

STAND. COM. REP. NO.

1270

Honolulu, Hawaii

**MAR 21 2025**

RE: H.B. No. 1153  
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 Government Operations, to which was referred H.B. No. 1153, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS,"

begs leave to report as follows:

The purpose and intent of this measure is to 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.

Your Committee received testimony in support of this measure from the Department of Budget and Finance, Department of Corrections and Rehabilitation, and Department of Transportation.

Your Committee finds that the General Appropriations Act of 2023, Act 164, Session Laws of Hawaii 2023, (Act 164) as amended by Act 230, Session Laws of Hawaii 2024, omitted critical special budget provisions. These special provisions authorize supplemental allotments and transfers of unrequired balances for capital improvement projects. The special provisions also authorize a protocol fund as a separate account to be expended at the discretion of the executive head of each department. These special provisions provide the flexibility necessary for departments to overcome budgetary shortfalls to efficiently



execute their duties and provide services to the public. This measure rectifies the omission of the special provisions by adding them to Act 164.

Your Committee acknowledges the concerns raised in testimony that the Department of Corrections and Rehabilitation requires emergency appropriations to maintain certain community correctional centers due to anticipated budgetary shortfalls in the fourth quarter caused by the omission of the special provisions, which limited the Department's ability to transfer funds between programs. Your Committee further notes the concerns raised by the Department of Budget and Finance that additional special provisions are now necessary to address any unanticipated cutbacks due to the federal budget reconciliation process or federal funding program reviews currently underway. Therefore, this measure needs to be amended to address these issues.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language that makes emergency appropriations to the Hawaii Community Correctional Center and Oahu Community Correctional Center and makes commensurate reductions to the Maui Community Correctional Center and Women's Community Correctional Center to pay for anticipated operating shortfalls in the fourth quarter;
- (2) Inserting language that authorizes the Governor to use program savings and available funds for the purpose of temporarily maintaining critical federally funded state programs and positions; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1153, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1153, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on  
behalf of the members of the  
Committee on Government  
Operations,



---

ANGUS L.K. MCKELVEY, Chair



