



EXECUTIVE CHAMBERS

HONOLULU

DAVID Y. IGE
GOVERNOR

February 24, 2020

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

The Honorable Scott K. Saiki,
Speaker and Members of the House
of Representatives
Thirtieth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

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

Transmitted herewith are proposed changes to the FY 21 Executive Supplemental Budget for the Departments of Agriculture (DOA), Budget and Finance, Education (DOE), Land and Natural Resources (DLNR), Public Safety (PSD), and Transportation. The operating and capital improvement program (CIP) budget requests are listed below by department:

1. Adjustments to Update Operating Budget Requests:

The following budget requests are being proposed to update amounts requested in the operating budget:

Department of Agriculture

Pesticides (AGR 846/EE)

Add \$800,000 in general funds for FY 21 to incorporate funds being transmitted to DOA through a settlement agreement. The funds will be used to conduct a groundwater study, establish a Pesticide Disposal Program, and extend the duration of the Pesticide Surface Water Monitoring Program.

Department of Budget and Finance

Retirement Benefits Payments – DOE (BUF 745/LE)

Reduce \$1,550,399 in general funds for FY 20 and add \$511,327 in general funds for FY 21 to adjust Pension Accumulation and Social Security/Medicare amounts to align with the updated DOE teacher shortage differential projections.

Department of Education

School Based Budgeting (EDN 100/BX)

Reduce \$4,311,375 in general funds for FY 20 and add \$3,971,750 in general funds for FY 21 to meet the additional cost for differential payments for licensed and qualified special education and Hawaiian language immersion teachers and teachers in school complexes determined to be hard-to-staff geographical locations.

Department of Land and Natural Resources

Ocean-Based Recreation (LNR 801/CH)

Add \$2,000,000 in special funds for the Boating Special Fund for proposed priority projects, including Keehi Small Boat Harbor (SBH) paving improvements, Heeia Kea SBH sewage lift station repair, Wailoa SBH sewer line connection, and Maui County buoy installation and maintenance.

Parks Administration and Operation (LNR 806/FI)

Add \$5,000,000 in special funds for lifeguard contracts. Legislative Proposal LNR-08(20) (House Bill No. 2359/Senate Bill No. 2915) allocates \$5,000,000 in Transient Accommodations Tax revenues to DLNR beginning in FY 21 to cover lifeguard service expenses incurred at State park beaches but does not contain an expenditure ceiling. The requested expenditure ceiling increase is contingent upon the enactment of LNR-08(20).

Department of Public Safety

Sheriff Division (PSD 503/CC)

Add \$80,000 in general funds for FY 21 for the Sheriff Division's lease payments to the Hawai'i Community Development Authority for the Keawe Street Sheriff Office. This is a recurring cost requested for lease payments until the Department of Accounting and General Services has determined a more suitable office location for the division.

Department of Transportation

Highways Administration (TRN 595/DB)

Add \$2,050,032 in special funds for FY 20 for the 5% surcharge payment for Central Services based on increased revenues from the Rental Motor Vehicle Surcharge.

Highways Administration (TRN 595/DB)

Add \$6,654,053 in special funds for FY 21 for the payment of outstanding and to be issued revenue bonds for the Highways Division.

Highways Administration (TRN 595/DB)

Add \$1,751,131 in special funds for FY 21 for the 5% surcharge payment for Central Services based on increased revenues from the Rental Motor Vehicle Surcharge.

Highways Administration (TRN 595/DB)

Add \$500,000 in special funds for FY 21 to provide consultant services for the critical maintenance of existing legacy information systems.

Highways Administration Project (TRN 595/DA)

Reduce 1.00 full-time equivalent (FTE) and \$120,691 in special funds for FY 21 to transfer a Civil Rights Specialist position from Highways Administration Project to General Administration, Office of Civil Rights.

General Administration (TRN 995/AA)

Add 1.00 FTE and \$120,691 in special funds for FY 21 to transfer a Civil Rights Specialist position from Highways Administration Project to General Administration, Office of Civil Rights.

O'ahu Highways (TRN 501/DC)

Reduce 1.00 FTE and \$47,789 in special funds for FY 21 to transfer a Human Resource Assistant position from O'ahu Highways to Kaua'i Highways.

Kaua'i Highways (TRN 561/DG)

Add 1.00 FTE and \$47,789 in special funds in FY 21 to transfer a Human Resource Assistant position from O'ahu Highways to Kaua'i Highways.

