



GOV. MSG. NO. 623

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

April 17, 2009

The Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
State Capitol
Honolulu, Hawaii 96813

Dear Madam President:

In accordance with Section 9, Article VII of the Constitution of the State of Hawaii, I am requesting your immediate consideration and passage of House Bill No. 1364 to amend the Supplemental Appropriations Act of 2008 (Act 158, SLH 2008) by:

- Adding \$6,090,000 in federal stimulus funds in FY 2008-09 for the strategic industries program (BED 120) for state energy programs and energy efficiency and conservation block grants.
- Adding \$90,852,000 in federal stimulus funds in FY 2008-09 for the School-Based Budgeting program (EDN 100) to reflect allocation of the State Fiscal Stabilization Funds under the American Recovery Reinvestment Act of 2009 (ARRA), and by decreasing general funds by the same amount to help address the State's budget shortfall in FY 2008-09.
- Adding \$16,587,184 in federal stimulus funds in FY 2008-09 for the School-Based Budgeting program (EDN 100) to reflect additional No Child Left Behind Title I grants.
- Adding \$20,493,170 in federal stimulus funds in FY 2008-09 for the Comprehensive Student Support Services program (EDN 150) to reflect additional Individuals with Disabilities Education Act (IDEA) Part B Grants to States and IDEA Part B Preschool Grants.

- Adding \$173,154 in federal stimulus reimbursement funds from Department of Human Services in FY 09 for the Comprehensive Student Support Services program (EDN 150) to reflect increased Federal Medical Assistance Percentage (FMAP) funds for deposit into the program's revolving fund, and by decreasing general funds by the same amount to help address the State's budget shortfall in FY 2008-09.
- Adding \$348,600 in federal stimulus funds in FY 2008-09 for the School Support program (EDN 400) to reflect additional federal funding for the National School Lunch program.
- Adding \$9,813,478 in interdepartmental transfer funds in FY 2008-09 for the Developmental Disabilities program (HTH 501) to reflect increased FMAP reimbursement funds from DHS under the ARRA, and by decreasing general funds by the same amount to help address the State's budget shortfall in FY 2008-09.
- Adding \$1,861,500 in special funds and \$8,138,500 in general funds in FY 2008-09 for the Adult Mental Health – Outpatient program (HTH 420) to reflect increased FMAP reimbursement funds from DHS under the ARRA and increased general fund support to meet program requirements.
- Adding \$1,979,666 in special funds in FY 2008-09 for the Child and Adolescent Mental Health program (HTH 460) to reflect increased FMAP reimbursement funds from DHS under the ARRA, and by decreasing general funds by the same amount to help address the State's budget shortfall in FY 2008-09.
- Adding \$485,000 in federal stimulus funds in FY 2008-09 for the Executive Office on Aging program for congregate and home delivered senior meals programs.
- Adding \$14,000,000 in general funds in FY 2008-09 for the Hawaii Health Systems Corporation program (HTH 210) to meet program requirements.
- Adding \$1,124,575 in federal stimulus funds in FY 2008-09 for the Vocational Rehabilitation program (HMS 802) for vocational rehabilitation and independent living programs.
- Adding \$500,000 in federal stimulus funds in FY 2008-09 for the General Support for Child Care program (HMS 302) to enhance the existing quality care contracts to comply with the ARRA requirements.
- Adding \$1,705,010 in federal stimulus funds in FY 2008-09 for the Child Protective Services Payments program (HMS 303) to reflect increased FMAP funding under the ARRA.

