



EXECUTIVE CHAMBERS

HONOLULU

DAVID Y. IGE
GOVERNOR

February 23, 2022

GOV. MSG. NO. 7

The Honorable Ronald D. Kouchi,
President and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

✓ The Honorable Scott K. Saiki,
Speaker and Members of the House
of Representatives
Thirty-First State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

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

Transmitted herewith are proposed changes to the FY 23 Executive Supplemental Budget for the operating and capital improvement program (CIP) budget requests, as applicable, for the Departments of Accounting and General Services; the Attorney General; Business, Economic Development and Tourism; Human Services; Labor and Industrial Relations (DLIR); Land and Natural Resources; and Transportation. Amendments to CIP and special provisos are also proposed.

Your favorable consideration is appreciated for the following budget and proviso requests to amend the FY 23 Executive Supplemental Budget:

1) Adjustments to the Operating Budget Request:

Department of Accounting and General Services

Enterprise Technology Services – Operations and Infrastructure Maintenance
(AGS 131/EA)

Add \$1,789,000 in general funds in FY 23 for support of the Enterprise Finance System Modernization project. The funds are requested for other current expenses and equipment to be used as follows: \$300,000 for independent verification and validation; \$1,370,000 to purchase test automation software; \$80,000 for staff training; and \$39,000 for staff equipment.

Department of the Attorney General

Legal Services (ATG 100/AA)

Amend full-time equivalent (FTE) position ceilings for investigator positions in FY 23, reduce 0.78 FTE permanent special-funded position and 1.00 FTE permanent interdepartmental-funded position, and add 0.78 FTE temporary special-funded position and 1.00 FTE interdepartmental-funded position.

Legal Services (ATG 100/AA)

Add \$1,635,000 in general funds for FY 23 for the City and County of Honolulu's Career Criminal and Victim Witness programs.

Legal Services (ATG 100/AA)

Add 1.00 FTE permanent general-funded position and \$95,736 in general funds for FY 23 for the Gun Violence and Violent Crimes Commission.

Child Support Enforcement Services (ATG 500/GA)

Add \$2,295,000 in general funds and \$4,455,000 in other federal funds for FY 23 for the Keiki System Modernization.

Department of Business, Economic Development and Tourism

Office of Planning and Sustainable Development (BED 144/PL)

Add \$44,496 in general funds in FY 23 to restore funding to the Secretary III position (Position No. 121006) for the Land Use Division (LUD) within the Office of Planning and Sustainable Development. The position is the only clerical position in LUD and was defunded during the 2020 Legislative Session due to budget cuts in response to the COVID-19 pandemic.

Department of Human Services

General Support for Self-Sufficiency Services (HMS 903/FA)

Reduce \$1,587,853 in general funds and \$1,408,095 in federal funds in FY 23 to retract the request for funding to replace Benefits, Employment and Support Services Division computers and peripheral equipment; the equipment replacement will instead be implemented in FY 22 using non-appropriated American Rescue Plan Act funds.

Department of Labor and Industrial Relations

General Administration (LBR 902/AA)

Lapse \$5,091,175 in federal stimulus funds in FY 23 that was appropriated in Act 88, SLH 2021, to cover the Unemployment Insurance (UI) loan repayment. Due to the surge in unemployment claims caused by the COVID-19 pandemic, DLIR received a significant loan from the federal government to assist in paying the State's UI benefit payments. However, due to payments already made by the State for the federal loan, no funding requirements are projected for FY 23.

2) Adjustments to the CIP Budget Request:

Department of Land and Natural Resources

Water and Land Development (LNR 141/GA)

Add \$4,000,000 in general obligation (G.O.) bond funds for FY 23 for Upolu Well Development, Hawai'i, for improvements to develop an existing well to provide agricultural water in North Kohala, Hawai'i.

Department of Transportation

Highways Administration (TRN 595)

Add \$150,000,000 (\$30,000,000 in revenue bond funds and \$120,000,000 in federal funds) in FY 23 for construction for the Bridge Rehabilitation/Replacement Program, Various Locations, Statewide.

3) Amendment to the CIP Provisos:

Department of Land and Natural Resources

Water and Land Development (LNR 141/GA)

Lapse \$2,500,000 in G.O. bond funds from FY 21 for the Exploratory Water Well, Hawai'i (Item No. A-18.3 of Act 40, SLH 2019, as amended by Act 6, SLH 2020).

