

Honolulu, Hawaii

MAY 15 , 2020

RE: S.B. No. 3139
S.D. 1
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 3139, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to amend portions of the budget for the Executive Branch for the fiscal biennium beginning July 1, 2019, and ending June 30, 2021.

Specifically, this measure amends:

- (1) The amounts appropriated and capital improvement projects authorized by Act 40, Session Laws of Hawaii 2019; and
- (2) The amounts appropriated and operating and capital improvement grants authorized by Act 39, Session Laws of Hawaii 2019.

Your Committee received comments on this measure from the Department of Defense and Office of Veterans' Services.



Prior to the hearing on this measure, your Committee made available for public review a proposed H.D. 1, which deletes the measure's contents and inserts language that:

- (1) Replaces certain general fund appropriations with proceeds from general obligation bond authorizations and deposits, or authorizes the transfer of, the replaced general funds into the emergency and budget reserve fund;
- (2) Authorizes the transfer of excess moneys from the mental health and substance abuse special fund to the emergency and budget reserve fund;
- (3) Appropriates savings from the Supplemental Appropriations Act of 2020 to the emergency and budget reserve fund; and
- (4) Changes the effective date to May 29, 2020; provided that the general obligation bond authorization is effective on July 1, 2020.

Your Committee received testimony in support of the proposed H.D. 1 from the Democratic Party of Hawaii Education Caucus, Hawaii Government Employees Association, IMUAlliance, and United Public Workers.

Your Committee received comments on the proposed H.D. 1 from the Department of Budget and Finance and Hawaii Housing Finance and Development Corporation.

Your Committee finds that the coronavirus disease 2019, or COVID-19, has created a severe budget shortfall for the State. Your Committee further finds that by replacing general fund appropriations with general obligation bond funding, where eligible, the replaced general funds can be transferred to the emergency and budget reserve fund to help address the State's financial shortfall.

Your Committee has amended this measure by adopting the proposed H.D. 1 and further amending it by:



- (1) Providing that the appropriations made from the proceeds of the general obligation bond authorizations shall lapse on June 30, 2022;
- (2) Changing the date on which deposits or transfers are made, or are authorized to be made, to the emergency and budget reserve fund from May 30, 2020, to May 28, 2020;
- (3) Authorizing the Director of Finance to transfer \$8,000,000 from the Hawaii tobacco settlement special fund to the emergency and budget reserve fund on May 28, 2020;
- (4) Changing the amount of savings from the Supplemental Appropriations Act of 2020 transferred to the emergency and budget reserve fund from an unspecified sum to \$432,000,605; and
- (5) Changing the effective date to May 27, 2020; provided that the general obligation bond authorization is effective on July 1, 2020.

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 S.B. No. 3139, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3139, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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



SYLVIA LUKE, Chair



