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HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
HOUSE BILL NO. 1153, H.D. 1, S.D. 1

**April 2, 2025
10:01 a.m.**

Room 211 and Videoconference

RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS

The Department of Budget and Finance (B&F) supports this bill and offers additional amendments for the Committee's consideration.

House Bill (H.B.) No. 1153, H.D. 1, S.D. 1, is an emergency appropriations bill amending Act 164, SLH 2023, as amended by Act 230, SLH 2024, to: 1) add three new special budget provisos allowing supplemental allotments and transfer of unrequired balances for capital improvement program projects and to authorize a protocol fund as a separate account to be expended at the discretion of department heads; 2) include the Department of Corrections and Rehabilitation's (DCR) request for additional general funds as emergency appropriations for Fiscal Year 2024-2025 for operating shortfalls in 4th quarter funding for PSD407 – O'ahu Community Correctional Center and PSD405 – Hawai'i Community Correctional Center to ensure that sufficient funds are available to pay payroll shortfall and higher operational costs in the 4th quarter, offset by commensurate reductions from PSD409 – Women's Community Correctional Center and PSD406 – Maui Community Correctional Facility; 3) authorize the Governor to

utilize savings from other State programs to maintain essential federally-funded State programs until the next legislative session; and 4) authorize the Governor to utilize available funds from any other means of financing for the purpose of covering payroll and fringe benefit expenses of federally-funded State employees in the event of any unanticipated federal funding cutbacks.

B&F respectfully requests the following additional amendments:

1. Adoption of a new part to H.B. No. 1153, H.D. 1, S.D. 1, to increase the FY 25 special fund ceiling for the Department of Commerce and Consumer Affairs (DCCA) from \$27,596,257 to \$32,596,257. This \$5,000,000 ceiling increase would allow DCCA to cover cost increases for renovation work on the King Kalakaua Building as additional unforeseen issues were discovered while building walls were opened during the renovation work; and
2. Housekeeping amendments, including the correction of inadvertent errors in the appropriation amounts for DCR being amended in Sections 8, 9, 10, and 11 of the S.D. 1.

We have attached a proposed S.D. 2 for the Committee to consider. The requested amendments are highlighted for convenience.

Thank you for your consideration of our comments and requested amendments.

Attachment

A BILL FOR AN ACT

RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS.

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

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

4 SECTION 2. In prior years, the respective budget acts
5 contained budget special provisions similar to sections 50, 51,
6 72, and 81 of Act 88, Session Laws of Hawaii 2021, the General
7 Appropriations Act of 2021, which permitted departments to
8 transfer funds between their projects, permitted departments to
9 transfer funds between their programs, provided the legislature
10 was informed of the transfers, and established a protocol fund
11 as a separate account to be expended at the discretion of the
12 executive head of departments or agencies. However, Act 164,
13 Session Laws of Hawaii 2023, the General Appropriations Act of
14 2023, as amended by Act 230, Session Laws of Hawaii 2024, the
15 Supplemental Appropriations Act of 2024, does not include the
16 special provisions. Consequently, although funds were
17 appropriated to various state departments for their capital

1 improvement program projects and operating budgets for fiscal
2 biennium 2023-2025, the omission of the special provisions has
3 caused operational limitations by limiting the ability of
4 departments to supplement allotments and transfer funds between
5 projects and programs to address changing conditions.

6 PART I

7 SECTION 3. The purpose of this part is to address the
8 omission of the special provisions that authorize supplemental
9 allotments and transfer of unrequired balances for capital
10 improvement program projects and that also establish a protocol
11 fund as a separate account to be expended at the discretion of
12 the executive head of departments.

