

COMMITTEE ON WAYS AND MEANS
Senator Rosalyn H. Baker, Chair
Senator Shan S. Tsutsui, Vice Chair

Testimony Index

Date: Tuesday, January 8, 2008

Time: 1:30 PM

Place: Conference Room 211

Department of Hawaiian Home Lands

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GOVERNOR
STATE OF HAWAII



STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

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Testimony of Micah A. Kane, Chairman
Hawaiian Homes Commission

Before the Senate Committee On Ways and Means
Supplemental Budget Request for Fiscal Year 2008-2009
January 8, 2008

Chair Baker and Members of the Senate Committee On Ways and Means:

Aloha and good afternoon. Thank you for the opportunity to testify on the Department of Hawaiian Home Lands (DHHL) supplemental budget request for the Fiscal Year 2008-2009. We have prepared and submitted our written testimony in accordance with the format and briefing instructions provided by your committee.

Budget Summary

The Department of Hawaiian Home Lands has two program I.D.'s: HHL 602, Planning and Development for Hawaiian Homesteads; and HHL 625, Management and General Support for Hawaiian Homesteads. Act 213, enacted by the Legislature in 2007, appropriated a total of \$920,520 from the general fund, \$5,587,512 from the Hawaiian Home operating fund, a DHHL trust fund, \$10,668,908 from the Hawaiian Home administration account, a DHHL special fund, and \$9,600,545 in federal fund authorization to support the administrative and operating costs of these two program areas for the upcoming fiscal year. We are requesting:

1. Creation of five (5) new temporary positions to be funded by DHHL trust funds totaling \$472,259.
2. The transfer of special funds from the HHL 602 program to the HHL 625 program in the amount of \$1,837,199. The transfer of funds will properly fund administrative costs that were budgeted in HHL 602 in Act 213, SLH 2007.
3. The transfer of trust funds from the HHL 602 program to the HHL 625 program in the amount of \$428,792. This measure is to properly reflect five (5) temporary administrative related positions that were inadvertently funded in the HHL 602 program instead of the HHL 625 program.

DHHL is submitting a supplemental budget request for \$100,500,000 in Capital Improvement Program (CIP) funding to support two (2) construction projects on Hawaiian home lands. A description of these projects is included in our testimony and will be discussed in more detail later in our testimony.

Budget-Wide Budget Summary Information

1. The Fiscal Year 2008 Budget and Fiscal Year 2009 Proposed Budget by method of financing is summarized in Attachment 1.
2. There are no emergency requests being sought. (See Attachment 2)
3. Fiscal Year 2009 budget adjustments.
(See Attachment 3)
4. Description of Fiscal Year 2009 Budget Adjustments.
(See Attachment 4)
5. A listing of capital improvement projects in priority order is presented in Attachment 5.
6. Discussion of specific budget adjustments.
(See Attachment 4 notes)
7. A summary of DHHL budget request to the Department of Budget and Finance (DB&F) is presented in Attachment 6. A request for funding for the Ilauhole road extension, Waimanalo, Oahu in the amount of \$100,000 was removed in our request to DB&F.
8. The request for additional CIP funding were prioritized based on the direct impact on our homestead communities and the extent to which the non-homestead community would also benefit from these improvements. These projects support the Administration's initiative to provide affordable housing.
9. The priorities were determined on the basis of the impact of the proposed CIP project on the development of new homesteads and concerns for health and safety.
10. General fund appropriations to support DHHL administrative and operating costs have continued to decline in recent years, and currently comprise less than six (6) percent of our total operating requirements. As one of the smallest departments in the executive branch with 118 authorized positions, DHHL continues to reduce costs and improve operational efficiency.
(See Attachment 7)

11. A list of all positions vacant as of December 1, 2007 is attached as Attachment 8.
12. In Fiscal Year 2007, DHHL exceeded its federal expenditure ceiling by \$6.7 million. DHHL is within ceiling in Fiscal Year 2008. (See Attachment 9)
13. There were no instances of budget appropriations being transferred to another Program ID. (See Attachment 10)
14. There are no positions deployed to other departments.
(See Attachment 11)

Conclusion

Enclosed as part of our testimony in the required form are budget details and relevant attachments to support DHHL's supplemental budget request.

