



# GOV. MSG. NO. 6

EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

March 2, 2017

✓ The Honorable Ronald D. Kouchi,  
President and Members of the Senate  
Twenty-Ninth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki,  
Speaker and Members of the House  
of Representatives  
Twenty-Ninth State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear Senate President Kouchi, Speaker Souki and Members of the Legislature:

Transmitted herewith are proposed changes to the FB 2017-19 Executive Budget Request. Adjustments are proposed to the FY 18 and FY 19 operating and capital improvement program (CIP) budget requests and operating proviso.

Your favorable consideration is requested for the following budget requests for FB 2017-19, which are listed below by department.

## OPERATING BUDGET

### 1. Adjustments to Update Operating Budget Requests

#### **Department of Education (EDN)**

##### Charter Schools (EDN 600/JA)

Adds \$3,870,594 in general funds in other current expenses in FY 18 and FY 19 for Charter Schools to provide funding for three newly approved public charter schools (Alaka'i O Kaua'i Charter School, Kamalani Academy, and Kapolei Charter School by Goodwill Hawaii).

#### **Department of Transportation (TRN)**

##### Oahu Highways (TRN 501/DC)

Adds \$800,000 in special funds in other current expenses in FY 19 for implementation of the Trash Reduction Plan to comply with National Pollutant Discharge Elimination System's Municipal Separate Storm Sewer System Permit.

Highways Administration (TRN 595/DB)

Adds 5.00 temporary positions and special funds of \$2,583,378 (\$305,088 in personal services and \$2,278,290 in other current expenses) in FY 18 and \$634,956 (\$610,176 in personal services and \$24,780 in other current expenses) in FY 19 for the development and implementation of a new Highways Financial Management System.

2. Proviso

Adds a proviso which states that of the general fund appropriation for charter schools (EDN 600), the sum of \$3,870,594 in general funds for FY 18 and FY 19 shall be expended for the purpose of funding the three newly approved public charter schools (Alaka'i O Kaua'i Charter School, Kamalani Academy, and Kapolei Charter School by Goodwill Hawaii) to meet student enrollment requirements; provided further that any unexpended funds shall lapse to the general fund and shall not be included in the annualized non-facility per pupil general fund allocation.

**CAPITAL IMPROVEMENT PROGRAM**

Capital Improvement Program (CIP) Increases

**Department of Transportation (TRN)**

Oahu Highways (TRN 501)

Adds \$80,000,000 (\$40,000,000 in revenue bond funds and \$40,000,000 in federal funds) in FY 18 for Interstate Route H-1, Vicinity of Waikele to Vicinity of Halawa, Oahu. Request will provide for modifications to the H-1 freeway and viaduct structure.

Kauai Highways (TRN 561)

Adds \$1,000,000 in revenue bond funds in FY 18 for right-of-way improvements for the relocation of the Hanalei Valley Lookout on Kuhio Highway, Hanalei Valley Viewpoint, Kauai.

Highways Administration (TRN 595)

Adds \$200,000 in revenue bond funds in FY 18 for Aliiaimoku Hale, Elevator Modernization, Statewide. Request will provide additional funds for elevator renovation and/or replacement and other related tasks.

Highways Administration (TRN 595)

Adds \$400,000 in revenue bond funds in FY 18 for various improvements for the Department of Transportation's main office, Aliiaimoku Building, Statewide. Request will provide additional funds for the various improvements and other related tasks.

Highways Administration (TRN 595)

Increases \$10,000,000 (\$2,000,000 in revenue bond funds and \$8,000,000 in federal funds) in FY 18 for Highway Planning, Statewide. Request will provide for federal and non-federal aid programs and projects that include roadway classification, data collection, long and mid-range planning, transportation needs and studies, research, HRS 343/NEPA studies, corridor studies, scoping, bridge evaluations, and technology transfer and workforce development.

Your staff may contact the appropriate agency for additional information. Your understanding and assistance is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "David Y. Ige". The signature is fluid and cursive, with a large, sweeping flourish at the end.

DAVID Y. IGE  
Governor, State of Hawaii

Attachment

c: Honorable Jill N. Tokuda  
Honorable Sylvia Luke

OPERATING1. Adjustments to Update Operating Budget Requests:**Department of Education (EDN)**Charter Schools (EDN 600/JA)

Adds \$3,870,594 in general funds in FY 18 and FY 19 for Charter Schools to provide funding for three newly approved public charter schools (Alaka'i O Kaua'i Charter School, Kamalani Academy, and Kapolei Charter School by Goodwill Hawaii).

	<u>FY 2018</u>	<u>FY 2019</u>
Other Current Expenses	\$3,870,594 A	\$3,870,594 A

**Department of Transportation (TRN)**Oahu Highways (TRN 501/DC)

Adds \$800,000 in special funds in other current expenses in FY 19 for implementation of the Trash Reduction Plan to comply with National Pollutant Discharge Elimination System's Municipal Separate Storm Sewer System Permit.

