



# GOV. MSG. NO. 8

## EXECUTIVE CHAMBERS KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA

March 21, 2025

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

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

Aloha President Kouchi, Speaker Nakamura and Members of the Legislature:

Transmitted herewith are proposed changes to the FB 2025–27 Executive Budget for the operating and capital improvement program (CIP) budget requests, as applicable, for the Departments of Education, Health, Human Resources Development, Human Services, and Transportation. Amendments to operating provisos are also proposed.

Your favorable consideration would be appreciated for the following budget and proviso requests to amend the FB 2025–27 Executive Budget:

### **Adjustments to the Operating Budget Request:**

#### Department of Business, Economic Development and Tourism

##### *Hawaii Tourism Authority – Destination Stewardship and Community (BED116/DC)*

- Add \$1,000,000 in FY 26 and \$750,000 in FY 27 in general funds for Enhanced Primary Processing.

#### Department of Education

##### *School Support – Donations and Gifts (EDN 400/XB)*

- Add \$21,741,167 for FY 26 and FY 27 in trust funds to establish an expenditure ceiling for the School Impact Fees (SIF) to the School Facilities Authority (SFA) (EDN 450/OS).

*School Facilities Authority (EDN 450/OS)*

- Add \$23,741,167 for FY 26 and \$26,741,167 for FY 27 in special funds to establish an expenditure ceiling for the SFA Special Fund (SFASF) and the SIF subaccount; and includes \$21,741,167 for FY 26 and FY 27 from School Support – Donations and Gifts (EDN 400/XB) and an additional \$2,000,000 for FY 26 and \$5,000,000 for FY 27 for projected SIF revenues.
- Add \$14,384,092 for FY 26 and FY 27 in special funds to establish an expenditure ceiling for the SFASF and the State Educational Facilities Improvement (SEFI) subaccount.

Department of Human Resources Development

*Office of Wellness and Resilience (HRD 200/WR)*

- Reduce 6.00 permanent full-time equivalents (FTE) and \$470,000 in general funds for FY 26 and FY 27 to reverse the request to transfer in the existing Office of Wellness and Resilience (OWR) staff from GOV 100/AA.
- Reduce \$424,528 in general funds for FY 26 and FY 27 to reverse the request to transfer in the existing OWR other current expenditures (OCE) from GOV 100/AA.
- Reduce 6.00 permanent FTEs and \$876,000 in general funds for FY 26 and FY 27 to reverse the request to establish the State of Well-Being Program within OWR.
- Reduce \$48,276 in general funds for FY 26 and FY 27 to reverse the request to provide OWR additional funds for collective bargaining (CB) adjustments.
- Reduce \$40,804 in general funds for FY 26 and FY 27 to reverse the request to provide OWR additional funds for personal services.

Department of Human Services

*Office of Wellness and Resilience (HMS 555/WR)*

- Add 6.00 permanent FTEs and \$470,000 in general funds for FY 26 and FY 27 to transfer in the existing OWR staff from GOV 100/AA.

- Add \$424,528 in general funds for FY 26 and FY 27 to transfer in the existing OWR OCE from GOV 100/AA.
- Add 6.00 permanent FTEs and \$876,000 in general funds for FY 26 and FY 27 to establish the State of Well-Being Program within OWR.
- Add \$48,276 in general funds for FY 26 and FY 27 to provide OWR additional funds for CB adjustments.
- Add \$40,804 in general funds for FY 26 and FY 27 to provide OWR additional funds for personal services.

*Vocational Rehabilitation (HMS 802/GA)*

- Add 2.00 general-funded FTEs and \$612,210 in general funds for FY 26 and \$1,694,644 in general funds for FY 27 to provide staff and funding for the Neighbor Islands Blind and Visually Impaired Service Pilot Program.

Department of Health

*Office of Medical Cannabis Control and Regulation (HTH 596/KM)*

- Add 6.00 temporary FTE positions (1.00 FTE Program Specialist VI and 5.00 Food Safety Specialist V positions) and \$821,443 in special funds for FY 26 and FY 27 to fulfill the requirements of Act 159, SLH 2018.

Department of Transportation

*O'ahu Highways (TRN 501/DC)*

- Transfer out \$282,225 in special funds for FY 26 and FY 27 from TRN 501/DC for transfer into Hawai'i Highways (TRN 511/DD) to restore funding for 4.00 permanent un-funded maintenance positions which were defunded in Act 5, SLH 2019 (Act 5). The 4.00 positions are needed at Hawai'i Highways to meet roadway maintenance requirements on the island of Hawai'i.