We look forward to the Legislature's continued support of the Hawaiian home lands program. We wish to again thank the members of the committee for the opportunity to present this briefing, and would be happy to respond to any questions you may have.

Attachments

Attachment 1
Department-Wide Summary Information
Totals for Proposed Department Budget Adjustments (by Method of Funding)

MOF	FY08			
	Act 213/07 Appropriation	Restriction	Emergency Request	Total FY08
	(a)	(b)	(c)	(a)+(b)+(c)
A	1,169,174	-	-	1,169,174
B	9,417,240	-	-	9,417,240
T	5,587,512	-	-	5,587,512
N	16,393,455	-	-	16,393,455
Dept. Totals	32,567,381	-	-	32,567,381

MOF	FY09			
	Act 213/07 Appropriation	Reduction	Addition	Total FY09
	(d)	(e)	(f)	(d)+(e)+(f)
A	920,520	-	-	920,520
B	10,668,908	-	-	10,668,908
T	5,587,512	-	472,259	6,059,771
N	9,600,545	-	-	9,600,545
Dept. Totals	26,777,485	-	472,259	27,249,744

Please indicate restrictions and reductions as negative numbers, using brackets ()

Attachment 2
Department-Wide Summary Information
Fiscal Year 08 Proposed Emergency Requests

Program ID	MOF	Title of Emergency Requests	FTE	\$ Amount
		None		
Dept. Totals by MOF			-	-

Attachment 3
Department-Wide Summary Information
Fiscal Year 09 Proposed Budget Adjustments

<u>Program ID</u>	<u>MOF</u>	<u>Program ID Title</u>	<u>FTE (T)</u>	<u>\$ Amount</u>
HHL 602	T	Planning and Development for Hawaiian Homestead	1.00	90,888
HHL 625	T	Management and General Support for Hawaiian Homestead	4.00	381,371
HHL 602	B	Planning and Development for Hawaiian Homestead		(1,837,199)
HHL 625	B	Management and General Support for Hawaiian Homestead		1,837,199
HHL 602	T	Planning and Development for Hawaiian Homestead	(5.00)	(428,792)
HHL 625	T	Management and General Support for Hawaiian Homestead	5.00	428,792
Dept. Totals by MOF			5.00	472,259

**Attachment 4
Fiscal Year 09 Proposed Budget Adjustments**

Program I.D	Description of Adjustment	FTE	\$ Amount	MOF	Notes
HHL 602	Planning and Development for Hawaiian Homestead	1.00	90,888	T	A
HHL 625	Management and General Support for Hawaiian Homestead	4.00	381,371	T	B
HHL 602	Planning and Development for Hawaiian Homestead		(1,837,199)	B	C
HHL 625	Management and General Support for Hawaiian Homestead		1,837,199	B	D
HHL 602	Planning and Development for Hawaiian Homestead	(5.00)	(428,792)	T	E
HHL 625	Management and General Support for Hawaiian Homestead	5.00	428,792	T	F

A One temporary position- -Homestead Land Development Specialist IV.

The request of an additional Homestead Land Development Specialist IV will enable LDD to progress incrementally to contribute to the advancement of the overall strategic plan to develop another 10 (ten) projects totaling 4,248 lots in the planning and design stage, some of which are moving into the infrastructural construction phase statewide.

B Request for four (4) temporary positions

Legal authority to establish position: HRS 76-16, (17); Section 202 (b) HHCA, as amended.
Request for four (4) temporary positions

1. HHL NAHASDA Administrator, SR NA (28)

This position is responsible for administering the Native Hawaiian Housing Block Grant (NHHBG) and the Section 184A Guaranteed Loan Program, which are authorized by the Native American Housing Assistance and Self-Determination Act (NAHASDA) of 1996, Title VIII. The program requires submittal of 5-year and annual Native Hawaiian Housing Plans (NHHP) to justify the use of the NHHBG and Annual Performance Reports to document the use of and management of the NHHBG. DHHL is the sole recipients of the NHHBG for the creation and /or provision of affordable housing opportunities for low income Native Hawaiians eligible to reside on the Hawaiian home lands. If DHHL contracts with sub-grantees to provide services, this position is responsible for the monitoring of these sub-grantees to provide services or goods, This position is responsible for the monitoring of these sub-grantees to ensure compliance with federal laws and regulations.