13 SECTION 4. Part VII of Act 164, Session Laws of Hawaii
14 2023, as amended by Act 230, Session Laws of Hawaii 2024, is
15 amended by adding a new section to read as follows:

16 "SECTION 15.2. If the authorized appropriations specified
17 for capital improvement projects listed in this Act are
18 insufficient and where the source of funding is designated as
19 special funds, general obligation bond fund with debt service
20 cost to be paid from special funds, revenue bond funds, or
21 revolving funds, the governor may make supplemental allotments
22 from the special fund or revolving fund responsible for cash or

1 debt service payments for the projects or transfer unrequired
2 balances from other unexpired projects in this Act or prior
3 appropriation acts that authorized the use of special funds,
4 general obligation bond fund with debt service costs to be paid
5 from special funds, revenue bond funds, or revolving funds;
6 provided that the supplemental allotments shall not be used to
7 increase the scope of the project; provided further that the
8 supplemental allotments shall not impair the ability of the fund
9 to meet the purposes for which it was established."

10 SECTION 5. Part VII of Act 164, Session Laws of Hawaii
11 2023, as amended by Act 230, Session Laws of Hawaii 2024, is
12 amended by adding a new section to read as follows:

13 "SECTION 15.3. If the authorized appropriations specified
14 for capital improvement projects listed in this Act are
15 insufficient and where the source of funding is designated as
16 airport passenger facility charge funds, the governor may make
17 supplemental allotments from the airport revenue fund or airport
18 revenue bond funds, or transfer unrequired balances from other
19 unexpired projects in this Act or prior appropriation acts that
20 authorized the use of airport passenger facility charge funds;
21 provided that the supplemental allotments shall not be used to
22 increase the scope of the project; provided further that the

1 supplemental allotments shall not impair the ability of the fund
2 to meet the purposes for which it was established; provided
3 further that the governor, at the governor's discretion, may
4 increase the passenger facility charge fund authorization
5 ceiling for the program to accommodate the expenditure of the
6 funds."

7 SECTION 6. Part VII of Act 164, Session Laws of Hawaii
8 2023, as amended by Act 230, Session Laws of Hawaii 2024, is
9 amended by adding a new section to read as follows:

10 "SECTION 15.4. Of the respective operating appropriation
11 authorized in part II of this Act for each principal state
12 department as defined by section 26-4, Hawaii Revised Statutes,
13 the sum of \$7,000 in fiscal year 2024-2025 shall be made
14 available in each department to be established as a separate
15 account for a protocol fund to be expended at the discretion of
16 the executive head of the department (i.e., director,
17 chairperson, comptroller, adjutant general, superintendent,
18 president, or attorney general)."

19 PART II

20 SECTION 7. The purposes of this part are to address the
21 omission of the transfer proviso by appropriating additional
22 general funds as emergency appropriations for fiscal

1 year 2024-2025 for operating shortfalls in quarter 4 funding for
2 existing programs and to adjust funding for various programs to
3 be commensurate with their anticipated levels of activity. The
4 emergency appropriations and the funding adjustments made in
5 this part are budget neutral.

6 SECTION 8. Act 164, Session Laws of Hawaii 2023, as
7 amended by Act 230, Session Laws of Hawaii 2024, is amended by
8 amending section 3, item I.4, to read as follows:

9	"4.	PSD405 - HAWAII COMMUNITY CORRECTIONAL CENTER			
10			193.00*	193.00*	
11	OPERATING	PSD	14,730,758A	[15,820,198A]	
12				<u>16,620,198A"</u>	

13 SECTION 9. Act 164, Session Laws of Hawaii 2023, as
14 amended by Act 230, Session Laws of Hawaii 2024, section 3, is
15 amended by amending item I.5 to read as follows:

16	"5.	PSD406 - MAUI COMMUNITY CORRECTIONAL CENTER			
17			205.00*	205.00*	
18	OPERATING	PSD	14,872,239A	[16,616,875A]	
19				<u>15,816,875A</u>	
20			3.00#	0.00#	
21		PSD	209,721S	0S"	

22 SECTION 10. Act 164, Session Laws of Hawaii 2023, as
23 amended by Act 230, Session Laws of Hawaii 2024, is amended by
24 amending section 3, item I.6, to read as follows:

25	"6.	PSD407 - OAHU COMMUNITY CORRECTIONAL CENTER			
26			501.00*	500.00*	
27	OPERATING	PSD	40,621,493A	[42,708,191A]	
28				<u>44,958,191A"</u>	

