

JAN 22 2008

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 projected \$1,000,000 deficit in
6 electricity payments for the department of accounting and
7 general services managed facilities statewide. Since local
8 utility companies are dependent upon oil as the primary source
9 of fuel, the high world oil prices have directly contributed to
10 this shortfall. Although kilowatt per hour consumption has
11 remained flat or decreased, increased worldwide demand, the
12 threat of terrorism, geopolitical concerns, oil processing
13 glitches and natural disasters all contribute to keep oil prices
14 high and can further increase oil prices in the near future.
15 Based on a combination of actual bills paid and projected cost,
16 the shortfall for fiscal year 2007-2008 is \$1,000,000 for Oahu

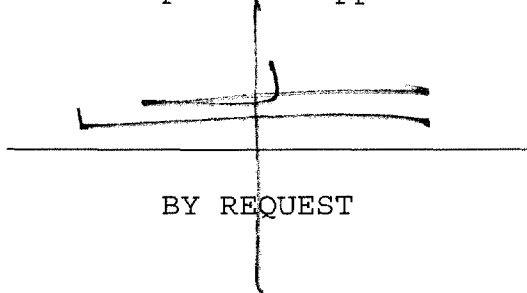
S.B. NO. 2960

1 and the neighbor islands. Without an emergency appropriation,
2 the program must defer payment on its May and June 2008 bills.

3 SECTION 3. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$1,000,000, or so
5 much thereof as may be necessary, for fiscal year 2007-2008 for
6 the purpose of paying electricity bills. The sum appropriated
7 shall be expended by the department of accounting and general
8 services.

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

10
11 INTRODUCED BY:



BY REQUEST

Report Title:

Emergency Appropriation; electricity.

Description:

Appropriates \$1.0 million in general funds to pay statewide increases in electricity payments for fiscal year 2007-2008.

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 2007-2008 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 risen significantly from the \$60 per barrel of oil at the start of the fiscal year to more than \$90 a barrel in November 2007. Utility companies are dependent upon oil as the primary source of fuel in Hawaii. A statewide shortfall of \$1,000,000 for fiscal year 2007-2008 is projected. The following is a breakdown of statewide shortages:

Oahu	\$ 650,000
Maui	\$ 70,000
Hawaii	\$ 160,000
Kauai	\$ 120,000
Total	\$1,000,000

Funding requested 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 2007-2008 by \$1,000,000.

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.

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 2007-2008 by \$1,000,000. This current declaration takes into account additional general fund appropriations authorized in fiscal year 2007-2008 in this measure only, and does not include other general fund appropriations for fiscal year 2007-2008 that may be authorized for the Executive Branch in other legislation submitted to the Legislature during the regular session of 2008.

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 our electricity bill, resulting in curtailing the hours of operation or delaying payment to our vendor.

GENERAL FUND:	\$1,000,000
OTHER FUNDS:	NA
PPBS PROGRAM DESIGNATION:	AGS 231
OTHER AFFECTED AGENCIES:	All agencies housed in DAGS assigned facilities and the Department of Budget and Finance
EFFECTIVE DATE:	Upon approval.