2 HHL NAHASDA Administrative Assistant, SR NA (26)

This position assists the Administrator in the continued planning, implementation and administration of the NHHBG and Section 184A Guaranteed Loan Program. This position would be responsible for the day-to-day monitoring of sub-recipients to ensure compliance with federal laws and regulations and the compilation and analysis of statistic for planning and reporting purposes.

3 HHL Planner V SR NA (24)

This position is responsible to administer and plan the trust property in the interest of native Hawaiians, to use reasonable skill and care to make trust property productive, and to act as an ordinary and prudent person in formulating comprehensive and long-range view about its use and development of its land, water, and natural resources assets.

4 HHL Land/Agent Enforcement Officer SR NA (22)

This position is responsible for investigating complaints from the public and from other government agencies dealing with trespassing and unauthorized uses of Hawaiian home lands; initiating actions to evict trespassers and to prevent unauthorized use of Hawaiian home lands on a statewide basis and investigating theft of DHHL property.

C & D The transfer funds to HHL 625 program to properly fund administrative cost that were budgeted in HHL 602 in Act 213, SLH 2007. Budget items includes administrative costs related to DHHL's new Kapolei office facility, debt service costs, and personnel service costs of administratively attached positions.

E & F The transfer funds to HHL 625 program to properly fund administratively related positions. Act 213, SLH 2007 provided position counts for five (5) positions in HHL 625 with funding placed in HHL 602. This measure corrects funding discrepancy for the following position numbers: 117626, 117345, 117387, 117343, 117344.

Attachment 5
FY09 Capital Improvements Program Summary

<u>Priority</u>	<u>Project Title</u>	<u>FY09 \$ Amount</u>	<u>MOF</u>
1	HHL Development, Statewide	100,000,000	E
2	Keokea-Waiohuli Water Source	500,000	C

**Attachment 7
Actions to Realize Savings**

Program ID	MOF	Description of Action to Realize Savings	\$ Amount of Actual FY07 Savings	\$ Amount of Projected FY08 Savings
		None		

