Honolulu, Hawaii

March 9

2018

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RE:

H.B. No. 1900

H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1900 entitled:

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

begs leave to report as follows:

The purpose of this measure is to appropriate funds for the operating and capital improvement costs of the Executive Branch for fiscal year (FY) 2017-2018 and FY 2018-2019.

Testimony submitted on this measure can be obtained from the Legislature's website at http://www.capitol.hawaii.gov.

The Administration submitted an operating budget that totaled:

	FY 2018	<u>FY 2019</u>
General Funds	\$7,248,455,293	\$7,442,854,409
All Means of Financing	\$14,110,569,014	\$14,394,322,306

The Administration submitted a capital improvement budget that totaled:

i	FY 2018	FY 2019	
General Obligation Bonds	\$1,027,951,000	\$669,493,000	
All Means of Financing	\$2,289,745,000	\$2,192,535,000	

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The original general fund financial plan submitted by the Administration on December 18, 2017 relied on an increase in revenues from legislation that would ensure the collection of transient accommodation taxes from individual vacation rentals. Your Committee notes that no such legislation was submitted as part of the Administration's Package.

The revenue anticipated, and included, in the Administration's financial plan is \$33,000,000 in FY 2018 - 2019 and \$67,000,000 per year in FY 2019 - 2020 and beyond. Without this revenue assumption, the Administration's financial plan will be approximately \$90,000,000 in deficit by 2021 - 2022; deepening to \$135,000,000 by FY 2022 - 2023.

Compounding this problem, as of March 7, 2018, the Administration submitted four Governor's Messages (GM) requesting an additional \$44,176,065 in general funds and \$76,580,610 in all means of financing for FY 2018 - 2019.

Your Committee has taken a fiscally prudent approach in constructing this budget to ensure that the State lives within its means, while tackling the critical issues that confront the State.

Your Committee on Finance has amended this budget to appropriate the following in operating funds:

	FY 2018	
General Funds	\$7,243,455,293	\$7,407,744,269
All Means of Financing	\$14,105,569,014	\$14,306,738,971

Your Committee has further amended this budget to appropriate the following in capital improvement funds:

	FY 2018	FY 2019
General Obligation Bonds	\$1,027,951,000	\$682,326,000
All Means of Financing	\$2,289,745,000	\$2,191,629,000

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1900, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1900, H.D. 1, and be placed on the calendar for Third Reading.

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Respectfully submitted on behalf of the members of the Committee on Finance,

SYLVIA LUKE, Chair

## State of Hawaii House of Representatives The Twenty-ninth Legislature



## **Record of Votes of the Committee on Finance**

HB 1900	Committee Referral:	Date:	3-7-	2018	
HB 1900 FIN 3-7-2018 ☐ The committee is reconsidering its previous decision on the measure.					
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  Pass short form bill with HD to recommit for future public hearing (recommit)					
FIN Members	Ayes	Ayes (WR)	Nays	Excused	
1. LUKE, Sylvia (C)	~				
2. CULLEN, Ty J.K. (VC)					
3. CACHOLA, Romy M.					
4. DeCOITE, Lynn					
5. FUKUMOTO, Beth		t i.	ng disember 1995. Ngga pagasaran		
6. GATES, Cedric Asuega	V				
7. HOLT, Daniel					
8. KEOHOKALOLE, Jarrett					
9. KOBAYASHI, Bertrand	V				
10. LOWEN, Nicole E.					
11. NAKAMURA, Nadine K.			+ 1		
12. TODD, Chris					
13. YAMASHITA, Kyle T.				Á	
14. TUPOLA, Andria P.L.					
15. WARD, Gene					
TOTAL (15)	14	Ø	Ø	1	
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					