1 SECTION 11. Act 164, Session Laws of Hawaii 2023, as
2 amended by Act 230, Session Laws of Hawaii 2024, is amended by
3 amending section 3, item I.8, to read as follows:

4	"8.	PSD409 - WOMEN'S COMMUNITY CORRECTIONAL CENTER			
5				270.00*	269.00*
6	OPERATING		PSD	15,860,044A	[21,010,058A]
7					<u>18,760,058A"</u>

8 PART III

9 SECTION 12. Part VIII of Act 164, Session Laws of
10 Hawaii 2023, as amended by Act 230, Session Laws of Hawaii 2024,
11 is amended by adding two new sections to read as follows:

12 "SECTION 22.1. Notwithstanding any other provision of law,
13 if unanticipated federal funding cutbacks diminish or curtail
14 essential, federally funded state programs, the governor may
15 utilize savings as may be determined to be available from other
16 state programs for the purpose of maintaining such programs
17 until the next legislative session.

18 SECTION 22.2. Notwithstanding any other provision of law,
19 if unanticipated federal funding cutbacks diminish or curtail
20 essential, federally funded state programs, the governor may
21 utilize available funds from any other means of financing for
22 the purpose of covering payroll and fringe benefit expenses of
23 federally funded state employees."

1 PART IV

2 SECTION 13. The purpose of this part is to increase the fiscal
3 year 2024-2025 special fund ceiling for the department of commerce
4 and consumer affairs to allow the department to expend additional
5 special funds on the renovation of the King Kalakaua building to
6 address additional unforeseen issues discovered when the building
7 walls were opened.

8 SECTION 14. Act 164, Session Laws of Hawaii 2023, as amended by
9 Act 230, Session Laws of Hawaii 2024, section 3, item J.12, is
10 amended to read as follows:

11	"12. CCA191 - GENERAL SUPPORT			
12	OPERATING	CCA	0A	0A
13			53.00*	54.00*
14			1.00#	1.00#
15		CCA	18,391,850B	[27,596,257B]
16				32,596,257B"

17 PART V

18 SECTION 15. If any portion of this Act or its application
19 to any person, entity, or circumstance is held to be invalid for
20 any reason, then the legislature declares that the remainder of
21 the Act and each and every other provision thereof shall not be
22 affected thereby. If any portion of a specific appropriation is
23 held to be invalid for any reason, the remaining portion shall
24 be expended to fulfill the objective of such appropriation to
25 the extent possible.

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

3 SECTION 17. This Act shall take effect upon its approval.

H.B. NO.

1153
H.D. 1
S.D. 2
PROPOSED

Report Title:

Budget Special Provisions; Supplemental Allotments; Transfers;
Protocol Funds

Description:

Authorizes supplemental allotments and transfers of unrequired balances for capital improvement program projects and establishes a protocol fund with a cap of \$7,000 for each state principal department. Makes emergency appropriations and commensurate reductions to pay for anticipated operating shortfalls in the fourth quarter due to the limited ability to transfer funds between programs. Authorizes the Governor to use program savings for the purpose of temporarily maintaining critical federally funded state programs and positions. Makes emergency appropriations for King Kalakaua Building renovation work.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII
**DEPARTMENT OF CORRECTIONS
AND REHABILITATION**
*Ka 'Oihana Ho'omalu Kalaima
a Ho'oponopono Ola*
1177 Alakea Street
Honolulu, Hawaii'i 96813

TOMMY JOHNSON
DIRECTOR

Melanie Martin
Deputy Director
Administration

Vacant
Deputy Director
Correctional Institutions

Sanna Muñoz
Deputy Director
Rehabilitation Services
and
Programs

No. _____

WRITTEN TESTIMONY ONLY

TESTIMONY ON HOUSE BILL 1153, HOUSE DRAFT 1, SENATE DRAFT 1
RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS.

by
Tommy Johnson, Director
Department of Corrections and Rehabilitation

Senate Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

Wednesday, April 2, 2025; 10:01 a.m.
State Capitol, Conference Room 211 & via Videoconference

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

The Department of Corrections and Rehabilitation (DCR) supports House Bill (HB) 1153, House Draft (HD) 1, Senate Draft (SD) 1, which proposes to make emergency appropriations and commensurate reductions to pay for anticipated operating shortfalls in the fourth quarter due to the limited ability to transfer funds between programs.

