cursive; font-size: 1.2em;">HB300 HD 1</div>	Committee Referral: <div style="font-family: cursive; font-size: 1.2em;">WAM</div>	Date: <div style="font-family: cursive; font-size: 1.2em;">3/31/2025</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn	X			
ELEFANTE, Brandon J.C.	X			
HASHIMOTO, Troy N.	X			
INOUE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	13	0	0	0
Recommendation: <div style="display: flex; justify-content: space-around; align-items: center;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-family: cursive; font-size: 1.5em; margin-top: 10px;">  </div>				
<div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div style="text-align: center;"> Distribution: Original File with Committee Report </div> <div style="text-align: center;"> Yellow Clerk's Office </div> <div style="text-align: center;"> Pink Drafting Agency </div> <div style="text-align: center;"> Goldenrod Committee File Copy </div> </div>				

*Only one measure per Record of Votes