

Honolulu, Hawaii

MAY 1, 2015

RE: H.B. No. 500
H.D. 1
S.D. 1
C.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 500, H.D. 1, S.D. 1, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

PART I. OVERVIEW

Your Committee on Conference has formulated an executive budget that is fiscally responsible.

Your Committee on Conference has approved a Conference Draft of the executive budget that reduces the operating budget request submitted by the Administration. The Conference Draft appropriates an additional \$727,178,791 in all funds, inclusive of \$395,540,582 in general funds, for fiscal year 2015-2016 and \$1,149,257,629 in all funds, inclusive of \$645,050,581 in general funds, for fiscal year 2016-2017.



The following table displays the net change to the Administration's budget request as a result of the Conference Draft amendments.

	Fiscal Year 2015-2016		Fiscal Year 2016-2017	
	All Funds	Gen. Funds	All Funds	Gen. Funds
Executive Request (Including Governor's Messages #1 & #2)	\$827,028,644	\$406,705,343	\$1,338,143,919	\$731,301,168
Conference Draft Change To Executive Request	(\$99,849,853)	(\$11,164,761)	(\$188,886,290)	(\$86,250,587)
Net Change	\$727,178,791	\$395,540,582	\$1,149,257,629	\$645,050,581

The net change of the Conference Draft results in an executive budget for fiscal biennium 2015-2017 as follows:

	Fiscal Year 2015-2016		Fiscal Year 2016-2017	
	All Funds	Gen. Funds	All Funds	Gen. Funds
Executive Budget Act 134, SLH 2013, As Amended By Act 122, SLH 2014	\$12,147,239,877	\$6,189,204,272	\$12,147,239,877	\$6,189,204,272
Net Change Of Conference Draft	\$727,178,791	\$395,540,582	\$1,149,257,629	\$645,050,581
Total Appropriation	\$12,874,418,668	\$6,584,744,854	\$13,296,497,506	\$6,834,254,853



PART II. OPERATING BUDGET

Agriculture

The Conference Draft of the executive budget adjusts the Department of Agriculture's appropriation as follows:

- (1) For fiscal year 2015-2016, by adding \$612,255 in general funds and \$2,106,930 in non-general funds; and
- (2) For fiscal year 2016-2017, by adding \$417,761 in general funds and \$1,753,866 in non-general funds.

The Administration's request was to add \$148,638 in general funds and \$1,556,930 in non-general funds for fiscal year 2015-2016 and \$471,444 in general funds and \$1,803,866 in non-general funds for fiscal year 2016-2017.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$500,000 in revolving funds for fiscal year 2015-2016 for a central Oahu land swap study;
- (2) Adding \$250,000 in special funds for fiscal year 2015-2016 for prevention and treatment of macadamia felted coccid; and
- (3) Adding 4.00 positions and \$43,812 in general funds and \$66,594 in revolving funds for fiscal year 2015-2016 and \$87,624 in general funds and \$133,188 in revolving funds for fiscal year 2016-2017 for pesticide use and surveillance activities.

Accounting and General Services

The Conference Draft of the executive budget adjusts the Department of Accounting and General Services' appropriation as follows:

- (1) For fiscal year 2015-2016, by adding \$12,962,148 in general funds and \$442,441 in non-general funds; and



- (2) For fiscal year 2016-2017, by adding \$12,683,704 in general funds and \$10,925,364 in non-general funds.

The Administration's request was to add \$7,250,618 in general funds and reduce \$9,757,559 in non-general funds for fiscal year 2015-2016 and add \$8,464,174 in general funds and reduce \$5,954,636 in non-general funds for fiscal year 2016-2017.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding the following for executive branch information technology and business system improvements or modernization: \$6,100,000 in general funds and \$10,200,000 in non-general funds for fiscal year 2015-2016 and \$5,500,000 in general funds and \$16,880,000 in non-general funds for fiscal year 2016-2017;
- (2) Adding \$3,900,000 for fiscal year 2015-2016 and \$3,975,000 for fiscal year 2016-2017 in general funds for collocation and carrier circuit costs for redundant connectivity; and
- (3) Adding \$545,600 in general funds for each fiscal year for replacement of motor vehicles.

