

Legislature 2022

Lawmakers Lay Out A Record-Setting \$8.7 Billion State Budget

House and Senate negotiators also gave preliminary approval Wednesday to a \$6 billion construction budget that funds new schools on Maui and Oahu.

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By Kevin Dayton   / April 27, 2022

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House and Senate lawmakers on Wednesday unveiled a new state budget for next year that includes \$350 million in funding for a new stadium at Halawa, but no additional planning money for a new jail.

Lawmakers also announced they are deferring plans to hire dozens more state child welfare workers, and instead will provide an extra \$8 million next year to contract with local nonprofit agencies to better monitor children who are in the state foster care system or are awaiting adoption.

The House Finance Committee and Senate Ways and Means Committee on Wednesday voted to approve a state general fund operating budget for fiscal year 2023, which begins July 1, that totals \$8.7 billion. That is a record amount, and is about \$400 million more than Gov. David Ige asked for in his budget submitted to the Legislature in December.

The committees also approved a new \$6 billion construction budget Wednesday, an extraordinary sum that House Finance Committee Vice Chairman Kyle Yamashita said “will help our construction industry and many of our departments with their needs throughout the state.”



House Finance Chairwoman Sylvia Luke is flanked by Rep. Kyle Yamashita, left, and Senate Ways and Means Chairman Donovan Dela Cruz during a joint House-Senate budget conference committee meeting at the Capitol.

The state budget benefited this year from an unexpected boom in state tax collections as the local economy rebounded from the pandemic, creating a budget surplus on the order of \$2 billion in state and federal money. However, tax collections won't grow so dramatically in future years.

Finance Committee Chairwoman Sylvia Luke said lawmakers were careful to earmark much of the windfall for one-time expenses rather than initiatives that would have ongoing costs, such as a hiring spree.

“We have to shore up certain things, but at the same time make sure that future legislatures won't be burdened with some of the decisions that we make,” she said.

The \$350 million in bond funding for the stadium should help speed the development of that project, which has been slowly moving forward while the state works out how to pay for it.

The stadium is supposed to be the hub of [a 98-acre New Aloha Stadium Entertainment District](#), and three development teams are competing to build and operate the new facility. The \$350 million would amount to just the state's share of the stadium, which is expected to cost more than \$400 million.

The [alleged murder](#) of 6-year-old Isabella Kalua last year in Waimanalo has underscored problems in the state's struggling child welfare system, and House lawmakers had [proposed](#) that the state hire 48 additional staff and expand training to try to improve the system.

However, Luke said lawmakers have since learned the system would be better served by providing more money to contract for services to support the social workers, such as people to screen foster and adoptive families or provide services to the children in the system.

Rather than adding positions and cash into the budget to increase staffing in Child Welfare Services, lawmakers are now preparing to add about \$8 million to [House Bill 2424](#) to beef up nonprofit support for CWS, Luke said. A House-Senate conference committee is scheduled to meet Thursday afternoon on that bill.

Lawmakers also provided \$50 million in grants to a variety of nonprofit organizations, many of which struggled financially after the state canceled all program and project grants during the past two years because of the state budget crisis that was triggered by the pandemic.

The new budget also includes \$1.58 million to create a new office for human trafficking abatement, and \$6.75 million to upgrade the computer system the state uses to collect and distribute child support payments from non-custodial parents.

Another \$23 million is earmarked for a new housing subsidy program for families in the Temporary Assistance for Needy Families program — formerly known as welfare — and another \$6 million is slated to provide after-school services for children in TANF families.

Also included in the budget is nearly \$26 million to restore dental benefits for adults in the Hawaii Medicaid program. Those benefits were cut in 2009 in the aftermath of the Great Recession.

Lawmakers also provided \$33.3 million to accelerate the deployment of broadband across the state to make it more widely available, and nearly \$14 million to upgrade infrastructure such as roads and utilities at Kalaeloa.

Another \$26 million was budgeted to upgrade the Wahiawa Dam and spillway, while \$2 million was approved to support Iolani Palace. Another \$17.5 million is being committed to subsidize and improve Bishop Museum.

About \$8 million was incorporated into the budget to support athletics at University of Hawaii Manoa and University of Hawaii Hilo.

A House-Senate conference committee also approved [a separate measure](#) Wednesday to fund \$15 million for Ohana Zones, a state-funded program that has helped more than 1,300 homeless people transition into permanent housing. The program was [set to expire](#) next year, but the proposal extends it to 2026.

Major items in the new construction budget include \$20 million for planning and other work for a new elementary and middle school in central Maui, and a \$355 million appropriation for a new East Kapolei High School. The state plans to seek federal funding for that project, Yamashita said.

Another \$41.5 million was earmarked for affordable housing on Hawaiian homelands, and \$20 million for statewide homelands lot development. Lawmakers also set aside \$24 million for Maui Memorial Medical Center renovations and expansion.