

STAND. COM. REP. NO.

1248

Honolulu, Hawaii

MAR 14

, 2025

RE: S.B. No. 1395
S.D. 2
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 1395, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO STATE FUNDS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Allocate the interest earned on balances within the Emergency and Budget Reserve Fund to the general fund in years in which the Emergency and Budget Reserve Fund's balance exceeds the fund balance objective set for the Emergency and Budget Reserve Fund established in Administrative Directive number 22-01; and
- (2) Require the Governor, for any fiscal year that follows a fiscal year in which Emergency and Budget Reserve Fund interest is deposited into the general fund, to include in the budget or supplemental budget submitted to the Legislature a request that an amount of general funds equal to the amount of interest deposited be expended to advance projects that address climate change impacts.

Your Committee received testimony in support of this measure from the Office of the Governor; Department of Land and Natural

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Resources; Hawai'i State Energy Office; Hawai'i Climate Advisory Team; The Nature Conservancy; Hawai'i Executive Collaborative Climate Hawai'i partners; Care for 'Āina Now Coalition; Hawai'i Food+ Policy; Catholic Charities Hawai'i; Hawai'i Reef and Ocean Coalition; Climate Protectors Hawai'i; Hawai'i Land Trust; Coalition Earth; Vibrant Hawai'i; Wildfire Safety Advocates of Waikoloa; and four individuals. Your Committee received testimony in opposition to this measure from the Libertarian Party of Hawaii and two individuals. Your Committee received comments on this measure from the Office of the Governor Recovery and Resiliency Unit; Hawaii Emergency Management Agency; Office of Planning and Sustainable Development; Climate Change Mitigation and Adaptation Commission; Hawaii Green Infrastructure Authority; and Tax Foundation of Hawaii.

Your Committee finds that the State is experiencing a climate emergency, which threatens the future of the State's economy, sustainability, environment, security, culture, and way of life. Comprehensive action is needed for successful mitigation of and adaptation to climate change. This measure establishes dedicated state funding to address the impacts of climate change on the State and mitigate further impacts.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1395, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1395, S.D. 2, H.D. 1, and be referred to your Committee on Water & Land.



Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,

Nicole E. Lowen

NICOLE E. LOWEN, Chair