Attorney General

The Conference Draft of the executive budget adjusts the Department of the Attorney General's appropriation as follows:

- (1) For fiscal year 2015-2016, by adding \$2,865,842 in general funds and \$6,233,459 in non-general funds; and
- (2) For fiscal year 2016-2017, by adding \$2,895,759 in general funds and \$6,877,160 in non-general funds.

The Administration's request was to add \$2,749,842 in general funds and \$6,934,091 in non-general funds for fiscal year 2015-2016 and \$2,995,759 in general funds and \$6,927,792 in non-general funds for fiscal year 2016-2017.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$380,000 in general funds for fiscal year 2015-2016 for statewide sexual assault services;



- (2) Adding \$700,000 in revolving funds for each fiscal year for the criminal history record improvement program; and
- (3) Adding \$500,000 in general funds for each fiscal year for vacancy savings reductions.

Business, Economic Development, and Tourism

The Conference Draft of the executive budget adjusts the Department of Business, Economic Development, and Tourism's appropriation as follows:

- (1) For fiscal year 2015-2016, by adding \$927,101 in general funds and \$52,800,594 in non-general funds; and
- (2) For fiscal year 2016-2017, by adding \$385,932 in general funds and \$52,510,038 in non-general funds.

The Administration's request was to add \$1,195,891 in general funds and \$96,877,317 in non-general funds for fiscal year 2015-2016 and \$904,988 in general funds and \$96,662,436 in non-general funds for fiscal year 2016-2017.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$50,000,000 in trust funds for each fiscal year for the rental housing trust fund;
- (2) Adding \$1,000,000 in special funds for each fiscal year for the Hawaii Green Infrastructure Authority; and
- (3) Adding \$250,000 in general funds for fiscal year 2015-2016 for the Beijing and Taipei state offices.

Budget and Finance

The Conference Draft of the executive budget adjusts the Department of Budget and Finance's appropriation as follows:

- (1) For fiscal year 2015-2016, by adding \$171,941,167 in general funds and reducing \$13,898,198 in non-general funds; and



- (2) For fiscal year 2016-2017, by adding \$406,944,063 in general funds and reducing \$11,472,825 in non-general funds.

The Administration's request was to add \$171,965,779 in general funds and reduce \$13,853,279 in non-general funds for fiscal year 2015-2016 and to add \$406,945,887 in general funds and reduce \$11,388,326 in non-general funds for fiscal year 2016-2017.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Making payments of \$163,615,000 in general funds for fiscal year 2015-2016 and \$245,812,000 in general funds for fiscal year 2016-2017 to pre-fund other post-employment benefit obligations of the State;
- (2) Adding \$18,790,387 in general funds and \$2,134,819 in non-general funds for fiscal year 2015-2016 and \$36,045,294 in general funds and \$3,921,267 in non-general funds for fiscal year 2016-2017 for collective bargaining increases for University of Hawaii Professional Assembly members; and
- (3) Adding \$4,642,426 for fiscal year 2015-2016 and \$58,766,586 for fiscal year 2016-2017 in general funds for debt service payments for the State, Department of Education, and University of Hawaii.

Commerce and Consumer Affairs

The Conference Draft of the executive budget adjusts the Department of Commerce and Consumer Affairs' appropriation as follows:

- (1) For fiscal year 2015-2016, by adding \$23,288,883 in special funds and reducing \$1,965,318 in trust funds; and
- (2) For fiscal year 2016-2017, by adding \$22,158,824 in special funds and reducing \$1,949,263 in trust funds.

The Administration's request was to add \$24,866,981 in special funds and reduce \$1,965,318 in trust funds for fiscal year 2015-2016 and to add \$22,993,713 in special funds and reduce \$1,949,263 in trust funds for fiscal year 2016-2017.



The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$3,562,861 for fiscal year 2015-2016 and \$731,721 for fiscal year 2016-2017 in special funds for the Public Utilities Commission's office expansion and renovation;
- (2) Adding \$258,211 for fiscal year 2015-2016 and \$516,940 for fiscal year 2016-2017 in special funds for mortgage loan originator and service regulation support; and
- (3) Adding \$110,000 in trust funds for both fiscal years for mortgage loan claims and miscellaneous contingency expenses.