**Attachment 8
All Positions Vacant As of 12/1/07**

Date of Vacancy	Program I.D.	Position Title	Position Number	Exempt (Y/N)	Budgeted Amount	Actual Salary Last Employee Paid	MOF	Program ID	Authority to Hire (Y/N)
11/21/06	HHL 602	EQUIPMENT OPERATOR III	01418	N	39,864		T	HHL 602	Y
08/01/05	HHL-602	CLERK STENOGRAPHER II	01437	N	24,684		A	HHL-602	Y
09/01/05	HHL-602	HOMESTEAD APPLICATION CLERK I	04140	N	26,664		B	HHL-602	Y
06/14/03	HHL-602	HOMESTEAD DISTRICT SUPERVISOR II	09584	N	47,448		B	HHL-602	Y
11/01/04	HHL-602	LAND AGENT V	26349	N	47,448		B	HHL-602	Y
11/23/02	HHL-602	PLANNING & DEVELOPMENT COORDINATOR	28707	N	63,156		B	HHL-602	Y
12/31/06	HHL-602	SUPERVISING LAND AGENT	28720	N	73,032		B	HHL-602	Y
07/24/01	HHL 602	CLERK TYPIST II	38094	N	23,736		B	HHL 602	Y
05/31/97	HHL-602	PLANNING & DEVELOPMENT COORDINATOR	47843	N	63,156		B	HHL-602	Y
03/01/00	HHL-602	DELINQUENT LOAN COLLECTION ASSISTANT	100486	Y	23,736		B	HHL-602	Y
11/01/04	HHL-602	HHL LEGAL ASSISTANT III	101260	Y	59,736		B	HHL-602	Y
04/01/04	HHL-602	HOMESTEAD HOUSING SPECIALIST IV	102450	Y	42,144		B	HHL-602	Y
01/16/01	HHL-602	HOMESTEAD HOUSING SPECIALIST V	102451	Y	47,448		B	HHL-602	Y
11/29/97	HHL-602	HHL ENGINEER III	102941	Y	49,572		T	HHL-602	Y
08/01/99	HHL-602	HHL GENERAL LABORER I	102943	Y	25,428		T	HHL-602	Y
07/21/07	HHL-602	HMSTD HSG SPCLT I	102949	Y	48,912		T	HHL-602	Y
01/01/91	HHL-602	HHL DELINQUENT LOAN COLLECTION ASST	104166	Y	33,912		T	HHL-602	Y
07/06/00	HHL-602	HHL CLERK TYPIST III	104353	Y	24,792		T	HHL-602	Y
05/01/00	HHL-602	HHL CLERK IV	106191	Y	27,768		T	HHL-602	Y
07/16/00	HHL-602	HHL EQUIPMENT OPERATOR II	106408	Y	29,496		B	HHL-602	Y
12/01/95	HHL-602	APPRAISAL/TECHNICAL SERVICES MANAGER	106415	Y	55,764		T	HHL-602	Y
08/01/05	HHL-602	HHL GENERAL LABORER I	106417	Y	25,680		T	HHL-602	Y
06/16/94	HHL-602	HHL EQUIPMENT OPERATOR II	106418	Y	29,496		B	HHL-602	Y
07/01/07	HHL-602	HHL RESOURCE MGT SPCLT (WATER)	111868	Y	55,512		B	HHL-602	Y
07/01/93	HHL-602	HHL GENERAL LABORER I	98002I	Y	25,680		T	HHL-602	Y
N/A	HHL-602	LOAN PROCESSING ASSISTANT II	98103I	Y	33,912		B	HHL-602	Y
N/A	HHL-602	LOAN PROCESSING ASSISTANT II	98104I	Y	35,100		B	HHL-602	Y
N/A	HHL-602	LOAN PROCESSING ASSISTANT I	98105I	Y	35,100		B	HHL-602	Y
03/01/06	HHL-625	SECRETARY III	09580	N	32,424		B	HHL-625	Y

**Attachment 8
All Positions Vacant As of 12/1/07**

Date of Vacancy	Program I.D.	PositionTitle	Position Number	Exempt (Y/N)	Budgeted Amount	Actual Salary Last Employee Paid	MOF	Program ID	Authority to Hire (Y/N)
12/01/06	HHL-625	ACCOUNT CLERK II	13310	N	27,768		B	HHL-625	Y
11/23/01	HHL-625	CLERK TYPIST III	13311	N	25,656		B	HHL-625	Y
01/25/96	HHL-625	CLERK TYPIST II	22364	N	27,768		B	HHL-625	Y
01/01/04	HHL-625	SECRETARY III	23719	N	32,424		B	HHL-625	Y
09/01/05	HHL-625	ACCOUNTANT III	38090	N	36,048		B	HHL-625	Y
12/31/04	HHL-625	PLANNER V	38160	N	47,448		B	HHL-625	Y
04/03/06	HHL-625	HHL ACCOUNT CLERK III	100533	Y	26,664		B	HHL-625	Y
08/20/03	HHL-625	HHL ACCOUNTANT II	101621	Y	36,216		T	HHL-625	Y
04/18/03	HHL-625	HHL CLERK TYPIST II	105799	Y	23,736		B	HHL-625	Y
03/26/04	HHL-625	HHL LAND ISSUES OFFICER	106119	Y	62,736		T	HHL-625	Y
10/15/07	HHL-625	ACCOUNTANT IV	106409	N	42,144		B	HHL-625	Y
07/14/07	HHL-625	HHL PERSONNEL CLERK III	106420	Y	25,668		T	HHL-625	Y
03/12/07	HHL-625	HHL PERSONNEL CLERK V	117343	Y	30,012		T	HHL-625	Y
03/31/06	HHL-625	HHL PERSONNEL MANAGEMENT SPCLT IV	117344	Y	60,024		T	HHL-625	Y

