

NEIL ABERCROMBIE GOVERNOR

GOV. MSG. NO. 1237

June 24, 2014

The Honorable Donna Mercado Kim,
President
and Members of the Senate
Twenty-Seventh State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki, Speaker and Members of the House of Representatives Twenty-Seventh State Legislature State Capitol, Room 431 Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

This is to inform you that on June 24, 2014, the following bill was signed into law:

HB648 HD1 SD1 CD1

RELATING TO STATE FINANCES **ACT 134 (14)**

NEIL ABERCROMBIE Governor, State of Hawaii

ACT 134 H.B. NO. H.D. 1 S.D. 1 C.D. 1

A BILL FOR AN ACT

RELATING TO STATE FINANCES.

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

1	PART I.
.2	SECTION 1. The purpose of this Act is to address state
3	finances.
4	More specifically, this Act repeals or reduces certain
5	specific appropriations that were made in acts passed during the
6	regular session of 2013 and that the respective designated
7	expending agencies are not planning to expend in fiscal year
8	2013-2014.
9	The legislature finds that this Act enables the savings to
10	be expressly identified as part of the carryover balance for
11	fiscal year 2014-2015 in the state financial plan. The
12	legislature finds that this approach is more efficient than
13	simply allowing the unexpended and unencumbered amounts to
14	lapse. Because lapsed appropriations do not become known until
15	after the fiscal year ends, the legislature is unable to
16	consider lapsed appropriations when making budgetary decisions
17	during the regular session immediately preceding the lapse date.

H.B. NO. H.D. 1

- 1 The legislature emphasizes that the repeal or reduction of
- 2 the appropriations in this Act does not represent
- 3 discontinuation of support for the de-funded programs. The
- 4 intent of this Act is to increase the general fund carryover
- 5 balance.
- 6 This Act also authorizes the transfer of excess funds from
- 7 the medicaid investigations recovery fund to the general fund.
- 8 The legislature finds that the excess funds are not needed for
- 9 the requirements of the fund.
- 10 PART II.
- 11 SECTION 2. The purpose of this part is to repeal the
- 12 appropriation in Act 222, Session Laws of Hawaii 2013, for the
- 13 shallow subsidy program for fiscal year 2013-2014.
- 14 The legislature finds that the department of human services
- 15 does not plan to expend the appropriation.
- 16 SECTION 3. Act 222, Session Laws of Hawaii 2013, is
- 17 amended by repealing section 4.
- 18 ["SECTION 4. There is appropriated out of the general
- 19 revenues of the State of Hawaii the sum of \$1,000,000 or so much
- 20 thereof as may be necessary for fiscal year 2013 2014 for a
- 21 rental assistance program, also known as a shallow subsidy
- 22 program, for homeless working individuals and their families who

1	are ready	to rent permanent housing to obtain and maintain
2	permanent	housing; provided that:
3	(1)	The maximum subsidy shall be \$300 per month; provided
4		that in order-to-qualify for the subsidy, a household
5		shall pay a minimum of forty per cent of their
6		adjusted gross income for rent; and
7	(2)	A household's adjusted gross income shall be
8		calculated in the same manner as calculated by the
9		Hawaii public housing authority to qualify for public
10		housing under the authority's control.
11	The .	sums appropriated for program and administrative costs
12	associate	d with establishing and operating the shallow subsidy
13	program s	hall-be expended by the department of human services
14	through a	contract issued pursuant to chapter 103F, Hawaii
15	Revised S	tatutes, and sums appropriated for staff within the
16	homeless]	program office to administer the program shall be
17	expended l	by the department of human services for the purposes of
18	this part	- ⁴]
19		PART III.
20	SECT	ION 4. The purpose of this part is to repeal the
21	appropriat	tion in Act 222, Session Laws of Hawaii 2013, for the

- 1 homelessness prevention and rapid re-housing program for fiscal
- 2 year 2013-2014.
- 3 The legislature finds that the department of human services
- 4 does not plan to expend the appropriation.
- 5 SECTION 5. Act 222, Session Laws of Hawaii 2013, is
- 6 amended by repealing section 9.
- 7 ["SECTION 9. There is appropriated out of the general
- 8 revenues of the State of Hawaii the sum of \$150,000 or so much
- 9 thereof as may be necessary for fiscal year 2013-2014 for the
- 10 homelessness prevention and rapid re-housing program.
- 11 The sums appropriated shall be expended by the department
- 12 of human services for the purposes of this part."]
- 13 PART IV.
- 14 SECTION 6. The purpose of this part is to reduce the
- 15 appropriation in Act 222, Session Laws of Hawaii 2013, for
- 16 innovative temporary housing solutions for fiscal year 2013-
- **17** 2014.
- 18 The legislature finds that the department of human services
- 19 does not plan to expend the entire appropriation.
- 20 SECTION 7. Act 222, Session Laws of Hawaii 2013, is
- 21 amended by amending section 17 to read as follows:

