

JAN 22 2007

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# A BILL FOR AN ACT

MAKING AN EMERGENCY APPROPRIATION FOR ELECTRICITY PAYMENTS  
STATEWIDE.

**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 section 9 of article VII of  
3 the constitution of the State of Hawaii.

4           SECTION 2. The purpose of this Act is to make an emergency  
5 appropriation to address a projected \$626,000 deficit in  
6 electricity payments for the department of accounting and  
7 general services managed facilities statewide. Since local  
8 utility companies are dependent upon oil as the primary source  
9 of fuel, high world oil prices have directly contributed to this  
10 shortfall. Although kilowatt per hour consumption has remained  
11 flat or decreased, increased worldwide demand and geopolitical  
12 concerns all contribute to keep oil prices high. Based on a  
13 combination of actual bills paid and projected cost, the  
14 shortfall for fiscal year 2006-2007 is anticipated to be  
15 \$626,000 statewide. Without an emergency appropriation, the  
16 program must defer payment on its June 2007 bill.

S.B. NO. 1312

1 SECTION 3. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$626,000, or so much  
3 thereof as may be necessary, for fiscal year 2006-2007 for the  
4 purpose of paying electricity bills. The sum appropriated shall  
5 be expended by the department of accounting and general  
6 services.

7 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: \_\_\_\_\_

BY REQUEST

JUSTIFICATION SHEET

DEPARTMENT: Accounting and General Services

TITLE: A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR ELECTRICITY PAYMENTS STATEWIDE.

PURPOSE: To make an emergency appropriation for fiscal year 2006-2007 to cover statewide budgetary shortfalls in electricity payments for facilities assigned to the Department of Accounting and General Services (DAGS).

MEANS: Emergency appropriation.

JUSTIFICATION: World oil prices have been steadily rising over the past few years, only recently settling within the \$59 to \$63 range after testing per barrel costs in the low \$70's. Utility companies are dependent upon oil as the primary source of fuel in Hawaii. A shortfall of \$626,000 for fiscal year 2006-2007 is projected.

Funding requested in this measure is for electricity payments for facilities assigned to the DAGS and will result in the appropriation ceiling for the Executive Branch to now be exceeded in fiscal year 2006-2007 by \$626,000.

The general fund recommendation included in this measure has been made in accordance with the statutorily defined appropriation ceiling for the Executive Branch pursuant to section 37-92, Hawaii Revised Statutes. Including appropriations made up to and including the regular session of 2006, the Executive Branch appropriation ceiling for fiscal year 2006-2007 has already been exceeded by \$415,349,859 or 8.51 percent. Funding requested in

this measure is for electricity payments for facilities assigned to the DAGS and will result in the appropriation ceiling for the Executive Branch to now be exceeded in fiscal year 2006-2007 by \$626,000, or 0.01 percent. This current declaration takes into account additional general fund appropriations authorized in fiscal year 2006-2007 in this measure only, and does not include other general fund appropriations for fiscal year 2006-2007 that may be authorized for the Executive Branch in other legislation submitted to the Legislature during the regular session of 2007.

Impact on the public: There would be impacts on the ability to make timely payments to utility companies which will result in late payment fees and negatively impact the cash flow to these companies.

Impact on the department and other agencies: Inability to pay electricity bills may result in curtailing hours of operation or delaying payments to vendors.

GENERAL FUND:	\$626,000
OTHER FUNDS:	None.
PPBS PROGRAM DESIGNATION:	AGS 231
OTHER AFFECTED AGENCIES:	All agencies housed in DAGS assigned facilities.
EFFECTIVE DATE:	Upon approval.