Department of Defense

The Conference Draft of the executive budget adjusts the Department of Defense's appropriation as follows:

- (1) For fiscal year 2015-2016, by reducing \$109,134 in general funds and reducing \$180,896 in non-general funds; and
- (2) For fiscal year 2016-2017, by reducing \$1,087,732 in general funds and reducing \$1,333,181 in non-general funds.

The Administration's request was to reduce \$659,561 in general funds and \$160,207 in non-general funds for fiscal year 2015-2016 and \$1,074,642 in general funds and \$1,250,855 in non-general funds for fiscal year 2016-2017.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$778,000 in general funds and \$1,636,720 in other federal funds for fiscal year 2015-2016 for the Veteran's Cemetery;
- (2) Adding \$216,184 in general funds and \$588,973 in other federal funds for fiscal year 2015-2016 and \$338,715 in general funds and \$935,480 in other federal funds for fiscal year 2016-2017 for the Hawaii Air National Guard Campus; and



- (3) Adding \$49,190 for fiscal year 2015-2016 and \$95,000 for fiscal year 2016-2017 in general funds for the Office of Homeland Security.

Department of Education

The Conference Draft of the executive budget adjusts the Department of Education's appropriation as follows:

- (1) For fiscal year 2015-2016, by adding \$137,093,408 in general funds and adding \$2,158,605 in non-general funds; and
- (2) For fiscal year 2016-2017, by adding \$142,768,946 in general funds and reducing \$837,744 in non-general funds.

The Administration's request was to add \$124,172,455 in general funds and reduce \$8,342,023 in non-general funds for fiscal year 2015-2016 and to add \$151,716,321 in general funds and reduce \$11,338,372 in non-general funds for fiscal year 2016-2017.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$2,401,808 in general funds for fiscal year 2015-2016 and \$5,000,000 in general funds for fiscal year 2016-2017 for the weighted student formula;
- (2) Adding \$3,600,000 in general funds for each fiscal year for teacher recruitment and retention for hard-to-fill incentive;
- (3) Adding \$2,000,000 in general funds for fiscal year 2015-2016 for skilled nursing services to students;
- (4) Adding \$7,403,261 in general funds for fiscal year 2015-2016 for school bus contracts; and
- (5) Adding \$5,123,726 in general funds for fiscal year 2015-2016 for school food service programs.

Hawaii State Public Library System

The Conference Draft of the executive budget adjusts the Hawaii State Public Library System's appropriation as follows:



- (1) For fiscal year 2015-2016, by adding \$2,515,306 in general funds and adding \$375,000 in non-general funds; and
- (2) For fiscal year 2016-2017, by adding \$2,795,689 in general funds and adding \$375,000 in non-general funds.

The Administration's request was to add \$3,054,586 in general funds and \$375,000 in non-general funds for fiscal year 2015-2016 and to add \$3,293,211 in general funds and \$375,000 in non-general funds for fiscal year 2016-2017.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$647,400 in general funds for fiscal year 2015-2016 and \$319,048 in general funds for fiscal year 2016-2017 for the new Nanakuli library; and
- (2) Adding \$21,906 in general funds for fiscal year 2015-2016 and \$43,812 in general funds for fiscal year 2016-2017 for a librarian for the new bookmobile at Wailuku library.

Charter Schools

The Conference Draft of the executive budget adjusts the Charter Schools' appropriation as follows:

- (1) For fiscal year 2015-2016, by adding \$10,067,055 in general funds; and
- (2) For fiscal year 2016-2017, by adding \$10,044,949 in general funds.

The Administration's request was to add \$5,693,796 in general funds for fiscal year 2015-2016 and add \$6,615,134 in general funds for fiscal year 2016-2017.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$7,203,312 in general funds for fiscal year 2015-2016 and \$6,049,313 in general funds for fiscal year 2016-2017 for the per pupil adjustment; and



- (2) Adding \$1,400,000 in general funds and \$415,700 in federal funds for each fiscal year for the Charter School Commission's new program ID.

Early Learning Program

The Conference Draft of the executive budget adjusts the Early Learning Program's appropriation as follows:

- (1) For fiscal year 2015-2016, by reducing \$378,970 in general funds and adding \$125,628 in non-general funds; and
- (2) For fiscal year 2016-2017, by reducing \$377,134 in general funds and adding \$125,628 in non-general funds.