Highways Safety (TRN 597/AB)

Reduce 1.00 FTE and \$76,954 in special funds for FY 21 to withdraw a transfer request from Highways Safety to Hawai'i Highways that was included in the FY 21 Executive Supplemental Budget.

Hawai'i Highways (TRN 511/DD)

Add 1.00 FTE and \$76,954 in special funds for FY 21 to withdraw a transfer request from Highways Safety to Hawai'i Highways that was included in the FY 21 Executive Supplemental Budget.

2. Adjustment to Update CIP Requests:

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

Department of Public Safety

General Administration (PSD 900/EA)

Add \$5,000,000 in general obligation bond funds for FY 21 for PSD Renovation and Improvements of the Keoni Ana Building – Phase I, O'ahu.

Additional funding is being requested to relocate the department's administrative offices into a State-owned and maintained building in proximity to other Executive departments and the State Capitol. The scope of work includes electrical and mechanical upgrades, installation of fire alarm systems and energy efficient lighting systems, rerouting of air conditioning ducts, telecommunications and internet connectivity upgrades, plumbing work, etc.

Your favorable consideration of these requests is appreciated.

With warmest regards,



David Y. Ige
Governor, State of Hawai'i

Attachment

c: Honorable Donovan M. Dela Cruz
Honorable Sylvia Luke
Craig K. Hirai, Director

OPERATING

The following budget requests are being proposed to update amounts requested in the operating budget:

Department of AgriculturePesticides (AGR 846/EE)

Add \$800,000 in general funds for FY 21 to incorporate funds being transmitted to the Department of Agriculture through a settlement agreement. The funds will be used to conduct a groundwater study, establish a Pesticide Disposal Program and to extend the duration of the Pesticide Surface Water Monitoring Program.

	<u>FY 2020</u>	<u>FY 2021</u>
Other Current Expenses	\$..... A	\$800,000 A

Department of Budget and FinanceRetirement Benefits Payments – DOE (BUF 745/LE)

Reduce \$1,550,399 in general funds for FY 20 and add \$511,327 in general funds for FY 21 to adjust Pension Accumulation and Social Security/Medicare amounts to align with the updated Department of Education teacher shortage differential projections.

	<u>FY 2020</u>	<u>FY 2021</u>
Other Current Expenses	\$(1,550,399) A	\$511,327 A

Department of EducationSchool Based Budgeting (EDN 100/BX)

Reduce \$4,311,375 in general funds for FY 20 and add \$3,971,750 in general funds for FY 21 to meet the additional cost for differential payments for licensed and qualified special education and Hawaiian language immersion teachers and teachers in school complexes determined to be hard-to-staff geographical locations.

	<u>FY 2020</u>	<u>FY 2021</u>
Personal Services	\$(4,311,375) A	\$3,971,750 A

Department of Land and Natural Resources

Ocean-Based Recreation (LNR 801/CH)

Add \$2,000,000 in special funds in other current expenses for priority boating repair and maintenance projects.

	<u>FY 2020</u>	<u>FY 2021</u>
Other Current Expenses	\$..... B	\$2,000,000 B

Parks Administration and Operation (LNR 806/FI)

Add \$5,000,000 in special funds in other current expenses for lifeguard contracts. Legislative Proposal LNR-08(20) (House Bill No. 2359/Senate Bill No. 2915) allocates \$5,000,000 in Transient Accommodations Tax revenues to the Department of Land and Natural Resources to cover lifeguard service expenses incurred at State park beaches but does not contain an expenditure ceiling. The requested expenditure ceiling increase is contingent upon the enactment of LNR-08(20).

	<u>FY 2020</u>	<u>FY 2021</u>
Other Current Expenses	\$..... B	\$5,000,000 B

Department of Public Safety

Sheriff Division (PSD 503/CC)

Add \$80,000 in general funds for FY 21 for the Sheriff Division's lease payments to the Hawai'i Community Development Authority for the Keawe Street Sheriff Office. This is a recurring cost requested for lease payments until the Department of Accounting and General Services has determined a more suitable office location for the division.

	<u>FY 2020</u>	<u>FY 2021</u>
Other Current Expenses	\$..... A	\$80,000 A

Department of Transportation

Highways Administration (TRN 595/DB)

Add \$2,050,032 in special funds for FY 20 for the 5% surcharge payment for Central Services based on increased revenues from the Rental Motor Vehicle Surcharge.