Part III, Sections 7 to 11 of the bill allows for the transfer of funds to PSD 407 - Oahu Community Correctional Center (OCCC), and PSD 405 - Hawaii Community Correctional Center (HCCC). The transfer of funds will allow these programs to meet payroll and operating expense obligations in the 4th Quarter. Both of these facilities face operational challenges that need additional resources. DCR asks the Committee to amend SD1 to reflect the amendments submitted by the Department of Budget and Finance in their testimony.

Thank you for the opportunity to provide testimony in support of HB 1153, HD 1, SD 1, with amendments.



TESTIMONY BY:
EDWIN H. SNIFFEN
DIRECTOR
KA LUNA HO'OKELE

Deputy Directors
Nā Hope Luna Ho'okele
DREANALEE K. KALILI
TAMMY L. LEE
CURT T. OTAGURO
ROBIN K. SHISHIDO

STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

Wednesday, April 2, 2025
10:01 AM

State Capitol, Conference Room 225 & Videoconference

H.B. 1153, H.D. 1, S.D. 1
RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS

Senate Committee on Ways and Means

The Hawaii Department of Transportation (HDOT) **supports** H.B. 1153, H.D. 1, S.D. 1 which addresses the omission of budget special provisions that authorizes supplemental allotments and transfers of unrequired balances for capital improvement program projects in Act 164, Session Laws of Hawaii (SLH) 2023, as amended by Act 230, SLH 2024, and that authorizes a protocol fund as a separate account to be expended at the discretion of the executive head of departments.

H.B. 1153, H.D. 1, S.D. 1 proposes to add three new sections to part VII of Act 164, SLH 2023, as amended by Act 230, SLH 2024, to include the omitted budget special provisions to improve delivery and completion of capital improvement program projects and operations by providing flexibility to supplement allotments and transfer funds between capital improvement program projects as well as expend funds for protocol expenses within existing budget appropriations.

To avoid inadvertent repeal or invalidation of any section(s), HDOT respectfully requests that the new section numbers to be added do not conflict with other legislation that amends Act 164, SLH 2023 ("General Appropriations Act of 2023"), including but not limited to the following: Act 230, SLH 2024 ("Supplemental Appropriations Act of 2024"); HB1164, H.D. 1, S.D. 1 (2025) relating to Highway Revenue Bonds; and H.B. 300, H.D. 1, S.D. 1 (2025) relating to the State Budget.

HDOT respectfully requests continued favorable consideration that Governor's Message 5, which recommends to the Legislature the immediate passage of the bill with proposed amendments inserting emergency appropriation provisions for the Department of Corrections and Rehabilitation, does not displace the sections that add the three budget special provisions in Part I of this bill.

Thank you for the opportunity to provide testimony.



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

NADINE Y. ANDO
DIRECTOR | KA LUNA HO'OKELE

JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

DEAN I HAZAMA
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Testimony of the Department of Commerce and Consumer Affairs

Before the
House Committee on Judiciary & Hawaiian Affairs
Tuesday, March 25, 2025
2:00 p.m.
Conference Room 325 & Via Videoconference

On the following measure:
H.B. 1153, H.D.1, S.D.1, RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS.

Written Testimony Only

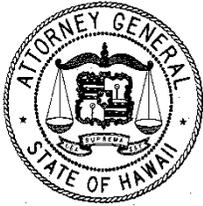
Chair Dela Cruz and Members of the Committee:

My name is Nadine Ando, and I am the Director of the Department of Commerce and Consumer Affairs (Department). The Department supports this administration bill.

