

Honolulu, Hawaii

**APR 19 2018**

RE: S.B. No. 192  
S.D. 1  
H.D. 1  
C.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 192, S.D. 1, H.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.

The purpose of this measure is to manage state finances.

More specifically, the measure:

- (1) Deposits settlement moneys received in 2018 that relate to compliance with the Tobacco Master Settlement Agreement from calendar years 2004 to 2017 into the emergency and budget reserve fund;
- (2) Authorizes the Director of Finance to transfer moneys in the natural area reserve fund that are in excess of the needs of that reserve fund into the general fund;



- (3) Provides that moneys in the tobacco settlement special fund that are in excess of the needs of that special fund shall provide revenue to the Hawaii tobacco prevention and control trust fund and the university revenue-undertakings fund; and
- (4) Specifies that moneys in the tobacco settlement special fund that are in excess of the needs of that special fund are to be used to supplant any losses that result from any discount or reduction taken against regular master settlement agreement payments received by the State between calendar years 2018 and 2022.

Your Committee on Conference finds that depositing and authorizing the transfer and utilization of revenues as described above is prudent and in the best interest of the State.

Your Committee on Conference also finds that an extraordinary weather event of torrential rains caused widespread flooding and serious damage in the County of Kauai and portions of the City and County of Honolulu in April 2018. On the island of Kauai, the rains caused extensive damage to the slopes adjacent to Kuhio Highway, and impacted the communities of Wainiha, Haena, and other regions. In the City and County of Honolulu, the rains caused serious damage in Waimanalo and East Honolulu. At this point, it is unclear if other areas of the State have been severely impacted as well.

Your Committee on Conference further finds that the severe, sudden, and extraordinary weather event caused damage, losses, and suffering that affected the health, welfare, and living conditions of a substantial number of persons, and is of such a nature as to warrant rehabilitative assistance from the State.

Your Committee on Conference has amended this measure by appropriating moneys to the Department of Defense for disaster relief efforts in the County of Kauai and other areas of the State that have been adversely impacted by the extraordinary weather event that occurred in April 2018.

More specifically, the measure appropriates moneys to protect the health, safety, and welfare of the people, and provide relief from disaster damages, losses, and suffering, as follows:

- (1) \$100,000,000 to be expended in the County of Kauai; and



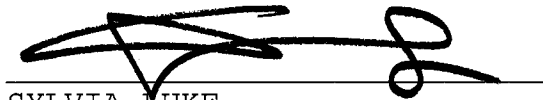
- (2) \$25,000,000 to be expended in areas of the State other than Kauai.

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 S.B. No. 192, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 192, S.D. 1, H.D. 1, C.D. 1.

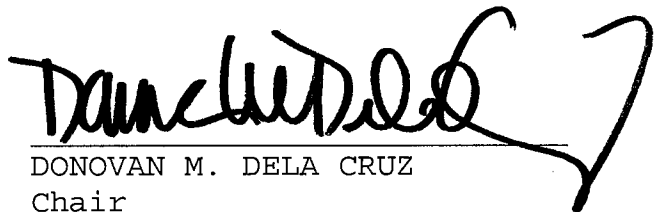
Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



SYLVIA LUKE  
Chair



DONOVAN M. DELA CRUZ  
Chair



GILBERT S.C. KEITH-AGARAN  
Co-Chair