	<u>FY 2018</u>	<u>FY 2019</u>
Other Current Expenses	..... B	\$800,000 B

Highways Administration (TRN 595/DB)

Adds 5.00 temporary positions and special funds of \$2,583,378 in FY 18 and \$634,956 in FY 19 for the development and implementation of a new Highways Financial Management System.

	<u>FY 2018</u>	<u>FY 2019</u>
	(5.00) B Temp	(5.00) B Temp
Personal Services	\$305,088 B	\$610,176 B
Other Current Expenses	\$2,278,290 B	\$24,780 B

2. Proviso

**Program Appropriation Provisions**

House Bill No. 100, Part III, is amended:

**Department of Education (EDN)**

By adding a new section to read as follows:

“SECTION ##. Provided that of the general fund appropriation for charter schools (EDN600), the sum of \$3,870,594 or so much thereof as may be necessary for fiscal biennium 2017-2019 shall be expended for the purpose of funding three newly approved public charter schools (Alaka’i O Kaua’i Charter School, Kamalani Academy, and Kapolei Charter School by Goodwill Hawaii) to meet student enrollment requirements; provided further that any unexpended funds shall lapse to the general fund and shall not be included in the annualized non-facility per pupil general fund allocation.”

CAPITAL IMPROVEMENT PROGRAM

Capital Improvement Program (CIP) Increases

**Department of Transportation**

TRN 501 OAHU HIGHWAYS

By adding a new item:

"S331 INTERSTATE ROUTE H-1, VIC. OF WAIKELE TO VIC. OF HALAWA, OAHU

CONSTRUCTION FOR MODIFICATIONS TO H-1 FREEWAY AND VIADUCT  
STRUCTURE. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR  
FEDERAL AID FINANCING AND/OR REIMBURSEMENT.

		<u>FY 2018</u>	<u>FY 2019</u>
<u>CONSTRUCTION</u>		<u>80,000</u>	<u>0</u>
<u>TOTAL FUNDING</u>	<u>TRN</u>	<u>40,000 E</u>	<u>0 E</u>
	<u>TRN</u>	<u>40,000 N</u>	<u>0 N"</u>

TRN 561 KAUAI HIGHWAYS

By adding a new item:

"X142 KUHIO HIGHWAY, HANAIEI VALLEY VIEWPOINT, KAUAI

CONSTRUCTION OF RIGHT-OF-WAY IMPROVEMENTS FOR THE  
RELOCATION OF THE HANAIEI VALLEY LOOKOUT ON KAUAI.

		<u>FY 2018</u>	<u>FY 2019</u>
<u>CONSTRUCTION</u>		<u>1,000</u>	<u>0</u>
<u>TOTAL FUNDING</u>	<u>TRN</u>	<u>1,000 E</u>	<u>0 E"</u>

TRN 595 HIGHWAYS ADMINISTRATION

By adding a new item:

"Y100 ALIIAIMOKU HALE, ELEVATOR MODERNIZATION, STATEWIDE

CONSTRUCTION FOR ELEVATOR RENOVATION AND/OR REPLACEMENT  
AND OTHER RELATED TASKS.

		<u>FY 2018</u>	<u>FY 2019</u>
<u>CONSTRUCTION</u>		<u>200</u>	<u>0</u>
<u>TOTAL FUNDING</u>	<u>TRN</u>	<u>200 E</u>	<u>0 E"</u>

By adding a new item:

"X243 ALIIAIMOKU BUILDING IMPROVEMENTS, STATEWIDE

CONSTRUCTION FOR VARIOUS IMPROVEMENTS FOR THE DEPARTMENT OF TRANSPORTATION'S MAIN OFFICE BUILDING.

	<u>FY 2018</u>	<u>FY 2019</u>
<u>CONSTRUCTION</u>	<u>400</u>	<u>0</u>
<u>TOTAL FUNDING TRN</u>	<u>400 E</u>	<u>0 E"</u>

By amending Item C-136.00, as amended:

"X099 HIGHWAY PLANNING, STATEWIDE

PLANS AND EQUIPMENT FOR FEDERAL AID AND NON-FEDERAL AID PROGRAMS AND PROJECTS THAT INCLUDE ROADWAY CLASSIFICATION, DATA COLLECTION, LONG AND MID-RANGE PLANNING, TRANSPORTATION NEEDS STUDIES, RESEARCH, HRS 343/NEPA STUDIES, CORRIDOR STUDIES, SCOPING, BRIDGE EVALUATIONS, AND TECHNOLOGY TRANSFER AND WORKFORCE DEVELOPMENT. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.

	<u>FY 2018</u>	<u>FY 2019</u>
PLANS	[500] <u>10,500</u>	11,000
EQUIPMENT	0	1,000
TOTAL FUNDING TRN	[400] <u>2,100 E</u>	2,400 E
TRN	[400] <u>8,400 N</u>	9,600 N"