
A BILL FOR AN ACT

MAKING AN EMERGENCY APPROPRIATION FOR ELECTRICITY PAYMENTS
STATEWIDE.

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

1 SECTION 1. This Act is recommended by the governor for
2 immediate passage in accordance with section 9 of article VII of
3 the Constitution of the State of Hawaii.

4 SECTION 2. The purpose of this Act is to make an emergency
5 appropriation to address a \$1,276,000 deficit in electricity
6 payments for the department of accounting and general services
7 managed facilities statewide. Since local utility companies are
8 dependent upon oil as the primary source of fuel, the steady
9 rise in world oil prices has directly contributed to this
10 shortfall. Although kilowatt per hour consumption has remained
11 flat or decreased, increased worldwide demand and natural
12 disasters like Hurricane Katrina have increased oil prices.
13 Based on a combination of actual bills paid and projected cost,
14 the shortfall for fiscal year 2005-2006 is as follows: Oahu,
15 \$1,000,000; Hawaii, \$91,000; Maui, \$85,000; and Kauai, \$100,000.
16 Without an emergency appropriation, the program must defer
17 payment on its May and June 2006 bills.

H.B. NO. 2275

1 SECTION 3. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$1,276,000, or so
3 much thereof as may be necessary, for fiscal year 2005-2006 for
4 the purpose of paying electricity bills. The sum appropriated
5 shall be expended by the department of accounting and general
6 services.

7 SECTION 4. This Act shall take effect upon its approval.

8

9

10

INTRODUCED BY:

Calvin K. Iy

11

BY REQUEST

12

JAN 23 2006

JUSTIFICATION SHEET

DEPARTMENT: Accounting and General Services

TITLE: A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR ELECTRICITY PAYMENTS STATEWIDE.

PURPOSE: To make an emergency appropriation for fiscal year 2005-2006 to cover statewide budgetary shortfalls in electricity payments for facilities assigned to the Department of Accounting and General Services (DAGS).

MEANS: Emergency appropriation.

JUSTIFICATION: World oil prices have been steadily rising over the past few years. Utility companies are dependent upon oil as the primary source of fuel in Hawaii. The steady rise in world oil prices has directly contributed to a \$1.276 million shortfall for fiscal year 2005-2006.

The general fund recommendation included in this measure has been made in accordance with the statutorily defined appropriation ceiling for the Executive Branch pursuant to section 37-92, Hawaii Revised Statutes. Including appropriations made up to and including the regular and special sessions of 2005, the Executive Branch appropriation ceiling for fiscal year 2005-2006 has already been exceeded by \$165,665,981 or 3.83 percent. Funding requested in this measure is for electricity payments for facilities assigned to the DAGS and will result in the appropriation ceiling for the Executive Branch to now be exceeded in fiscal year 2005-2006 by \$1,276,000, or 0.03 percent. This current declaration takes into account additional general

fund appropriations authorized in fiscal year 2005-2006 in this measure only, and does not include other general fund appropriations for fiscal year 2005-2006 that may be authorized for the Executive Branch in other legislation submitted to the Legislature during the regular session of 2006.

Impact on the public: There would be impacts on the ability to make timely payments to utility companies which will result in late payment fees and negatively impact the cash flow to these companies.

Impact on the department and other agencies: Inability to pay electricity bills. May result in curtailing hours of operation or delaying payments to vendors.

GENERAL FUND: \$1,276,000

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: AGS 231

OTHER AFFECTED
AGENCIES: All agencies housed in DAGS assigned facilities.

EFFECTIVE DATE: Upon approval.