
A BILL FOR AN ACT

RELATING TO THE STATE RISK MANAGEMENT REVOLVING FUND.

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

1 SECTION 1. The legislature finds that, due to insurance
2 claims for losses to state facilities and other state property
3 damaged or destroyed in Lahaina by the 2023 Maui wildfires, the
4 State has received property and liability proceeds that are
5 intended to be used to repair, rebuild, and restore impacted
6 state facilities and infrastructure. The legislature further
7 finds that the expenditure of funds from the state risk
8 management revolving fund is subject to legislative
9 appropriation and expenditure limits, and that an increase to
10 the fund's expenditure ceiling is necessary to allow the timely
11 use of these insurance proceeds for the rebuilding of state
12 facilities in Lahaina.

13 The legislature further finds that rebuilding efforts in
14 Lahaina involve multiple state agencies, the county of Maui, and
15 private entities. Absent coordinated planning between these
16 parties, rebuilding efforts may occur within silos and result in
17 duplicate work and funding, extended timelines, and inefficient



1 use of limited public and private resources. Without a master
2 coordinated project spreadsheet, critical state rebuilding
3 projects that could be funded through the state risk management
4 revolving fund may proceed through the traditional capital
5 improvement project process, which may impact funding for other
6 critical projects in the State and reduce the State's ability to
7 fully utilize available insurance proceeds in the state risk
8 management revolving fund for disaster-related losses to state
9 facilities.

10 The legislature also finds that the development of a master
11 coordinated project spreadsheet for the rebuilding of Lahaina,
12 in collaboration with the relevant state agencies, the county of
13 Maui, and other appropriate private entities, will enable the
14 State to align projects, map shared infrastructure needs,
15 identify opportunities to leverage shared resources, and
16 conserve and maximize the insurance proceeds in the state risk
17 management revolving fund. The legislature notes that this
18 master coordinated project spreadsheet should be a condition
19 precedent to the authorization of an increase to the expenditure
20 ceiling of the state risk management revolving fund for the
21 recovery of Lahaina to ensure that, to the fullest extent



1 practicable, moneys in the fund are leveraged to rebuild all
2 state facilities in Lahaina and the rebuilding is financed.

3 Accordingly, the purpose of this Act is to:

4 (1) Increase the expenditure ceiling and appropriate funds
5 out of the state risk management revolving fund
6 established by section 41D-4, Hawaii Revised Statutes,
7 to enable the department of accounting and general
8 services, state risk management and insurance
9 administration to expend and distribute property and
10 liability insurance proceeds related to the 2023 Maui
11 wildfires for the rebuilding and restoration of state
12 facilities in Lahaina, including funds specifically
13 for:

14 (A) The King Kamehameha III elementary school;

15 (B) The King Kamehameha III elementary school
16 roadway;

17 (C) David Malo circle and Piilani homes;

18 (D) The Lahaina small boat harbor; and

19 (E) The Lahaina public library; and

20 (2) Require the department of accounting and general
21 services to submit to the legislature a master



1 coordinated project spreadsheet developed in
2 collaboration with certain state agencies, the county
3 of Maui, and relevant private entities.

4 SECTION 2. There is appropriated out of the state risk
5 management revolving fund established by section 41D-4, Hawaii
6 Revised Statutes, the sum of \$ or so much thereof as
7 may be necessary for fiscal year 2026-2027 for the King
8 Kamehameha III elementary school.

9 The sum appropriated shall be expended by the department of
10 education for the purposes of this Act.

11 SECTION 3. There is appropriated out of the state risk
12 management revolving fund established by section 41D-4, Hawaii
13 Revised Statutes, the sum of \$ or so much thereof as
14 may be necessary for fiscal year 2026-2027 for the King
15 Kamehameha III elementary school roadway.

16 The sum appropriated shall be expended by the department of
17 transportation for the purposes of this Act.

18 SECTION 4. There is appropriated out of the state risk
19 management revolving fund established by section 41D-4, Hawaii
20 Revised Statutes, the sum of \$ or so much thereof as



1 may be necessary for fiscal year 2026-2027 for David Malo circle
2 and Piilani homes.

3 The sum appropriated shall be expended by the Hawaii public
4 housing authority for the purposes of this Act.

5 SECTION 5. There is appropriated out of the state risk
6 management revolving fund established by section 41D-4, Hawaii
7 Revised Statutes, the sum of \$ or so much thereof as
8 may be necessary for fiscal year 2026-2027 for the Lahaina small
9 boat harbor.

10 The sum appropriated shall be expended by the department of
11 land and natural resources for the purposes of this Act.

12 SECTION 6. There is appropriated out of the state risk
13 management revolving fund established by section 41D-4, Hawaii
14 Revised Statutes, the sum of \$ or so much thereof as
15 may be necessary for fiscal year 2026-2027 for the Lahaina
16 public library.

17 The sum appropriated shall be expended by the Hawaii state
18 public library system for the purposes of this Act.

19 SECTION 7. The department of accounting and general
20 services shall submit to the legislature a master coordinated
21 project spreadsheet for all projects funded by moneys



1 appropriated out of the state risk management revolving fund
2 that represent a transfer and distribution of property and
3 liability insurance proceeds related to the 2023 Maui wildfires.
4 The department of accounting and general services shall develop
5 the master coordinated project spreadsheet in collaboration with
6 the following state agencies:

- 7 (1) The department of land and natural resources' division
- 8 of boating and ocean recreation;
- 9 (2) The department of education;
- 10 (3) The department of transportation; and
- 11 (4) Any other state agency the department of accounting
- 12 and general services deems necessary;

13 provided that the department of accounting and general services
14 shall consult with the county of Maui and any other relevant
15 entities the department of accounting and general services deems
16 necessary to outline the infrastructure redevelopment of Lahaina
17 and help facilitate a master coordinated project spreadsheet
18 that will allow all involved agencies and relevant entities to
19 participate in a meaningful and coordinated rebuilding of
20 Lahaina.



1 SECTION 8. No moneys appropriated for a project under
2 sections 2, 3, 4, 5, or 6 of this Act shall be available for
3 expenditure until funding for the entire cost for the respective
4 project has been made available, as determined by the
5 comptroller.

6 SECTION 9. This Act shall take effect on July 1, 2525.



Report Title:

DAGS; State Risk Management Revolving Fund; Wildfires; Report; Appropriation

Description:

Increases the expenditure ceiling and appropriates funds out of the State Risk Management Revolving Fund established by section 41D-4, HRS, to enable the Department of Accounting and General Services, State Risk Management and Insurance Administration to transfer and distribute property and liability insurance proceeds related to the 2023 Maui wildfires to applicable accounts. Specifically appropriates moneys out of the State Risk Management Revolving Fund to the Department of Education for the King Kamehameha III Elementary School; Department of Transportation for the King Kamehameha III Elementary School Roadway; Hawaii Public Housing Authority for the David Malo Circle and Piilani homes; Department of Land and Natural Resources for the Lahaina Small Boat Harbor; and Hawaii State Public Library System for the Lahaina Public Library. Requires the Department of Accounting and General Services to submit to the Legislature a master coordinated project spreadsheet developed in collaboration with certain state agencies, the County of Maui, and other relevant entities. Requires full funding for the projects for which funds are appropriated to be available before expenditure. Effective 7/1/2525. (SD2)

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