



HAWAII STATE LEGISLATURE

STATE CAPITOL
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Media Release

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Collaboration Leads to the Conclusion of Budget Meetings Ahead of Deadline House and Senate Conference Leaders Announce \$3 Billion in Capital Improvement Projects

Honolulu – Lead Senate and House negotiators on the State Budget bill announced they closed negotiations three days ahead of an internal deadline. Discussions between the Senate and House on finalizing the budget started well ahead of schedule this year, marking a paradigm shift in the approach taken to complete the work of the legislative session.

“The House and Senate committed to working together to finish the budget ahead of schedule,” said Senator David Ige, chair of the Senate Committee on Ways and Means. “By completing work on the budget early, we have more time to consider the state financial plan and make thoughtful decisions on what bills should move forward.”

Finishing work on the budget early also creates a better environment for Senate and House negotiators working on other measures. Rational decisions can now be made without the immense pressure of looming deadlines. The conference committee meetings for the State Budget began nearly a week earlier than normal to avoid the last minute rush to get conference bills out for final vote. This is a marked change from the last minute rush of typical legislative sessions.

One of the items that the two sides were able to come to agreement upon was a balanced reduction of vacancies throughout state departments in order to cut costs and ensure accurate financial reporting. After considering input from the departments, the two Chairs announced that roughly 200 positions—down from the proposed 1,000—will be reduced to save nearly \$8 million.

“Chair Ige and I believe that in order to efficiently and effectively use state resources, the departments need to instill a sense of accountability and responsibility in their management of vacant positions. We have made it very clear that the Legislature wants to have all departments accurately use money we give them for its intended purpose and not for other things,” said Representative Sylvia Luke, chair of the House Finance Committee. “I would like to really thank them for understanding what we are trying to accomplish and for providing information to ensure that the most effective decisions are made in staffing.”

On the opening day of the conference committee for the state budget, the chairs agreed to appropriate \$100 million for fiscal year (FY) 2014 and \$117.4 million for FY 2015 to begin payments on the unfunded liabilities.

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Currently, the unfunded liabilities for the employer-union health benefits trust fund is \$13.6 billion.

Over the upcoming fiscal biennium, the Legislature's final draft of the executive budget is more than \$250 million under the Governor's budget proposal.

Today, appropriations for Capital Improvement Programs (CIP) and grants for non-profits (Grant-In-Aid) were announced. The committee funded \$30 million in projects for non-profit organizations on every island in the state.

"In conferencing with the House members, the intent of this biennium's CIP negotiations has been to identify what needs to be funded by the state, while staying within the executive bond issuance plan as much as possible. For General Obligation bonds, this was just over \$1.32 billion for the biennium to cover projects related to agriculture, education, social services, and technology," explained Senator Michelle Kidani, vice chair of the Senate Committee on Ways and Means who oversees Capital Improvements Projects for the Senate.

"This proposed budget keeps the CIP budget within the state's debt ceiling and Executive Bond issuance plan," said Representative Luke."

On funding public school facilities, Luke said, "We have agreed to fund the Department of Education over \$400 million for repairs, upgrades and issues that have plagued our educational facilities for many years. You can't have a 21st century school with 20th century electrical wiring!"

House Bill 200, relating to the State Budget, will now go before the full House and Senate for a final vote.

See attachment for highlights of the Capital Improvement Projects.

See attachment for highlights of Grant-In-Aid recipients.

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