- Adding \$2,600,000 in federal stimulus funds in FY 2008-09 for the Cash Support for Child Care program (HMS 305) for child care subsidies to meet program requirements in FY 2008-09.
- Adding \$3,000,000 in federal funds in FY 2008-09 for the Cash Support for Families-Self-Sufficiency program (HMS 211) to increase the federal TANF ceiling so that children can be cared for in their own homes or in the homes of relatives and for associated eligibility determination costs.
- Adding \$2,166,888 in federal stimulus funds in FY 2008-09 for the Homeless Services program (HMS 224) for rent, security deposits, utilities, and other housing expenses for the Counties of Kauai, Hawaii, and Maui.
- Adding \$106,798,179 in federal stimulus funds in FY 2008-09 for the Health Care Payments program (HMS 401) to reflect increased FMAP funding under the ARRA, and by decreasing general funds by \$92,970,831 to help address the State's budget shortfall in FY 2008-09.
- Adding \$10,000,000 in federal funds in FY 2008-09 for the General Support for Self-Sufficiency Services program (HMS 903) to enable DHS to receive and expend TANF contingency funds through the federal Deficit Reduction Act of 2005.
- Adding \$25,550,000 in federal stimulus funds in FY 2008-09 for the General Support for Self-Sufficiency Services program (HMS 903) for increased expenditures for the Supplemental Nutrition Assistance program and TANF program that qualify for the temporary contingency fund established in ARRA.
- Adding \$34,000,000 in federal stimulus funds in FY 2008-09 for the Unemployment Insurance program (LBR 171) to accommodate increased unemployment insurance benefit payments under the ARRA.
- Adding \$11,000,000 in federal stimulus funds in FY 2008-09 for the Hawaii Highways program (TRN 511) for highways special maintenance projects.
- Adding \$3,200,000 in federal stimulus funds in FY 2008-09 for the Kauai Highways program (TRN 561) for highways special maintenance projects.
- Adding \$29,449,741 in federal stimulus funds in FY 2008-09 for the University of Hawaii, System Wide Support program (UOH 900) to reflect allocation of the State Fiscal Stabilization Fund under the ARRA, and by decreasing general funds by the same amount to help address the State's budget shortfall in FY 2008-09.
- Adding \$550,000 in federal stimulus funds for the Agricultural Resource Management program (AGR 141) for construction in FY 2008-09 for the Upcountry Maui Watershed Project in Kula.

- Adding \$1,800,000 in federal stimulus funds for the Agricultural Resource Management program (AGR 141) for construction in FY 2008-09 for improvements to the lower Hamakua ditch system, including flood mitigation improvements.
- Adding \$10,200,000 in federal stimulus funds for the Planning and Development for Hawaiian Homesteads program (HHL 602) for plans, design and construction in FY 2008-09 for various Hawaiian homestead projects and improvements, statewide.
- Adding \$16,245,443 in federal stimulus funds for the Rental Housing Services program (HMS 220) for construction in FY 2008-09 for non-routine repairs and maintenance, improvements and renovations, statewide.
- Adding \$1,800,000 in federal stimulus funds for the Highways Administration program (TRN 595) for construction in FY 2008-09 for seismic retrofit improvements for various bridges, statewide.
- Adding \$17,000,000 in federal stimulus funds for the Oahu Highways program (TRN 501) for construction in FY 04 (amends prior biennium Act project) for replacement of South Punaluu Bridge.
- Adding \$25,000,000 in federal stimulus funds for the Honolulu International Airport program (TRN 102) for construction in FY 07 (amends prior biennium Act project) for inline baggage system improvements including explosive detection systems, baggage belt conveyors and other related improvements.
- Adding \$11,000,000 in federal stimulus funds for the Kahului Airport program (TRN 131) for construction in FY 07 (amends prior biennium Act project) for inline baggage system improvements including explosive detection systems, baggage belt conveyors and other related improvements.
- Adding \$15,000,000 in federal stimulus funds for the Airports Administration program (TRN 195) for construction in FY 07 (amends prior biennium Act project) for structural improvements to runways, taxiways and aprons at statewide airports.

As indicated in my March 30, 2009 letter transmitting a draft bill incorporating these amendments, the primary purpose of these amendments is to appropriate federal stimulus funds from the ARRA for FY 2008-09. To help address the State's budget shortfall in FY 2008-09, corresponding general fund reductions are being proposed to certain programs that receive offsetting federal funding available under the ARRA. Also, non-ARRA related amendments are being proposed to appropriate increased federal TANF funding that Hawaii recently qualified for in FY 2008-09 as required by federal regulations. Finally, additional FY 2008-09 funding for HTH 420, Adult Mental Health – Outpatient program and for HTH 210, Hawaii Health Systems Corporation, is requested to meet program requirements for FY 2008-09.

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The timely passage of this measure is requested to promote openness and transparency in the use of ARRA funds for FY 2008-09, to address the State's critical budget shortfall for FY 2008-09, to authorize TANF funds for FY 2008-09, and to meet FY 2008-09 program requirements of the Adult Mental Health – Outpatient and Hawaii Health Systems Corporation programs.

We appreciate your prompt attention to this matter. The Department of Budget and Finance will be available to answer any questions you may have on this request.

Sincerely,



LINDA LINGLE

c: Honorable Donna Mercado Kim