4) Amendment to the Special Provisos:

Amend Section 61 of Act 88, SLH 2021, which authorizes the Governor to transfer savings or unrequired balances as may be available from the appropriated funds of any program in Act 88 to supplement the appropriation for any other program in Act 88 to cope with the effects of natural disasters or other unforeseen emergencies,

to delete the limit of the authority and lapse date of the unencumbered funds of July 1 of the immediately succeeding fiscal year. The July 1 limit and lapse date may cause implementation issues depending on when the need occurs and if applied to CIP, could precede normal lapsing.

Should you have any questions regarding these requests, please have your staff contact the respective departments.

With warmest regards,

A handwritten signature in black ink, appearing to read "David Y. Ige". The signature is fluid and cursive, with a large, sweeping "D" and a stylized "Ige".

David Y. Ige
Governor, State of Hawai'i

Attachment

c: Honorable Donovan M. Dela Cruz
Honorable Sylvia Luke

OPERATING BUDGET

The following operating budget amendments to the FY 23 Executive Supplemental Budget are requested:

Department of Accounting and General ServicesEnterprise Technology Services – Operations and Infrastructure Maintenance (AGS 131/EA)

Add \$1,789,000 in general funds in FY 23 for support of the Enterprise Finance System Modernization project. The funds are requested for other current expenses and equipment to be used as follows: \$300,000 for independent verification and validation; \$1,370,000 to purchase test automation software; \$80,000 for staff training; and \$39,000 for staff equipment.

	<u>FY 22</u>	<u>FY 23</u>
Other Current Expenses	..... A	\$1,750,000 A
Equipment	..... A	\$ 39,000 A

Department of the Attorney GeneralLegal Services (ATG 100/AA)

Amend full-time equivalent (FTE) position ceilings for investigator positions in FY 23, reduce 0.78 FTE permanent special-funded position and 1.00 FTE permanent interdepartmental-funded position, and add 0.78 FTE temporary special-funded position and 1.00 FTE interdepartmental-funded position.

	<u>FY 22</u>	<u>FY 23</u>
Personal Services	..... B	-0.78 B Perm
	..... B	0.78 B Temp
	..... U	-1.00 U Perm
	..... U	1.00 U Temp

Legal Services (ATG 100/AA)

Add \$1,635,000 in general funds for FY 23 for the City and County of Honolulu's Career Criminal and Victim Witness programs.

	<u>FY 22</u>	<u>FY 23</u>
Other Current Expenses	..... A	\$1,635,000 A

Legal Services (ATG 100/AA)

Add 1.00 FTE permanent general-funded position and \$95,736 in general funds for FY 23 for the Gun Violence and Violent Crimes Commission.

	<u>FY 22</u>	<u>FY 23</u>
Personal Services	..... A	1.00 A Perm
	..... A	\$35,196 A
Other Current Expenses	..... A	\$60,540 A

Child Support Enforcement Services (ATG 500/GA)

Add \$2,295,000 in general funds and \$4,455,000 in other federal funds for FY 23 for the Keiki System Modernization.

	<u>FY 22</u>	<u>FY 23</u>
Other Current Expenses	..... A	\$2,295,000 A
	..... P	\$4,455,000 P

Department of Business, Economic Development and Tourism

Office of Planning and Sustainable Development (BED 144/PL)

Add \$44,496 in general funds in FY 23 to restore funding to the Secretary III position (Position No. 121006) for the Land Use Division (LUD) within the Office of Planning and Sustainable Development. The position is the only clerical position in LUD and was defunded during the 2020 Legislative Session due to budget cuts in response to the COVID-19 pandemic.

	<u>FY 22</u>	<u>FY 23</u>
Personal Services	..... A	\$44,496 A

Department of Human Services

General Support for Self-Sufficiency Services (HMS 903/FA)

Reduce \$1,587,853 in general funds and \$1,408,095 in federal funds in FY 23 to retract the request for funding to replace Benefits, Employment and Support Services Division computers and peripheral equipment; the equipment replacement will instead be implemented in FY 22 using non-appropriated American Rescue Plan Act funds.

	<u>FY 22</u>	<u>FY 23</u>
Other Current Expenses	..... A	-\$ 95,114 A
	..... N	-\$ 84,346 N
Equipment	..... A	-\$1,492,739 A
	..... N	-\$1,323,749 N

Department of Labor and Industrial Relations

General Administration (LBR 902/AA)

Lapse \$5,091,175 in federal stimulus funds in FY 23 that was appropriated in Act 88, SLH 2021, to cover the Unemployment Insurance (UI) loan repayment. Due to the surge in unemployment claims caused by the COVID-19 pandemic, DLIR received a significant loan from the federal government to assist in paying the State's UI benefit payments. However, due to payments already made by the State for the federal loan, no funding requirements are projected for FY 23.