Attachment 9
Listing of Expenditures Exceeding Federal Fund Ceiling for FY07 and FY08

Attachment 9
Listing of Expenditures Exceeding Federal Fund Ceiling for FY 07 and FY 08

Program ID	FY07 Ceiling	FY07 Expenditures	FY08 Ceiling	FY08 Expenditures	Reason for Exceeding Ceiling	Recurring (Y/N)
HHL 602	None	6,793,788.00	16,393,455.00	16,393,455.00	Not Applicable	
		Note A		Note B		

Note A - Represents 12 months cumulative operating and CIP expenditures for FY 2007
Expenditures reported on DAGS MBP430-B, As of June 30, 2007

S-04-213 (NHHP ADMIN)	2,637.00
S-05-213 (NHHP ADMIN)	420,687.00
S-06-213 (NHHP ADMIN)	146,338.00
S-07-213 (NHHP ADMIN)	2,727,501.00
S-03-270 (NHHP - CIP)	3,496,625.00
Total Expenditures FY 2007	<u>6,793,788.00</u>

Note B - Represents cumulative operating and CIP expenditures for the 5 months ending November 30, 2007, FY 2008
Expenditures reported on DAGS MBP430-B, As of November 30, 2007

S-04-213 (NHHP ADMIN)	0.00
S-05-213 (NHHP ADMIN)	59,293.67
S-06-213 (NHHP ADMIN)	8,311.85
S-07-213 (NHHP ADMIN)	1,391,425.85
S-08-213 (NHHP ADMIN)	1,906,038.75
S-03-270 (NHHP - CIP)	2,036,514.00
Total 5 months FY 2008	5,401,584.12

Average expenditure per month: 1,080,316.82

Annualized FY 08 expenditures based on average expenditure per month + contingency:

12 months annualized	12,963,801.89
Contingency	3,429,653.11
FY 08 expenditures	<u>16,393,455.00</u>

Attachment 10
Listing of Transfers for FY07 and FY08

<u>Program ID</u>	<u>FY07 Ceiling</u>	<u>FY07 Amount Transferred</u>	<u>FY08 Ceiling</u>	<u>FY08 Amount Transferred</u>	<u>Reason for Transfer</u>	<u>Recurring (Y/N)</u>
					None	

Senate Committee on Ways and Means
Supplemental Budget Request for Fiscal Year 2008-2009
January 8, 2008

Testimony of the Department of Hawaiian Home Lands

Program I.D. and Title

HHL 602, Planning and Development for Hawaiian Homesteads

HHL 625, Management and General Support for Hawaiian Homesteads

Page Reference in the Supplemental Budget Document

Operating Budget: Volume I, page ____

CIP Budget: Volume I, page ____

I. Introduction

A. Summary of Program Objectives

HHL 602 - The objectives of this program are to plan, develop and distribute Hawaiian Home Lands for native Hawaiians (as defined by the Hawaiian Homes Commission Act, 1920, as amended) and to generate the revenues needed to administer and maintain the operations of the program.

HHL 625 - The objectives of this program are to enhance the Hawaiian Home Lands Program (HHL 602), administer operations and personnel and provide other administrative housekeeping services.

B. Description of Current Program Activities

1. Resolving trust controversies to make the trust whole and stronger; identifying and assessing the needs of beneficiaries of the Hawaiian Homes Commission Act (HHCA) through research and planning; compiling data needed for the development and utilization of Hawaiian home lands and other physical resources of the Hawaiian Homes trust; updating the Department of Hawaiian Home Lands (DHHL) General Plan to identify Hawaiian home lands by physical characteristics, land uses, and planned use of the lands; and developing and updating regional master plans for designated areas;
2. Developing Hawaiian home lands for homesteading and income-producing purposes by designing and constructing off-site and on-site improvements of subdivisions;
3. Developing waiting lists of applicants for homestead leases; awarding homestead leases; providing loans for home building, repair and replacement and for development of farms and ranches; managing homestead areas on the islands of Oahu, Hawaii, Maui,

Molokai, and Kauai; and providing for the maintenance, repair and operation of water systems, roads, and facilities;

4. Developing, marketing, disposing of, and managing Hawaiian home lands not immediately needed or not suitable for homestead purposes by issuing general leases, revocable permits, licenses, and rights-of-entry to generate income to finance homestead lot development activities; and
5. Providing for overall program direction and administrative services including, but not limited to, accounting, financial management, fiscal services, legal counsel, public information, personnel, budgeting, program evaluation, human resources management and other support activities.

