



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

February 24, 2016

GOV. MSG. NO. 10

The Honorable Ronald D. Kouchi,
President and Members of the Senate
Twenty-Eighth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

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

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

Transmitted herewith are proposed changes to the FY 17 Executive Supplemental Budget for the Department of Business, Economic Development and Tourism (DBEDT), Department of Budget and Finance (B&F), Department of Defense (DOD), Department of Education (DOE), Department of Human Services (DHS), and Department of Land and Natural Resources (DLNR).

Your favorable consideration is requested for the budget requests and related provisos to amend the Supplemental Budget as follows:

Operating Budget

DBEDT – Hawaii Green Infrastructure Authority (BED 138/GI)

Adds \$45,000,000 in special funds in FY 17 for the issuance of green infrastructure loans.

Adds related proviso that specifies that the special fund appropriation is to be expended for the purpose of issuing green infrastructure loans.

B&F – Health Premium Payments – State (BUF 761/ST)

Reduces \$793,740 in general funds in FY 17 to reflect actual health premium amounts for actives based on the rates approved by the Hawaii Employer-Union Health Benefits Trust Fund's (EUTF) Board of Directors on January 21, 2016.

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B&F – Health Premium Payments – DOE (BUF 765/LE)

Reduces \$5,081,249 in general funds in FY 17 to reflect actual health premium amounts for actives based on the rates approved by the EUTF's Board of Directors on January 21, 2016.

B&F – Health Premium Payments – UH (BUF 768/HE)

Reduces \$327,412 in general funds in FY 17 to reflect actual health premium amounts for actives based on the rates approved by the EUTF's Board of Directors on January 21, 2016.

B&F – Health Premium Payments

Amends related proviso, Section 45 of Act 119, SLH 2015, to update revised funding requirements for health premiums for BUF 761/ST, BUF 765/LE and BUF 768/HE.

B&F – Hawaii Employer-Union Health Benefits Trust Fund (BUF 143/EU)

Adds 1.00 permanent position and \$44,559 in trust funds in FY 17 for a Benefits Compliance Audit Specialist. The position will be responsible for compliance audits along with managing claims audits performed by third parties to expand the EUTF's audit capabilities and create savings for employers and employees.

DOD – Amelioration of Physical Disasters (DEF 110/AD)

Adds 1.00 temporary position (Position No. 12026A) and \$51,312 in federal funds (means of financing (MOF) "N"), and reduces 1.00 temporary position (Position No. 12026B) and \$51,312 in other federal funds (MOF "P"). These are housekeeping adjustments to correct an inadvertent error relating to the Statewide Interoperability Coordinator (Position No. 120269), in Act 119, SLH 2015, in FY 17.

DHS – General Support for Health Care Payments (HMS 902/IA)

Reduces \$1,365,000 in general funds in FY 17 for the State's portion of State Health Insurance Exchange costs allocated to Medicaid to reflect changes in proposed legislation to transition Health Insurance Exchange functions into the State.

DHS – General Administration (HMS 904/AA)

Adds 4.00 permanent positions and general funds of \$392,364 (\$371,364 for personal services; \$1,000 for other current expenses; and \$20,000 for equipment) to restore the second Deputy Director position and Private Secretary, and to establish the Community/Project Development Director and Policy Director positions within the Office of the Director. The positions will help to improve the management of the department by stabilizing departmental operations, assisting with policy activities, and overseeing special projects.

DLNR – Forestry – Resource Management and Development (LNR 172/DA)

Adds general funds of \$13,363 in other current expenses and reduces \$13,363 in personal services in FY 17 in the Forestry – Resource Management and Development program. This is a housekeeping adjustment to correct an inadvertent error in a trade-off/transfer request to fund a position using funding from other current expenses.

DLNR – Forestry – Resource Management and Development (LNR 172/DA)

Adds 1.00 permanent position and general funds of \$48,000 in personal services in FY 17 in the Forestry – Resource Management and Development program. This request will reverse the trade-off/transfer budget request to transfer the position to the Native Resources and Fire Protection program.

DLNR – Native Resources and Fire Protection (LNR 402/DA)

Reduces 1.00 permanent position and general funds of \$48,000 in personal services in FY 17 in the Native Resources and Fire Protection program. This request will reverse the trade-off/transfer budget request to transfer the position from the Forestry – Resource Management and Development program.

DLNR – Historic Preservation (LNR 802/HP)

Reduces general funds of \$300,000 in equipment and adds \$300,000 in other current expenses in the Historic Preservation program. This is a housekeeping adjustment to correct an inadvertent error in the budget summaries.

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Capital Improvement Projects (CIP)

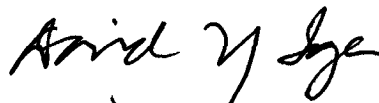
DOE – School-Based Budgeting (EDN 100)

Adds \$5,000,000 in general obligation (G.O.) bond funds in FY 17 for Lump Sum CIP – Equity, Statewide. As DOE intends to use \$5,000,000 in existing G.O. bond funds from Act 119, SLH 2015, FY 16 Lump Sum CIP – Equity funding to expedite installation of energy-efficiency measures and air conditioning units in classrooms, this request will restore funding for other DOE equity projects.

Deletes \$30,000,000 in G.O. bond funds in FY 17 for Lump Sum CIP – Heat Abatement, Statewide. The Administration intends to utilize \$100,000,000 of Green Energy Market Securitization funds to immediately install energy-efficiency measures and air conditioning units in classrooms.

Your staff may contact the appropriate agency for additional information. Your understanding and assistance is appreciated.

Sincerely,



DAVID Y. IGE
Governor, State of Hawaii

Attachment

c: Honorable Jill N. Tokuda
Honorable Sylvia Luke