



GOV. MSG. NO. 815

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

May 1, 2007

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fourth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on May 1, 2007, the following bill was signed into law:

SB1457 SD2 HD2

A BILL FOR AN ACT MAKING AN
EMERGENCY APPROPRIATION FOR
THE DEVELOPMENTAL DISABILITIES
DIVISION OF THE DEPARTMENT OF
HEALTH.
(ACT 051)

Sincerely,



LINDA LINGLE

Approved by the Governor

on MAY 1 2007

THE SENATE
TWENTY-FOURTH LEGISLATURE, 2007
STATE OF HAWAII

ACT 051

S.B. NO. 1457
S.D. 2
H.D. 2

A BILL FOR AN ACT

MAKING AN EMERGENCY APPROPRIATION FOR THE DEVELOPMENTAL
DISABILITIES DIVISION OF THE DEPARTMENT OF HEALTH.

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

1 SECTION 1. This Act is recommended by the governor for
2 immediate passage in accordance with article VII, section 9 of
3 the Constitution of the State of Hawaii.

4 SECTION 2. The purpose of this Act is to appropriate
5 additional funds to the department of health for the State's
6 medicaid title XIX programs, which include the developmental
7 disabilities or mentally retarded home and community-based
8 services and the medicaid state plan intermediate care
9 facilities for the mentally retarded in the community program,
10 to meet a critical funding emergency. The additional funds are
11 necessary to support current clients and to reasonably admit
12 individuals into the program to fulfill the developmental
13 disabilities division's obligations under the settlement
14 agreement in *DHRC v. State*, United States District Court, Civil
15 No. 03-00524 HG-KSC, and comply with the United States Supreme
16 Court's decision in *Olmstead v. Zimring*, 527 U.S. 581, 119 S.



1 Ct. 2176 (1999), and the requirements of chapter 333F, Hawaii
2 Revised Statutes, to support people to live in the community.

3 The developmental disabilities interdepartmental transfer
4 fund or U-fund ceiling constitutes a limit on the department of
5 health's ability to receive federal medicaid reimbursements
6 transferred from the department of human services back to the
7 department of health. These funds are in turn reallocated for
8 expenditures to make further claims for federal reimbursement.
9 Once the department of health has exceeded the statutory
10 limitation of the U-fund, the ability to expend the resources
11 that it receives is impaired. Therefore, the increase in the U-
12 fund ceiling is now critically necessary to ensure timely
13 expenditure of the general fund emergency appropriation
14 contained in this measure.

15 SECTION 3. There is appropriated out of the general
16 revenues of the State of Hawaii the sum of \$4,980,523, or so
17 much thereof as may be necessary, for fiscal year 2006-2007, to
18 carry out the purposes of this Act.

19 The sum appropriated shall be expended by the department of
20 health for the purposes of this Act.

21 SECTION 4. There is appropriated out of the
22 interdepartmental transfer fund the sum of \$4,111,237, or so



1 much thereof as may be necessary for fiscal year 2006-2007, to
2 carry out the purposes of this Act.

3 The sum appropriated shall be expended by the department of
4 health for the purposes of this Act.

5 SECTION 5. In accordance with article VII, section 9 of
6 the Constitution of the State of Hawaii and sections 37-91 and
7 37-93, Hawaii Revised Statutes, the legislature has determined
8 that the general fund expenditure ceiling for fiscal year 2006-
9 2007 (established at \$5,357,987,705 on November 8, 2006) has
10 already been exceeded by \$90,137,694 or 1.68 per cent. The
11 appropriations contained in this Act will cause the state
12 general fund expenditure ceiling for fiscal year 2006-2007 to be
13 exceeded by an additional \$4,980,523, or an additional 0.093 per
14 cent. The calculation contained in the foregoing sentence
15 relates only to the amount of general funds appropriated in this
16 Act for fiscal year 2006-2007. The reasons for exceeding the
17 general fund expenditure ceiling are that the appropriations
18 made in this Act are necessary to serve the public interest and
19 to meet the needs provided for by this Act.

20 SECTION 6. This Act shall take effect upon its approval.



S.B. NO. 1457
S.D. 2
H.D. 2



GOVERNOR OF THE STATE OF HAWAII

Approved this day: MAY 1 2007