II. Program Performance Results

- A. DHHL's program effectiveness is measured in terms of achieving the overall goal of enabling native Hawaiians to return to their lands in order to provide for their self-sufficiency, initiative, and preservation of native Hawaiian culture.

In a 2004 beneficiary survey, it was found that 56% of DHHL's applicant families fall below the 80% median family income guidelines established by the U.S. Department of Housing and Urban Development (HUD). These households are more likely to have significantly larger number of household members and be both younger and older. Almost 31% of applicant households have household sizes of five or more people, compared by about 16% of the population of Hawaii as a whole. Applicant households are more likely to have children. Two-thirds of applicant households have children (compared to one-third of total population). 29% of applicant households have three or more children (compared to 9% of the total population). In addition, in a DHHL homestead lessee survey it was found that 62% of the homestead lessee households fall below 80% of median family income guidelines established by HUD. 47% of homestead lessees reported that their current unit required repair work, of which about one half of these required major repair work.

Under this context, program effectiveness cannot be measured only by numerical indicators of how many leases, loans, and homes were completed and awarded but also by intangible, immeasurable components that empower DHHL beneficiaries to be successful for home ownership. Partnerships with Hawaiian agencies, other governmental entities and the business community and the promotion of community and economic development on Hawaiian home lands provides educational, social, economic, and employment opportunities that assist in bettering the condition of DHHL's beneficiaries.

The department has been relatively successful in achieving planned goals set in Fiscal Years 2007 and 2008.

Under the Planned Program Budgeting structure, the department measures effectiveness by comparing the actual activity level with the planned activity level as a percentage to identify goal achievement. The types of results that are measured includes the

number of new residential homesteads awarded, the number of lots re-awarded as compared to lots surrendered, the number of direct residential and agricultural loans granted, the number of delinquent loans, the number of general leases awarded, the number of homes constructed, the number of Federal Housing Administration insured loans granted, the number of residential leases awarded and the number of agricultural leases awarded as compared to their planned output.

The department continues to accelerate the development of homestead projects throughout the state by employing a master-planned community approach. Specific development techniques used to meet client needs have included agreements with private developers, DHHL as developer, self-help, and owner-builder. Developer agreements, for example, assist in leveraging limited department and client resources by requiring the developer to provide financing, compress the design and construction time, and reduce construction costs through economies of scale.

III. Problems and Issues

A. Discussion of Problems and Issues Encountered

1. DHHL currently serves approximately 33,133 native Hawaiians. 9,321 are homestead lessees and approximately 23,812 are applicants for homestead lease awards. A 2004 survey conducted by the department indicated an overwhelming need for housing.
2. The department is committed to providing improvements for the remaining lots awarded under the Acceleration Program (initiated in 1984) and undivided interest leases, as well as to addressing the increasing number of new applications for leases by providing new areas for award. There is a pressing need to develop infrastructure and homes for new homestead areas to enable new lessees to reside on the land.
3. The department is responsible for the management of 202,985 acres of land held in trust for the purposes set forth in the Hawaiian Homes Commission Act of 1920. Maintenance, which includes clearing flood channels, fire protection of non-homestead areas, roads and facilities maintenance, has increased in costs. This has led the department to support and foster community partnerships as well as leveraging department resources by pursuing joint ventures with other organizations serving native Hawaiians.
4. DHHL is the smallest executive agency in terms of authorized positions (118). The DHHL is faced with high workload volume as ongoing efforts are being made to accelerate placing beneficiaries on the land, to provide affordable housing to beneficiaries, and to improve departmental operations. DHHL is in the process of updating and automating its operations to create efficiencies with existing resources.