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1	"SECTION 17. There is appropriated out of the general
2	revenues of the State of Hawaii the sum of [\$100,000] \$50,000 or
3	so much thereof as may be necessary for fiscal year 2013-2014
4	for the construction and demonstration of innovative temporary
5	housing solutions as they relate to the working group's findings
6	and recommendations.
7	The sum appropriated shall be expended by the department of
8	human services for the purposes of this Act."
. 9	PART V.
10	SECTION 8. The purpose of this part is to repeal the
11	appropriation in Act 268, Session Laws of Hawaii 2013, for the
12	Hawaii employer-union health benefits trust fund task force for
13	fiscal year 2013-2014.
14	The legislature finds that the department of budget and
15	finance does not plan to expend the appropriation.
16	SECTION 9. Act 268, Session Laws of Hawaii 2013, is
17	amended by repealing section 5.
18	[*SECTION-5 There is appropriated out of the general
19	revenues of the State of Hawaii the sum of \$185,750 or so much
20	thereof as may be necessary for fiscal year 2013-2014 to support
21	the work of the Hawaii employer union health benefits trust fund

task-force, including necessary-travel-expenses for task-force

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- 1 members who reside outside of Oahu and consulting services of
- 2 persons knowledgeable in relevant issues.
- 3 The sum appropriated shall be expended by the department of
- 4 budget and finance for the purposes of this part."]
- .5 PART VI.
- 6 SECTION 10. The purpose of this part is to repeal the
- 7 appropriation in Act 268, Session Laws of Hawaii 2013, for a
- 8 study on joint investment information and service sharing by the
- 9 employees' retirement system and Hawaii employer-union health
- 10 benefits trust fund for fiscal year 2013-2014.
- 11 The legislature finds that the department of budget and
- 12 finance may not be able to expend the appropriation for fiscal
- 13 year 2013-2014. This part does not repeal the appropriation for
- 14 the study for fiscal year 2014-2015.
- 15 SECTION 11. Act 268, Session Laws of Hawaii 2013, is
- 16 amended by amending section 13 to read as follows:
- "SECTION 13. There is appropriated out of the general
- 18 revenues of the State of Hawaii the sum of [\$500,000] \$100,000
- 19 or so much thereof as may be necessary for fiscal year 2013-2014
- 20 and the [same] sum [or] of \$350,000 or so much thereof as may be
- 21 necessary for fiscal year 2014-2015 for the department of budget
- 22 and finance to conduct a study and develop an implementation

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- 1 plan to have both the employer-union health benefits trust fund
- 2 and the employees' retirement system jointly share investment
- 3 information and services.
- 4 The sums appropriated shall be expended by the department
- 5 of budget and finance for the purposes of this Act."
- 6 PART VII.
- 7 SECTION 12. The purpose of this part is to authorize the
- 8 transfer of the excess funds contained in the medicaid
- 9 investigations recovery fund, established under section 28-91.5,
- 10 Hawaii Revised Statutes, to the general fund.
- 11 SECTION 13. The legislature finds that there is in the
- 12 medicaid investigations recovery fund, established under section
- 13 28-91.5, Hawaii Revised Statutes, at least \$1,000,000 in excess
- 14 of the requirements of the fund. Until June 30, 2014, the
- 15 director of finance may transfer from the medicaid
- 16 investigations recovery fund to the general fund the sum of
- 17 \$1,000,000 or so much thereof as may be necessary for fiscal
- 18 year 2013-2014.
- 19 PART VIII.
- 26 SECTION 14. Statutory material to be repealed is bracketed
- 21 and stricken. New statutory material is underscored.
- 22 SECTION 15. This Act shall take effect upon its approval.



APPROVED this 2 4 day of JUN , 2014

GOVERNOR OF THE STATE OF HAWAII

Meil Aberrombie