	<u>FY 2020</u>	<u>FY 2021</u>
Other Current Expenses	\$2,050,032 B	\$..... B

Highways Administration (TRN 595/DB)

Add \$6,654,053 in special funds for FY 21 for the payment of outstanding and to be issued revenue bonds for the Highways Division.

	<u>FY 2020</u>	<u>FY 2021</u>
Other Current Expenses	\$..... B	\$6,654,053 B

Highways Administration (TRN 595/DB)

Add \$1,751,131 in special funds for FY 21 for the 5% surcharge payment for Central Services based on increased revenues from the Rental Motor Vehicle Surcharge.

	<u>FY 2020</u>	<u>FY 2021</u>
Other Current Expenses	\$..... B	\$1,751,131 B

Highways Administration (TRN 595/DB)

Add \$500,000 in special funds for FY 21 to provide consultant services for the critical maintenance of existing legacy information systems.

	<u>FY 2020</u>	<u>FY 2021</u>
Other Current Expenses	\$..... B	\$500,000 B

Highways Administration Project (TRN 595/DA)

Reduce 1.00 full-time equivalent (FTE) and \$120,691 in special funds for FY 21 to transfer a Civil Rights Specialist position from Highways Administration Project to General Administration, Office of Civil Rights.

	<u>FY 2020</u>	<u>FY 2021</u>
Personal Services	..... \$..... B	(1.00) B Perm \$(120,691) B

General Administration (TRN 995/AA)

Add 1.00 FTE and \$120,691 in special funds for FY 21 to transfer a Civil Rights Specialist position from Highways Administration Project to General Administration, Office of Civil Rights.

	<u>FY 2020</u>	<u>FY 2021</u>
Personal Services	..... \$..... B	1.00 B Perm \$120,691 B

O'ahu Highways (TRN 501/DC)

Reduce 1.00 FTE and \$47,789 in special funds for FY 21 to transfer a Human Resource Assistant position from O'ahu Highways to Kaua'i Highways.

	<u>FY 2020</u>	<u>FY 2021</u>
Personal Services	..... \$..... B	(1.00) B Perm \$(47,789) B

Kaua'i Highways (TRN 561/DG)

Add 1.00 FTE and \$47,789 in special funds for FY 21 to transfer a Human Resource Assistant position from O'ahu Highways to Kaua'i Highways.

	<u>FY 2020</u>	<u>FY 2021</u>
Personal Services	..... \$..... B	1.00 B Perm \$47,789 B

Highways Safety (TRN 597/AB)

Reduce 1.00 FTE and \$76,954 in special funds for FY 21 to withdraw a transfer request from Highways Safety to Hawai'i Highways that was included in the FY 21 Executive Supplemental Budget.

	<u>FY 2020</u>	<u>FY 2021</u>
Personal Services	..... \$..... B	(1.00) B Perm \$(76,954) B

Hawai'i Highways (TRN 511/DD)

Add 1.00 FTE and \$76,954 in special funds for FY 21 to withdraw a transfer request from Highways Safety to Hawai'i Highways that was included in the FY 21 Executive Supplemental Budget.

	<u>FY 2020</u>	<u>FY 2021</u>
Personal Services	..... \$..... B	1.00 B Perm \$76,954 B

CAPITAL IMPROVEMENT PROGRAM

The following budget request is being proposed to update the amount requested in the capital improvement program budget:

Department of Public Safety

PSD 900/EA GENERAL ADMINISTRATION

By adding a new item:

"PSD RENOVATION AND IMPROVEMENTS OF THE KEONI ANA BUILDING – PHASE I, OAHU

PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT TO RENOVATE, UPGRADE, AND CONDUCT NECESSARY IMPROVEMENTS ON THE KEONI ANA BUILDING FOR PSD, OAHU.

	<u>FY 2020</u>	<u>FY 2021</u>
<u>PLANS</u>	<u>0</u>	<u>1</u>
<u>DESIGN</u>	<u>0</u>	<u>1</u>
<u>CONSTRUCTION</u>	<u>0</u>	<u>4,997</u>
<u>EQUIPMENT</u>	<u>0</u>	<u>1</u>
<u>TOTAL FUNDING</u> <u>DAGS</u>	<u>0 C</u>	<u>5,000 C"</u>