*Hawai'i Highways (TRN 511/DD)*

- Transfer in \$374,652 (\$282,225 from TRN 501/DC and \$92,397 from TRN 531/DF) in special funds for FY 26 and FY 27 to restore funding for 4.00 permanent un-funded maintenance positions in TRN 511/DC which were

defunded in Act 5. The 4.00 positions (Equipment Operator I, Position No. (PN) 1338; Truck Driver-Laborer, PN 44269; General Laborer I, PN 47363; and Equipment Operator I, PN 47370) are needed at Hawai'i Highways to meet roadway maintenance requirements on the island of Hawai'i.

*Maui Highways (TRN 531/DF)*

- Transfer out \$92,397 in special funds for FY 26 and FY 27 from TRN 531/DF for transfer into Hawai'i Highways (TRN 511/DD) to restore funding for 4.00 permanent un-funded maintenance positions which were defunded in Act 5. The 4.00 positions are needed at Hawai'i Highways to meet roadway maintenance requirements on the island of Hawai'i.

**Adjustments to the CIP Request:**

The following budget request is being proposed to update amounts requested in the CIP budget:

Department of Health

*Adult Mental Health Division – Hawai'i State Hospital (HTH 430/HQ)*

- Add \$26,440,000 in general obligation bond funds for FY 26 for the construction defect remediation at the Hawai'i State Hospital – Hale Ho'ola Building.

Department of Transportation

*O'ahu Highways (TRN 501)*

- Amend project description for Item C-21.1 of Act 164, SLH 2023, as amended by Act 230, SLH 2024, Section 7, Kaka'ako Road Improvements, O'ahu, to delete resurfacing and include improvements to roads in Kaka'ako, including drainage, sidewalks and paths, utility improvements, landscaping, lighting, and related amenities.

## **Amendment to the Operating Program Provisos**

### Department of Education

#### *School Facilities Authority (EDN 450/OS)*

- Add a new section to House Bill (H.B.) No. 300 (Senate Bill (S.B.) No. 473), Part III, Program Appropriation Provisions, to authorize the expenditure of the \$21,741,167 for FY 26 and FY 27 in trust funds from School Support (EDN 400) to be deposited into the School Facilities Special Fund, SIF subaccounts; and to authorize the expenditure of the \$23,741,167 for FY 26 and \$26,741,167 for FY 27 in special funds for the SFASF (EDN 450) and the SIF subaccount, in accordance with Section 302A-1608, HRS.

#### *School Facilities Authority (EDN 450/OS)*

- Add a new section to H.B. No. 300 (S.B. No. 473), Part III, Program Appropriation Provisions, to authorize the expenditure of the \$14,384,092 for FY 26 in FY 27 in special funds for the SFASF (EDN 450) and SEFI subaccount, which shall be used solely to plan, design, acquire lands for, and to construct public school facilities projects assigned to SFA and to provide equipment and technology infrastructure to improve public schools and other facilities under the jurisdiction of SFA, except public libraries.

Thank you for your tireless work on behalf of the State of Hawai'i. Your favorable consideration of these budget and proviso requests is greatly appreciated.

Mahalo,



Josh Green, M.D.

Governor, State of Hawai'i

Attachment

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

OPERATING

The following operating budget amendments to the FB 2025–27 Executive Budget are requested:

Department of Business, Economic Development and Tourism*Hawaii Tourism Authority – Destination Stewardship and Community (BED116/DC)*

Add \$1,000,000 in FY 26 and \$750,000 in FY 27 in general funds for Enhanced Primary Processing.

	<u>FY 2026</u>	<u>FY 2027</u>
Other Current Expenses		\$750,000A
Equipment	\$1,000,000A	

Department of Education*School Support (EDN 400/XB)*

Add \$21,741,167 for FY 26 and FY 27 in trust funds to establish an expenditure ceiling for the School Impact Fees (SIF) to the School Facilities Authority (SFA) (EDN 450/OS).

	<u>FY 2026</u>	<u>FY 2027</u>
Other Current Expenses	\$21,741,167 T	\$21,741,167 T

*School Facilities Authority (EDN 450/OS)*

Add \$23,741,167 for FY 26 and \$26,741,167 for FY 27 in special funds to establish an expenditure ceiling for the SFA Special Fund (SFASF) and the SIF subaccount; and includes \$21,741,167 for FY 26 and FY 27 from School Support – Donations and Gifts (EDN 400/XB) and an additional \$2,000,000 for FY 26 and \$5,000,000 for FY 27 for projected SIF revenues.

	<u>FY 2026</u>	<u>FY 2027</u>
Other Current Expenses	\$23,741,167 B	\$26,741,167 B

*School Facilities Authority (EDN 450/OS)*

Add \$14,384,092 for FY 26 and for FY 27 in special funds to establish an expenditure ceiling for the SFASF and the State Educational Facilities Improvement subaccount.

