



DEPT. COMM. NO. 135

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EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
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December 13, 2023

The Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
State Capitol, Room 409
Honolulu, Hawaii'i 96813

The Honorable Scott K. Saiki
Speaker of the House of Representatives
Thirty-Second State Legislature
State Capitol, Room 431
Honolulu, Hawaii'i 96813

Dear Senate President Kouchi and Speaker Saiki:

On behalf of the Governor, I am transmitting copies of the "Report to the Legislature, Pursuant to Act 164, SLH 2023, Transfer from the \$200,000,000 in General Funds Appropriation for FY 24." As required by Section 93-16, HRS, these reports will be available for viewing electronically at: <https://budget.hawaii.gov/budget/reports-to-the-legislature/departments-of-budget-and-finance/>.

Should there be any questions, please have your staff contact Mr. Neal Miyahira, Administrator of this department's Budget, Program Planning and Management Division, at 808-586-1530.

Aloha,

LUIS P. SALAVERIA
Director of Finance

Attachment

c: Honorable Kyle T. Yamashita
Honorable Donovan M. Dela Cruz

Department of Budget and Finance
Notification to the Legislature, Pursuant to Section 5 of Act 164, SLH 2023
Transfers from the \$200,000,000 in General Funds Appropriated for FY 24
December 1, 2022 - November 30, 2023

Date of Transfer	Transferring Agency Program ID	Recipient Agency Program ID	Impact to Transferring Agency	Transfer Amount	Public Purpose Served by the Transfer of Funds
7/25/2023	BUF 101	BED 113	None	70,748,268.46	The Hawaii Tourism Authority (HTA) serves as the State's lead agency supporting Hawaii's tourism industry. HTA stated mission is to strategically manage Hawaii tourism in a sustainable manner consistent with economic goals, cultural values, preservation of natural resources, community desires and visitor needs. This mission is met through event coordination and sponsorship; domestic and international marketing of Hawaii as a travel destination; marketing of the Hawaii Convention Center; serving as an educational and informational resource for tourists; maintaining visitor information data and tourism research; community outreach; and other activities. As HTA was not appropriated funding in FB 23-25 via H.B. 300, H.D. 1, S.D. 1, C.D 1, the proposed transfer will allow the program to function as intended in FY 24. \$59,748,268.46 for HTA operations and \$11,000,000 for Convention Center operations.
7/31/2023	BUF 101	ATG 101	None	413,388.00	The Hawaii Correctional System Oversight Commission (HCSOC) was established through Act 179, SLH 2019, and is charged with overseeing the State's correctional system, investigating complaints at correctional facilities, and facilitating a transition towards a rehabilitative and therapeutic correctional system model. As HCSOC was inadvertently left unfunded in FB 2023-25 via Act 164, SLH 2023, the proposed transfer will allow the program to continue to administer its operations in accordance with Section 353L, HRS, in FY 24. \$377,088 is for personal services, and \$36,300 is for other current expenses.
8/17/2023	BUF 101	DEF 118	None	30,000,000.00	To provide funding in the Major Disaster Fund for costs related to the response efforts for the 2023 wildfires and/or to provide the State match to qualify for reimbursement from the federal government.
8/23/2023	BUF 101	EDN 100	None	33,544,173.00	The Department of Education (DOE) assigned public purpose as described in the Article X in the State Constitution and Section 26-12, HRS, which states the DOE shall provide a statewide system of public schools that is assigned the task of administering programs of education and public education throughout the State, including education at the primary and secondary school levels, adult education, school library services, health education and instruction, special education and Title I funded programs at the prekindergarten level, and such other programs as established by law. As such, the DOE was not appropriated sufficient funding in FB 23-25 via Act 164, SLH 2023, the proposed transfer will allow the program to function as intended in FY 24. The DOE requests include \$11,412,905 for Weighted Student Formula, and \$8,194,397 for Weighted Student Formula for English Learner (EL) students.
8/23/2023	BUF 101	EDN 150	None	2,722,245.00	DOE's assigned public purpose as described in the Article X in the State Constitution and Section 26-12, HRS, which states the DOE shall provide a statewide system of public schools that is assigned the task of administering programs of education and public education throughout the State, including education at the primary and secondary school levels, adult education, school library services, health education and instruction, special education and Title I funded programs at the prekindergarten level, and such other programs as established by law. As such, the DOE was not appropriated sufficient funding in FB 23-25 via Act 164, SLH 2023. The proposed transfer will allow the program to function as intended in FY 24. The DOE request includes \$2,722,245 for Applied Behavior Analysis.