5. Article XII, Section I of the State Constitution requires the Legislature to make sufficient sums available for development of homestead lots, homestead loans, rehabilitation projects, and for DHHL operating costs. There is a concern that the continued erosion of general funding by substituting special funds will adversely impact the department's funding to its beneficiaries.

6. With the passage of the Hawaiian Home Lands Settlement Act, DHHL has undertaken many development projects to place native Hawaiians on the land. This increased activity will require sufficient operating resources to achieve its capital goals with the current level of staffing.

IV. Expenditures for Fiscal Year 2007-2008 - HHL 602 and HHL 625

	Appropriation Act 213/07 FY 2008	Collective Bargaining	Restrictions Transfer In/(Out)	Net Allocation	Projected Total Expenditures
(Pos. Count)	(195.00)			(195.00)	(195.00)
Personal Services	\$12,971,960	\$334,278	-0-	\$13,306,238	\$13,306,238
Other Current Expenses	\$19,595,421	-0-	-0-	\$19,595,421	\$19,595,421
Equipment	-0-	-0-	-0-	-0-	-0-
Motor Vehicles	-0-	-0-	-0-	-0-	-0-
Total Requirements	\$32,567,381	\$334,278	-0-	\$32,901,659	\$32,901,659
(Pos. Count)	(100.00)	(0.00)	(0.00)	(100.00)	(100.00)
Special Fund	\$9,417,240	\$153,430	-0-	\$9,570,670	\$9,570,670
(Pos. Count)	-0-	-0-	-0-	-0-	-0-
Federal Fund	\$16,393,455	\$826	-0-	\$16,394,281	\$16,394,281
(Pos. Count)	(77.00)	-0-	-0-	(77.00)	(77.00)
Other Funds	\$5,587,512	\$141,470	-0-	\$5,728,982	\$5,728,982
(Pos. Count)	(18.00)			(18.00)	(18.00)
General Fund	\$1,169,174	\$38,552	-0-	\$1,207,726	\$1,207,726

A. Explain all transfers and impact of restrictions.

There were no transfers between programs or restrictions imposed on DHHL.

V. Supplemental Budget Request for Fiscal Year 2008-2009 - HHL 602 and HHL 625

	Appropriation Act 213/07 FY 2008-09	Budget Adjustment FY 2008-09	Supplemental Request FY 2008-09
(Pos. Count)	(195.00)	(0.00)	(195.00)
Personnel Services	\$12,971,960	\$472,259	\$13,444,219
Other Current Expenses	\$13,805,525	-0-	\$13,805,525
Equipment	-0-	-0-	-0-
Motor Vehicles	-0-	-0-	-0-
TOTAL REQUIREMENTS	\$26,777,485	\$472,259	\$27,249,744
(Pos. Count)	(100.00)	(0.00)	(100.00)
Special Funds	\$10,668,908	-0-	\$10,668,908
(Pos. Count)	-0-	-0-	-0-
Federal Funds	\$9,600,545	-0-	\$9,600,545
(Pos. Count)	(77.00)	-0-	(77.00)
Other Funds	\$5,587,512	-0-	\$5,587,512
(Pos. Count)	(18.00)	(0.00)	(18.00)
General Funds	\$920,520	-0-	\$920,520

A. Workload, Program, or Budget Adjustment Request

None

VI. Capital Improvement Request for Fiscal Year 2008-2009 - HHL 602

	Project Description	MOF	FY 2007		Senate	House
1	HHL Development, Statewide	E	\$100,000,000	Lump sum CIP request for authorization to float up to \$100 million in revenue bonds. The requested plan, design and construction funds will finance approximately 1,000 lots across the state.	n/a	n/a
2	Keokea-Waiohuli Water Source	C	\$500,000	Plan and design of an exploratory well on DHHL property. TMK (2)2-2-2:14	6	12
	General Obligation Bond	C	\$500,000			
	Revenue Bond	E	\$100,000,000			

VII. Proposed Lapses of Capital Improvement Program Projects

None