	<u>FY 2026</u>	<u>FY 2027</u>
Other Current Expenses	\$14,384,092 B	\$14,384,092 B

Department of Human Resources Development

*Office of Wellness and Resilience (HRD 200/WR)*

Reduce 6.00 permanent full-time equivalents (FTE) and \$470,000 in general funds for FY 26 and FY 27 to reverse the request to transfer in the existing Office of Wellness and Resilience (OWR) staff from GOV 100/AA.

	<u>FY 2026</u>	<u>FY 2027</u>
Personal Services	(6.00) A Perm \$(470,000) A	(6.00) A Perm \$(470,000) A

*Office of Wellness and Resilience (HRD 200/WR)*

Reduce \$424,528 in general funds for FY 26 and FY 27 to reverse the request to transfer in the existing OWR other current expenditures (OCE) from GOV 100/AA.

	<u>FY 2026</u>	<u>FY 2027</u>
Other Current Expenses	\$(424,528) A	\$(424,528) A

*Office of Wellness and Resilience (HRD 200/WR)*

Reduce 6.00 permanent FTEs and \$876,000 in general funds for FY 26 and FY 27 to reverse the request to establish the State of Well-Being Program within OWR.

	<u>FY 2026</u>	<u>FY 2027</u>
Personal Services		
Other Current Expenses	(6.00) A Perm \$(475,000) A \$(401,000) A	(6.00) A Perm \$(475,000) A \$(401,000) A

*Office of Wellness and Resilience (HRD 200/WR)*

Reduce \$48,276 in general funds for FY 26 and FY 27 to reverse the request to provide OWR additional funds for collective bargaining (CB) adjustments.

	<u>FY 2026</u>	<u>FY 2027</u>
Personal Services	\$(48,276) A	\$(48,276) A

*Office of Wellness and Resilience (HRD 200/WR)*

Reduce \$40,804 in general funds for FY 26 and FY 27 to reverse the request to provide OWR additional funds for personal services.

	<u>FY 2026</u>	<u>FY 2027</u>
Personal Services	\$(40,804) A	\$(40,804) A

Department of Human Services

*Office of Wellness and Resilience (HMS 555/WR)*

Add 6.00 permanent FTEs and \$470,000 in general funds for FY 26 and FY 27 to transfer in the existing OWR staff from GOV 100/AA.

	<u>FY 2026</u>	<u>FY 2027</u>
Personal Services	6.00 A Perm \$470,000 A	6.00 A Perm \$470,000 A

*Office of Wellness and Resilience (HMS 555/WR)*

Add \$424,528 in general funds for FY 26 and FY 27 to transfer in the existing OWR OCE from GOV 100/AA.

	<u>FY 2026</u>	<u>FY 2027</u>
Other Current Expenses	\$424,528 A	\$424,528 A

*Office of Wellness and Resilience (HMS 555/WR)*

Add 6.00 permanent FTEs and \$876,000 in general funds for FY 26 and FY 27 to establish the State of Well-Being Program within OWR.

	<u>FY 2026</u>	<u>FY 2027</u>
Personal Services		
Other Current Expenses	6.00 A Perm	6.00 A Perm
	\$475,000 A	\$475,000 A
	\$401,000 A	\$401,000 A

*Office of Wellness and Resilience (HMS 555/WR)*

Add \$48,276 in general funds for FY 26 and FY 27 to provide OWR additional funds for CB adjustments.

	<u>FY 2026</u>	<u>FY 2027</u>
Personal Services	\$48,276 A	\$48,276 A

*Office of Wellness and Resilience (HMS 555/WR)*

Add \$40,804 in general funds for FY 26 and FY 27 to provide OWR additional funds for personal services.

	<u>FY 2026</u>	<u>FY 2027</u>
Personal Services	\$40,804 A	\$40,804 A

*Vocational Rehabilitation (HMS 802/GA)*

Add 2.00 general-funded temporary FTEs and \$612,210 in general funds for FY 26 and \$1,694,644 in general funds for FY 27 to provide staff and funding for the Neighbor Islands Blind and Visually Impaired Service Pilot Program.

	<u>FY 2026</u>	<u>FY 2027</u>
Personal Services		
Other Current Expenses	2.00 A Temp	2.00 A Temp
	\$ 64,410 A	\$ 128,820 A
	\$547,800 A	\$1,565,824 A

Department of Health

*Office of Medical Cannabis Control and Regulation (HTH 596/KM)*

Add 6.00 temporary FTE positions (1.00 FTE Program Specialist VI and 5.00 Food Safety Specialist V positions) and \$821,443 in special funds for FY 26 and FY 27 to fulfill the requirements of Act 159, SLH 2018.