Date of Transfer	Transferring Agency Program ID	Recipient Agency Program ID	Impact to Transferring Agency	Transfer Amount	Public Purpose Served by the Transfer of Funds
8/23/2023	BUF 101	EDN 200	None	11,657,980.00	DOE's assigned public purpose as described in the Article X in the State Constitution and Section 26-12, HRS, which states the DOE shall provide a statewide system of public schools that is assigned the task of administering programs of education and public education throughout the State, including education at the primary and secondary school levels, adult education, school library services, health education and instruction, special education and Title I funded programs at the prekindergarten level, and such other programs as established by law. As such, the DOE was not appropriated sufficient funding in FB 23-25 via Act 164, SLH 2023. The proposed transfer will allow the program to function as intended in FY 24. The DOE request includes \$5,000,000 for extracurricular activities for middle/intermediate school athletic programs, \$1,368,276 for Student Support Services and \$1,155,922 for Instructional Services.
8/23/2023	BUF 101	EDN 300	None	2,725,650.00	DOE's assigned public purpose as described in the Article X in the State Constitution and Section 26-12, HRS, which states the DOE shall provide a statewide system of public schools that is assigned the task of administering programs of education and public education throughout the State, including education at the primary and secondary school levels, adult education, school library services, health education and instruction, special education and Title I funded programs at the prekindergarten level, and such other programs as established by law. As such, the DOE was not appropriated sufficient funding in FB 23-25 via Act 164, SLH 2023. The proposed transfer will allow the program to function as intended in FY 24. The DOE request includes \$702,406 for Superintendent Support and \$862,788 for Accounting Services.
8/23/2023	BUF 101	EDN 400	None	4,349,952.00	DOE's assigned public purpose as described in the Article X in the State Constitution and Section 26-12, HRS, which states the DOE shall provide a statewide system of public schools that is assigned the task of administering programs of education and public education throughout the State, including education at the primary and secondary school levels, adult education, school library services, health education and instruction, special education and Title I funded programs at the prekindergarten level, and such other programs as established by law. As such, the DOE was not appropriated sufficient funding in FB 23-25 via Act 164, SLH 2023. The proposed transfer will allow the program to function as intended in FY 24. The DOE request includes \$1,274,952 for School Facility and Support Services, \$1,500,000 for Auxiliary Services and \$1,500,000 for Environmental Services.
8/23/2023	BUF 101	EDN 600	None	5,000,000.00	The mission of the State Public Charter School Commission is to authorize high-quality public charter schools throughout Hawai'i. The Commission approves quality applications for new charter schools and monitors the performance and legal compliance of existing charter schools. As such, the DOE was not appropriated sufficient funding in FB 23-25 via Act 164, SLH 2023. The proposed transfer will allow the program to function as intended in FY 24. Pursuant to Chapter 302D-28, HRS, the non-facility general fund per-pupil funding request for Charter School (CS) students shall be the same as the general fund per-pupil amount to the DOE in the most recently approved executive budget recommendation for the DOE and shall be based upon reasonable projected enrollment figures for all CS. As such, the proposed transfer of \$5,000,000 will be allocated on a per pupil basis to ensure equitable funding with the Department of Education.
10/2/2023	BUF 101	AGS 221	None	4,500,000.00	To provide funding for the continuation of planning and design efforts for the new O'ahu Community Correctional Center.
10/3/2023	BUF 101	AGR 192	None	500,000.00	The Department of Agriculture (DOA) intends to provide these funds to its non-profit partner that administers the DA BUX Program (DBP), which provides Supplemental Nutrition Assistance Program participants with a 50% discount card for qualifying purchases of Hawaii-grown produce. DBP will in turn use these funds to apply for a 100% matching grant from the United States Department of Agriculture and thus provide up to a total of \$1,000,000 in discounts. This transfer supports the Administration's priorities to alleviate the cost of living for low-income residents and support local agriculture.