The purpose of this bill is to (1) authorize supplemental allotments and transfers of unrequired balances for capital improvement program projects and establishes a protocol fund with a cap of \$7,000 for each state principal department, (2) make emergency appropriations and commensurate reductions to pay for anticipated operating shortfalls in the fourth quarter due to the limited ability to transfer funds between programs, and (3) authorize the Governor to use program savings and available funds for the purpose of temporarily maintaining critical federally funded state programs and positions.

The Department supports the amendments proposed by the Department of Budget and Finance that increases CCA 191 FY25 special fund ceiling in Act 230, SLH 2024 by \$5,000,000. Increasing the special fund ceiling is crucial to ensuring that the Department can continue to meet its operational and regulatory responsibilities. The Department requires this emergency appropriation to pay for unanticipated rising material costs from the renovation of the King Kalakaua Building (KKB). KKB is a historical building that has not had a major refurbishing overhaul such as the one the Department is facing now. As columns get torn, new items like rotted, rusted out steel supports are found, and the need to rehabilitate them is required for employee and public safety. Costs are also elevated by the historical nature of the building requiring specific materials and Federal tariffs that impact material costs. The Department is not asking for funding, but merely the ceiling to use available resources to mitigate these hazards to restore KKB.

Thank you for the opportunity to testify in support of this administrative bill.



**WRITTEN TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2025**

ON THE FOLLOWING MEASURE:

H.B. NO. 1153, H.D. 1, S.D. 1, RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS..

BEFORE THE:

SENATE COMMITTEE ON WAYS AND MEANS

DATE: Wednesday, April 2, 2025

TIME: 10:01 a.m.

LOCATION: State Capitol, Room 211

TESTIFIER(S): **WRITTEN TESTIMONY ONLY.**

(For more information, contact Ian Robertson,
Deputy Attorney General, at (808) 586-0618)

Chair Dela Cruz and Members of the Committee:

The Department of the Attorney General provides the following comments.

The purposes of this bill are to: (1) authorize supplemental allotments and transfers of unrequired balances for capital improvement program projects and establish a protocol fund with a cap of \$7,000 for each state principal department; (2) make emergency appropriations and commensurate reductions to pay for anticipated operating shortfalls in the fourth quarter due to the limited ability to transfer funds between programs; (3) authorize the Governor to use program savings and available funds for the purpose of temporarily maintaining critical federally funded state programs and positions; and (4) amend appropriations made by Act 164, Session Laws of Hawaii 2023 (Act 164).

The purposes of this bill, as introduced, were to authorize supplemental allotments and transfer of unrequired balances for capital improvement program projects and establish a protocol fund for each state principal department . As amended in House Draft 1, it included amendments to Act 164 to provide the governor with authority to make supplemental allotments and to provide \$7,000 for fiscal year 2024-2025 for each principal department to establish a protocol fund to be expended at the discretion of the executive head of the department.

Senate Draft 1 expanded the scope of the bill by adding a provision indicating that immediate passage is recommended by the Governor in accordance with section 9 of article VII of the Constitution of the State of Hawaii. See part I, section 1, page 1, lines 2 to 4. Senate Draft 1 also amended Act 164, by increasing prior appropriations made to the Department of Corrections and Rehabilitation (formerly known as the Department of Public Safety, and abbreviated as "PSD" in Act 164). See part III, sections 7-11, page 5, line 1, to page 6, line 15. Senate Draft 1 also amended Act 164 by adding authority for the Governor, in the event federal funding cutbacks diminish or curtail essential federally funded state programs, to maintain those programs with savings from other programs until the next legislative session, and to maintain payroll and fringe benefit expenses of federally funded state employees from any other means of financing. See part IV, section 12, page 6, line 17, to page 7, line 6.