The Administration's request was to reduce \$153,720 in general funds and add \$125,628 in non-general funds for fiscal year 2015-2016 and to reduce \$148,360 in general funds and add \$125,628 in non-general funds for fiscal year 2016-2017.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding forty-nine permanent positions for the Early Learning program; and
- (2) Transferring in from the Governor's Office a temporary Director for Early Learning.

Office of the Governor

The Conference Draft of the executive budget adjusts the Office of the Governor's appropriation as follows:

- (1) For fiscal year 2015-2016, by adding \$384,047 in general funds and reducing \$122,502 in non-general funds; and
- (2) For fiscal year 2016-2017, by reducing \$68,394 in general funds and reducing \$122,502 in non-general funds.

The Administration's request was to add \$482,737 in general funds and reduce \$122,502 in federal funds for fiscal year 2015-2016 and to add \$602,155 in general funds and reduce \$122,502 in federal funds for fiscal year 2016-2017.



The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$300,000 in general funds for fiscal year 2015-2016 for the Office of Military Affairs and Grant Maximization; and
- (2) Adding \$200,000 in general funds for fiscal year 2015-2016 for computer equipment, National Governor's Association fees, and subscriptions.

Health

The Conference Draft of the executive budget adjusts the Department of Health's appropriation as follows:

- (1) For fiscal year 2015-2016, by adding \$31,099,415 in general funds and adding \$47,237,331 in non-general funds; and
- (2) For fiscal year 2016-2017, by adding \$35,445,585 in general funds and adding \$56,434,971 in non-general funds.

The Administration's request was to add \$33,425,787 in general funds and \$63,211,668 in non-general funds for fiscal year 2015-2016 and \$41,556,898 in general funds and \$68,661,239 in non-general funds for fiscal year 2016-2017.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$1,752,000 for each fiscal year in general funds for security guard services for the Hawaii State Hospital;
- (2) Adding \$1,419,099 for each fiscal year in general funds for the state match for the home and community-based services waiver; and
- (3) Adding 4.00 positions and \$40,812 in general funds and \$62,034 in interdepartmental transfer funds for fiscal year 2015-2016 and \$84,912 in general funds and \$129,066 in interdepartmental transfer funds for fiscal year 2016-2017 for increased vector control surveillance at state ports.



Your Committee on Conference also notes that this measure changes the means of financing for thirty-one currently filled positions from the Environmental Response Revolving Fund to the general fund. Your Committee on Conference finds that the Environmental Response Revolving Fund generates insufficient revenues to pay for its personal services and other expenses, including responses to hazardous waste and pollutant or contaminant releases into the environment. Thus, your Committee on Conference has chosen to support the program by providing general funds for currently filled positions and allowing revolving funds to be used for removal, remediation, and other emergency actions necessary to protect the public health and environment. Your Committee on Conference intends that hereafter no positions shall be financed from the Environmental Response Revolving Fund.

Your Committee on Conference has eliminated ten vacant positions that are currently financed from the Environmental Response Revolving Fund. Your Committee on Conference requests the Administration to determine whether any of those positions should be financed with general funds and, if so, to propose in the 2016 supplemental budget the inclusion of general fund appropriations for the positions for fiscal year 2016-2017. If submitted, your Committee on Conference intends to evaluate the request to determine if any of the positions should be re-established and financed with general funds.

Your Committee on Conference notes that S.B. No. 101, S.D. 1, H.D. 1, C.D. 1, repeals the allocation of thirty-five percent of the moneys in the Hawaii Tobacco Settlement Special Fund to certain programs of the Department of Health. To complement that action, your Committee on Conference in this measure has changed the means of financing for programs and positions currently funded by moneys from the special fund. S.B. No. 101, S.D. 1, H.D. 1, C.D. 1, appropriates general funds to replace the moneys that no longer will be allocated from the Hawaii Tobacco Settlement Special Fund. Your Committee on Conference emphasizes its intent that the general fund appropriation in S.B. No. 101, S.D. 1, H.D. 1, C.D. 1, be used to fund the programs and positions, the means of financing for which has been changed from special funds to general funds. In particular, your Committee on Conference intends that the positions continue to be funded seamlessly when the change of means of financing takes effect.