Date of Transfer	Transferring Agency Program ID	Recipient Agency Program ID	Impact to Transferring Agency	Transfer Amount	Public Purpose Served by the Transfer of Funds
10/3/2023	BUF 101	AGR 192	None	3,000,000.00	Funds will be delegated to the Department of Accounting and General Services to be used for design of a new Animal Quarantine Station (AQS) to replace DOA's current AQS that is set to be displaced by the eventual relocation of the O'ahu Community Correctional Center to DOA's Halawa property. The new AQS is preliminarily planned to contain animal kennels, a veterinary lab, and animal caretaker and administrative support buildings. This transfer is necessary to protect public health and safety as a modern AQS is needed to screen pets and livestock to prevent the introduction of rabies and other diseases into the State.
10/10/2023	BUF 101	LNR 407	None	5,000,000.00	The Department of Land and Natural Resources will use the funds for the Hawaii Youth Conservation Corps and Green Jobs Youth Corps programs to provide training and temporary work opportunities in conservation and management of natural resources.
11/15/2023	BUF 101	BED 100	None	5,000,000.00	The 13th Festival of Pacific Arts and Culture (FestPAC) is the world's largest celebration of indigenous Pacific Islands and held every four years in a different Pacific Island Nation. Hawaii was selected as the host of the 2020 FestPAC; however, due to the pandemic, it was postponed until June 2024. The transfer of funds will be utilized by the Department of Business, Economic Development and Tourism (DBEDT) to cover costs related to hosting FestPAC.
11/15/2023	BUF 101	BED 160	None	5,000,000.00	DBEDT, Hawaii Housing Finance and Development Corporation, will use the funding to provide matching funding to the City and County of Honolulu for their Affordable Housing Construction Incentive Program as established in Ordinance No. 21-12.
11/15/2023	BUF 101	UOH100	None	7,838,344.00	The funds will be used by the University of Hawaii (UH) to construct a new on-campus soccer field to comply with Title IX of the federal Education Amendments of 1972. Title IX requires that schools which receive federal funding must provide gender equitable facilities to ensure male and female athletes are provided equal opportunities. The construction of a new field will provide UH women's soccer with a dedicated home field and enable UH to fulfill Title IX requirements.
11/15/2023	BUF 101	UOH 115	None	2,000,000.00	The funds will be used by UH to cover funding shortfalls for their Hawaii Cancer Center (HCC). Pursuant to Section 245-15, HRS, \$0.02 per cigarette sold under the cigar and tobacco tax is deposited into the Hawaii Cancer Research Special Fund which supports HCC operations. Due to steadily decreasing tobacco tax revenues, HCC has experienced funding shortfalls that put their official cancer center designation by the National Cancer Institute in jeopardy.
11/30/2023	BUF 101	BED 143	None	2,000,000.00	The funds will be used to support the Hawaii Technology Development Corporation's (HTDC) Accelerator Program (AP). The AP provides support to qualified technology startup companies by providing in-depth training, mentoring and financial investment.
11/30/2023	BUF 101	BED 143	None	2,000,000.00	The funds will be used to support HTDC's Manufacturing Assistance Program (MAP). MAP offers Hawaii-based manufacturers reimbursements on qualified expenses to assist them in becoming globally competitive.
11/30/2023	BUF 101	BED 143	None	2,000,000.00	The funds will be used to support HTDC's Hawaii Small Business Innovation Research (HSBIR) program. The HSBIR provides matching grant funds to eligible Hawaii companies to help them further the development of new technology products to solve critical issues.
Total Amount Transferred**				200,000,000.46	

** The total amount transferred exceeds the limit of \$200,000,000 by \$.46. This will be addressed through a Journal Voucher to transfer the \$.46 from HTA back to the Department of Budget and Finance as soon as possible. Per Section 5 requirements, notifications will be sent regarding the transfer.