	<u>FY 2026</u>	<u>FY 2027</u>
	6.00 B Temp	6.00 B Temp
Personal Services	\$821,443 B	\$821,443 B

Department of Transportation

*O'ahu Highways (TRN 501/DC)*

Transfer out \$282,225 in special funds for FY 26 and FY 27 from TRN 501/DC for transfer into Hawai'i Highways (TRN 511/DD) to restore funding for 4.00 permanent un-funded maintenance positions which were defunded in Act 5, SLH 2019 (Act 5). The 4.00 positions are needed at Hawai'i Highways to meet roadway maintenance requirements on the island of Hawai'i.

	<u>FY 2026</u>	<u>FY 2027</u>
Personal Services	\$(282,225) B	\$(282,225) B

*Hawai'i Highways (TRN 511/DD)*

Transfer in \$374,652 (\$282,225 from TRN 501/DC and \$92,397 from TRN 531/DF) in special funds for FY 26 and FY 27 to restore funding for 4.00 permanent un-funded maintenance positions in TRN 511/DD which were defunded in Act 5. The 4.00 positions (Equipment Operator I, Position No. (PN) 1338; Truck Driver-Laborer, PN 44269; General Laborer I, PN 47363; and Equipment Operator I, PN 47370) are needed at Hawai'i Highways to meet roadway maintenance requirements on the island of Hawai'i.

	<u>FY 2026</u>	<u>FY 2027</u>
Personal Services	\$374,652 B	\$374,652 B

*Maui Highways (TRN 531/DF)*

Transfer out \$92,397 in special funds for FY 26 and FY 27 from TRN 531/DF for transfer into Hawai'i Highways (TRN 511/DD) to restore funding for 4.00 permanent un-funded maintenance positions which were defunded in Act 5. The 4.00 positions are needed at Hawai'i Highways to meet roadway maintenance requirements on the island of Hawai'i.

	<u>FY 2026</u>	<u>FY 2027</u>
Personal Services	\$(92,397) B	\$(92,397) B

CAPITAL IMPROVEMENT PROGRAM

The following capital improvement program budget amendments (amounts are in thousands) to the FY 2025-27 Executive Budget are requested:

Department of Health

*HTH 430 ADULT MENTAL HEALTH – INPATIENT*

By adding a new item:

“HAWAII STATE HOSPITAL CONSTRUCTION REPAIRS FOR THE HALE HO’OLA BLDG., OAHU

CONSTRUCTION FOR THE REPAIR OF THE DEFECTS AT THE HALE HO’OLA BLDG., OAHU.

	<u>FY 2026</u>	<u>FY 2027</u>
<u>CONSTRUCTION</u>		<u>26,440</u>
<u>TOTAL FUNDING</u> <u>AGS</u>	<u>C</u>	<u>26,440 C”</u>

Department of Transportation

*TRN 501 OAHU HIGHWAYS*

By amending Item No. C-21.1 of Act 164, SLH 2023, as amended by Act 230, SLH 2024, Section 7, as follows:

“21.1     KAKAAKO ROAD IMPROVEMENTS, OAHU

PLANS, DESIGN, AND CONSTRUCTION FOR [RESURFACING] IMPROVEMENTS TO ROADS IN KAKAAKO[.], INCLUDING DRAINAGE, SIDEWALKS & PATHS, UTILITY IMPROVEMENTS, LANDSCAPING, LIGHTING, AND RELATED AMENITIES.

	<u>FY 2024</u>	<u>FY 2025</u>
<u>TOTAL FUNDING</u> <u>TRN</u>	<u>0 C</u>	<u>5,000 C”</u>

## OPERATING PROGRAM PROVISOS

The following amendment to the operating program provisos of the FB 2025–27 Executive Budget is requested.

House Bill No. 300 (Senate Bill No. 473), Part III, Program Appropriation Provisions, is amended to read as follows:

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

“SECTION XX. Provided that the trust fund appropriation for School Support (EDN 400), the sum of \$21,741,167 for fiscal year 2025-2026 and the sum of \$21,741,167 for fiscal year 2026-2027 to be deposited into the School Facilities Special Fund, School Impact Fees subaccounts.

Provided that the special fund appropriation for the School Facilities Authority Special Fund, School Impact Fees subaccounts, for the School Facilities Authority (EDN 450), the sum of \$23,741,167 for fiscal year 2025-2026 and the sum of \$26,741,167 for fiscal year 2026-2027, may be expended in accordance with Section 302A-1608, Hawaii Revised Statutes.”

“SECTION XX. Provided that the special fund appropriation for the School Facilities Authority Special Fund, State Educational Facilities Improvement subaccount, for the School Facilities Authority (EDN 450), the sum of \$14,384,092 for fiscal year 2025-2026 and the sum of \$14,384,092 for fiscal year 2026-2027 may be expended to plan, design, acquire lands for, or to construct public school facilities projects assigned to the school facilities authority or to provide equipment and technology infrastructure to improve public schools and other facilities under the jurisdiction of the school facilities authority, except public libraries.”