Hawaii Health Systems Corporation

The Conference Draft of the executive budget adjusts the Hawaii Health Systems Corporation's appropriation as follows:

- (1) For fiscal year 2015-2016, by adding \$16,000,000 in general funds and \$33,043,636 in non-general funds; and
- (2) For fiscal year 2016-2017, by reducing \$5,000,000 in general funds and by adding \$38,986,574 in non-general funds.

This appropriation is in addition to the \$15,000,000 emergency appropriation approved in S.B. No. 1117, S.D. 2, H.D. 1, C.D. 1, for the current fiscal year 2014-2015 for the Hawaii Health Systems Corporation.

Department of Human Resources Development

The Conference Draft of the executive budget adjusts the Department of Human Resources Development's appropriation as follows:

- (1) For fiscal year 2015-2016, by adding \$882,077 in general funds; and
- (2) For fiscal year 2016-2017, by adding \$1,091,425 in general funds.

The Administration's request was to add \$682,077 in general funds for fiscal year 2015-2016 and \$891,425 in general funds for fiscal year 2016-2017.

The Conference Draft of the executive budget also adds \$200,000 in general funds for each fiscal year for the in-service training and program effectiveness project for state employees.

Human Services

The Conference Draft of the executive budget adjusts the Department of Human Services' appropriation as follows:

- (1) For fiscal year 2015-2016, by reducing \$23,954,695 in general funds and adding \$290,107,131 in non-general funds; and



- (2) For fiscal year 2016-2017, by adding \$1,278,888 in general funds and adding \$361,383,513 in non-general funds.

The Administration's request was to reduce \$7,160,050 in general funds and to add \$308,889,132 in non-general funds for fiscal year 2015-2016 and to add \$37,529,998 in general funds and \$401,135,623 in non-general funds for fiscal year 2016-2017.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$2,600,000 in general funds for each fiscal year for general assistance payments;
- (2) Adding \$3,000,000 in general funds for fiscal year 2015-2016 for Hawaii Public Housing Authority state family and state elderly housing facilities; and
- (3) Adding \$2,485,080 in general funds and \$2,914,902 in federal funds for fiscal year 2015-2016 for Medicaid recipients through the age of six with an autism spectrum disorder.

Labor and Industrial Relations

The Conference Draft of the executive budget adjusts the Department of Labor and Industrial Relations' appropriation as follows:

- (1) For fiscal year 2015-2016, by adding \$2,976,818 in general funds and adding \$2,572,992 in non-general funds; and
- (2) For fiscal year 2016-2017, by adding \$807,272 in general funds and adding \$3,515,962 in non-general funds.

The Administration's request was to add \$363,126 in general funds and add \$2,617,992 in non-general funds for fiscal year 2015-2016 and add \$817,200 in general funds and add \$3,565,962 in non-general funds for fiscal year 2016-2017.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$905,000 in general funds for fiscal year 2015-2016 for the business optimization and modernization project;



- (2) Adding 1.00 position and \$450,000 in general funds for both fiscal years for implementation of the federal Workforce Innovation and Opportunity Act; and
- (3) Adding 1.00 position and \$30,295 for fiscal year 2015-2016 and adding \$51,289 for fiscal year 2016-2017 in general funds for prepaid health care plan and temporary disability plan reviews.

Land and Natural Resources

The Conference Draft of the executive budget adjusts the Department of Land and Natural Resources' appropriation as follows:

- (1) For fiscal year 2015-2016, by adding \$1,456,137 in general funds and reducing \$16,802,456 in non-general funds; and
- (2) For fiscal year 2016-2017, by adding \$1,002,491 in general funds and reducing \$24,143,911 in non-general funds.

The Administration's request was to add \$6,974,346 in general funds and \$6,206,976 in non-general funds for fiscal year 2015-2016 and to add \$6,765,415 in general funds and reduce \$1,051,853 in non-general funds for fiscal year 2016-2017.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$1,000,000 in special funds for both fiscal years for the State Parks Division;
- (2) Adding \$250,000 for fiscal year 2015-2016 and \$500,000 for fiscal year 2016-2017 in special funds for the digitization of microfilm archives for the Bureau of Conveyances; and
- (3) Adding 2.00 positions and \$217,033 for fiscal year 2015-2016 and \$270,747 for fiscal year 2016-2017 in special funds for the Historic Preservation Division.