The amendments made in sections 1 and 7-12 in Senate Draft 1, providing for new appropriations, do not appear to be related to the original purpose of the bill. We believe that the amendments made to the bill in Senate Draft 1 may subject the bill to challenge under *League of Women Voters of Honolulu v. State*, 150 Hawai'i 182, 205, 499 P.3d 382, 405 (2021), in which the Hawai'i Supreme Court held that the constitutional requirements that a bill must pass three readings in each house "begin[s] anew after a non-germane amendment changes the object or subject of a bill so that it is no longer related to the original bill as introduced." We believe a court could conclude that the amendments made by the Senate Draft 1 are outside the scope of the purpose of the original bill and that it will violate article III, section 15, of the Hawai'i Constitution if it does not receive three additional readings in each house.

To stay within the scope of the bill as originally drafted, we suggest that the committee amend this bill by reverting to the language of House Draft 1, or by ensuring it gets the requisite number of readings in each house.

We respectfully ask the Committee to consider our comments.



**WRITTEN TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2025**

LATE

ON THE FOLLOWING MEASURE:

H.B. NO. 1153, H.D. 1, S.D. 1, RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS..

BEFORE THE:

SENATE COMMITTEE ON WAYS AND MEANS

DATE: Wednesday, April 2, 2025

TIME: 10:01 a.m.

LOCATION: State Capitol, Room 211

TESTIFIER(S): **WRITTEN TESTIMONY ONLY.**

(For more information, contact Ian Robertson,
Deputy Attorney General, at (808) 586-0618)

Chair Dela Cruz and Members of the Committee:

The Department of the Attorney General provides the following comments.

The purposes of this bill are to: (1) authorize supplemental allotments and transfers of unrequired balances for capital improvement program projects and establish a protocol fund with a cap of \$7,000 for each state principal department; (2) make emergency appropriations and commensurate reductions to pay for anticipated operating shortfalls in the fourth quarter due to the limited ability to transfer funds between programs; (3) authorize the Governor to use program savings and available funds for the purpose of temporarily maintaining critical federally funded state programs and positions; and (4) amend appropriations made by Act 164, Session Laws of Hawaii 2023 (Act 164).

The purposes of this bill, as introduced, were to authorize supplemental allotments and transfer of unrequired balances for capital improvement program projects and establish a protocol fund for each state principal department . As amended in House Draft 1, it included amendments to Act 164 to provide the governor with authority to make supplemental allotments and to provide \$7,000 for fiscal year 2024-2025 for each principal department to establish a protocol fund to be expended at the discretion of the executive head of the department.

Senate Draft 1 expanded the scope of the bill by adding a provision indicating that immediate passage is recommended by the Governor in accordance with section 9 of article VII of the Constitution of the State of Hawaii. See part I, section 1, page 1, lines 2 to 4. Senate Draft 1 also amended Act 164, by increasing prior appropriations made to the Department of Corrections and Rehabilitation (formerly known as the Department of Public Safety, and abbreviated as "PSD" in Act 164). See part III, sections 7-11, page 5, line 1, to page 6, line 15. Senate Draft 1 also amended Act 164 by adding authority for the Governor, in the event federal funding cutbacks diminish or curtail essential federally funded state programs, to maintain those programs with savings from other programs until the next legislative session, and to maintain payroll and fringe benefit expenses of federally funded state employees from any other means of financing. See part IV, section 12, page 6, line 17, to page 7, line 6.

The amendments made in sections 1 and 7-12 in Senate Draft 1, providing for new appropriations, do not appear to be related to the original purpose of the bill. We believe that the amendments made to the bill in Senate Draft 1 may subject the bill to challenge under *League of Women Voters of Honolulu v. State*, 150 Hawai'i 182, 205, 499 P.3d 382, 405 (2021), in which the Hawai'i Supreme Court held that the constitutional requirements that a bill must pass three readings in each house "begin[s] anew after a non-germane amendment changes the object or subject of a bill so that it is no longer related to the original bill as introduced." We believe a court could conclude that the amendments made by the Senate Draft 1 are outside the scope of the purpose of the original bill and that it will violate article III, section 15, of the Hawai'i Constitution if it does not receive three additional readings in each house.

To stay within the scope of the bill as originally drafted, we suggest that the committee amend this bill by reverting to the language of House Draft 1, or by ensuring it gets the requisite number of readings in each house.

We respectfully ask the Committee to consider our comments.