	<u>FY 22</u>	<u>FY 23</u>
Other Current Expenses	..... V	-\$5,091,175 V

CAPITAL IMPROVEMENT PROGRAM BUDGET

The following capital improvement program budget amendments (dollar amounts are in thousands) to the FY 23 Executive Supplemental Budget are requested:

Department of Land and Natural Resources

LNR 141 WATER AND LAND DEVELOPMENT

By adding a new item:

“UPOLU WELL DEVELOPMENT, HAWAII

DESIGN AND CONSTRUCTION FOR PUMP INSTALLATION, CONNECTING PIPELINE, CONTROLS, AND RELATED IMPROVEMENTS TO DEVELOP AN EXISTING WELL TO PROVIDE AGRICULTURAL WATER IN NORTH KOHALA, HAWAII.

	<u>FY 22</u>	<u>FY 23</u>
<u>DESIGN</u>		<u>1</u>
<u>CONSTRUCTION</u>		<u>3,999</u>
<u>TOTAL FUNDING LNR</u>	<u>C</u>	<u>4,000 C”</u>

Department of Transportation

TRN 595 HIGHWAYS ADMINISTRATION

House Bill (H.B.) No. 1600 (Senate Bill (S.B.) No. 2176), Section 6, is amended:

By amending Item No. C-95.00 as follows:

“Y111 BRIDGE REHABILITATION/REPLACEMENT PROGRAM, VARIOUS LOCATIONS, STATEWIDE

LAND ACQUISITION[AND], DESIGN, AND CONSTRUCTION FOR THE REHABILITATION OR REPLACEMENT OF EXISTING STATE HIGHWAYS BRIDGES. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.

	<u>FY 22</u>	<u>FY 23</u>
LAND ACQUISITION		1,000
DESIGN		4,500
<u>CONSTRUCTION</u>		<u>[0] 150,000</u>
TOTAL FUNDING TRN	B	<u>500 B</u>
TRN	E	<u>[600] 30,600 E</u>
TRN	N	<u>[4,400] 124,400 N”</u>

CAPITAL IMPROVEMENT PROGRAM PROVISOS

The following amendment to capital improvement program provisos of the FY 23 Executive Supplemental Budget is requested.

H.B. No. 1600 (S.B. No. 2176), Section 7(1), is amended to read as follows:

“(1) By adding a new section to read as follows:

“SECTION XX. Any law to the contrary notwithstanding, the appropriations under Act 40, Session Laws of Hawaii 2019, section 4, as amended and renumbered by Act 6, Session Laws of Hawaii 2020, section 4, in the amounts indicated or balances thereof, unallotted, allotted, unencumbered, or encumbered and unrequired, are hereby lapsed:

<u>Item No.</u>	<u>Amount (MOF)</u>
<u>A-18.3</u>	<u>\$ 2,500,000 C</u>
<u>G-199</u>	<u>28,000,000 E</u>
<u>G-206</u>	<u>402,025 C</u>
<u>G-207</u>	<u>4,000,000 D</u>
<u>I-8</u>	<u>3,000,000 C</u>
<u>K-9</u>	<u>1,350,000 C</u>
<u>K-9</u>	<u>3,000,000 R</u>
<u>K-9</u>	<u>4,000,000 T”</u>

SPECIAL PROVISOS

The following amendment to the special provisos of the FY 23 Executive Supplemental Budget is requested.

H.B. No. 1600 (S.B. No. 2176), Section 8, is amended by adding a new section:

“(X) By amending section 61 to read as follows:

“SECTION 61. Any provision of this Act to the contrary notwithstanding, the governor is authorized to transfer savings or unrequired balances as may be available from the appropriated funds of any program in this Act to supplement the appropriation for any other program in this Act to cope with the effects of natural disasters or other unforeseen emergencies; provided that the effects of such natural disasters or emergencies create an urgent need to pursue a course of action which is in the best interest of the State; provided further that the use of such funds does not conflict with general law; provided further that no funds shall be expended without a formal declaration of a natural disaster or emergency by the governor; ~~provided further that this authority shall not extend beyond July 1 of the immediately succeeding fiscal year; provided further that any funds unencumbered or unexpended as of July 1 of the immediately succeeding fiscal year shall lapse as of that date;~~ and provided further that the governor shall notify the legislature within five days of each use of this authority and submit a report to the legislature of all uses of this authority for the previous fiscal year no later than September 1 of each year.”