Your Committee notes that S.B. No. 1299, H.D. 1, C.D. 1, repeals the distribution of the conveyance tax to the Natural Area Reserve Fund. To complement that action, your Committee on Conference in this measure has reduced the ceiling for that special fund and changed the method of financing for positions currently funded by the Natural Area Reserve Fund. S.B. No. 1299, H.D. 1,



C.D. 1, appropriates general funds to replace the conveyance tax revenues that no longer will be distributed to the Natural Area Reserve Fund.

Your Committee on Conference emphasizes its intent that the general fund appropriation in S.B. No. 1299, H.D. 1, C.D. 1, be used to fund the positions, the means of financing for which has been changed from special funds to general funds. Your Committee on Conference requests the Administration to propose in the 2016 supplemental budget the inclusion of general fund appropriations for the positions for fiscal year 2016-2017. Upon receipt of the budget proposal, your Committee on Conference intends that the Legislature then re-commence funding those positions, as well as other programs formerly funded with conveyance tax revenues, in that supplemental appropriations act and subsequent general and supplemental appropriations acts.

Office of the Lieutenant Governor

The Conference Draft of the executive budget adjusts the Office of the Lieutenant Governor's appropriation as follows:

- (1) For fiscal year 2015-2016, by adding \$50,676 in general funds; and
- (2) For fiscal year 2016-2017, by adding \$80,793 in general funds.

The Administration's request was to add \$142,676 in general funds for fiscal year 2015-2016 and \$172,793 in general funds for fiscal year 2016-2017.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$100,000 in general funds for each fiscal year for the Open Data program; and
- (2) Adding \$50,000 in general funds for each fiscal year for travel and protocol expenses.

Public Safety

The Conference Draft of the executive budget adjusts the Department of Public Safety's appropriation as follows:



- (1) For fiscal year 2015-2016, by adding \$20,704,097 in general funds and \$2,317,761 in non-general funds; and
- (2) For fiscal year 2016-2017, by adding \$24,837,344 in general funds and \$2,365,344 in non-general funds.

The Administration's request was to add \$20,572,097 in general funds and \$2,386,184 in non-general funds for fiscal year 2015-2016 and \$26,214,624 in general funds and \$2,433,767 in non-general funds for fiscal year 2016-2017.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$3,164,155 for fiscal year 2015-2016 and \$2,741,454 for fiscal year 2016-2017 in general funds for inmate relocation costs associated with the Halawa Correctional Facility repair and improvement project;
- (2) Adding \$1,969,338 for fiscal year 2015-2016 and \$2,133,699 for fiscal year 2016-2017 in general funds for food supply replacement and religious food requests; and
- (3) Adding \$1,117,474 in general funds for each fiscal year for full year's salaries for positions in various programs.

Taxation

The Conference Draft of the executive budget adjusts the Department of Taxation's appropriation as follows:

- (1) For fiscal year 2015-2016, by adding \$1,730,785 in general funds and \$15,229 in special funds; and
- (2) For fiscal year 2016-2017, by adding \$1,929,658 in general funds and \$21,222 in special funds.

The Administration's request was to add \$1,885,785 in general funds and \$15,229 in special funds for fiscal year 2015-2016 and \$1,929,658 in general funds and \$21,222 in special funds for fiscal year 2016-2017.



Transportation

The Conference Draft of the executive budget adjusts the Department of Transportation's appropriation as follows:

- (1) For fiscal year 2015-2016, by reducing \$48,081,836 in special funds and adding \$1,020,566 in non-general funds; and
- (2) For fiscal year 2016-2017, by adding \$36,517,353 in special funds and adding \$924,977 in non-general funds.

The Administration's request was to reduce \$42,946,998 in special funds and add \$1,020,566 in non-general funds for fiscal year 2015-2016 and to add \$45,589,453 in special funds and \$924,977 in all federal funds for fiscal year 2016-2017.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$921,000 in each fiscal year in special funds for the Oahu zipper lane;
- (2) Adding 7.00 positions and \$1,093,783 for fiscal year 2015-2016 and \$497,206 for fiscal year 2016-2017 in special funds for the Daniel K. Inouye Highway Baseyard;
- (3) Adding 7.00 positions and \$1,283,648 for fiscal year 2015-2016 and \$1,582,430 for fiscal year 2016-2017 in special funds for an environmental section for the Maui Highways District Office; and
- (4) Adding \$256,000 for fiscal year 2015-2016 and \$203,000 for fiscal year 2016-2017 in special funds for motor vehicle replacement at Lihue Airport.

University of Hawaii

The Conference Draft of the executive budget adjusts the University of Hawaii's appropriation as follows:

- (1) For fiscal year 2015-2016, by adding \$17,918,438 in general funds and reducing \$51,423,736 in non-general funds; and



- (2) For fiscal year 2016-2017, by adding \$18,637,086 in general funds and reducing \$51,340,397 in non-general funds.

The Administration's request was to add \$17,918,438 in general funds and reduce \$51,423,736 in non-general funds for fiscal year 2015-2016 and to add \$18,637,086 in general funds and reduce \$51,340,397 in non-general funds for fiscal year 2016-2017.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$1,139,182 in general funds for each fiscal year for the Violence Against Women Act and Title IX costs; and
- (2) Adding \$6,360,818 in general funds for each fiscal year as a lump sum to the University of Hawaii for systemwide support.

PART III. CAPITAL IMPROVEMENTS PROGRAM BUDGET

Your Committee on Conference finds that capital improvement projects play a vital role in rebuilding our economy and strengthening our social infrastructure.

After carefully considering the many needs facing the State, your Committee on Conference has provided a total of \$640,617,000 for fiscal year 2015-2016 and \$188,504,000 for fiscal year 2016-2017 for projects funded by general obligation bonds and \$1,566,234,000 for fiscal biennium 2015-2017 for projects funded by all other means of financing.

Included in this measure are projects for the following:

- (1) Health, safety, and code requirements for the Department of Agriculture, totaling \$1,900,000 in general obligation bond funds for the 2015-2017 fiscal biennium;
- (2) Lump sum maintenance for existing facilities for the Department of Accounting and General Services, totaling \$24,000,000 in general obligation bond funds for the 2015-2017 fiscal biennium;
- (3) Rental Housing Trust Fund capital infusion to expand affordable housing statewide, totaling \$40,000,000 in general obligation bond funds for fiscal year 2015-2016;



- (4) Funding to support the construction of a long-term care facility for veterans, totaling \$25,384,000 in general obligation bond funds that will provide the state match for an additional \$37,429,000 in federal funds;
- (5) Lump sum condition, capacity, equity, program support, and project positions for the Department of Education schools, totaling \$258,768,000 in general obligation bond funds for the 2015-2017 fiscal biennium;
- (6) Funding to support repair and maintenance for Hawaii public housing, totaling \$10,000,000 in general obligation bond funds for the 2015-2017 fiscal biennium;
- (7) Lump sum repair and maintenance for the Department of Public Safety, totaling \$21,000,000 in general obligation bond funds for the 2015-2017 fiscal biennium; and
- (8) Support for repair and maintenance at University of Hawaii campuses, including \$10,000,000 in general obligation bond funds for community colleges and \$44,430,000 in general obligation bond funds for University of Hawaii systemwide support.

Your Committee on Conference has also provided funding for dozens of other projects for deferred maintenance and health and safety, including appropriations to the Department of Defense; Department of Hawaiian Home Lands; Department of Land and Natural Resources; and Department of Business, Economic Development, and Tourism, among others.

Additionally, your Committee on Conference believes that investment in airports, harbors, and highways is necessary to address the continued influx of visitors, the efficient transport of goods within and without the State, and the day-to-day needs of our residents. Your Committee on Conference has demonstrated its commitment to transportation projects by appropriating, for fiscal biennium 2013-2015, \$1,408,319,000 for the Department of Transportation, including \$376,965,000 for state highways on every island.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 500, H.D. 1, S.D. 1, as amended herein, and recommends that



it pass Final Reading in the form attached hereto as H.B. No. 500,
H.D. 1, S.D. 1, C.D. 1.

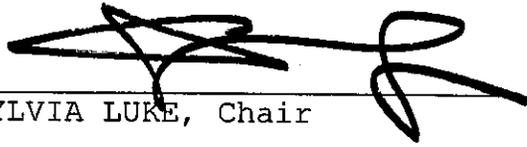
Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE



JILL N. TOKUDA, Chair



SYLVIA LUKE, Chair



