

DAVID Y. IGE
GOVERNOR



RYKER WADA
DIRECTOR

ANDREW T. GARRETT
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

SENATE COMMITTEE ON WAYS AND MEANS
SENATE COMMITTEE ON LABOR, CULTURE AND THE ARTS
BUDGET REQUEST FOR THE FISCAL BIENNIUM 2021-23
JANUARY 6, 2021

TESTIMONY BY RYKER WADA, DIRECTOR
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT

Honorable Chair Dela Cruz, Chair Taniguchi, Members of the Senate Committee on Ways and Means, and Members of the Senate Committee on Labor, Culture and the Arts:

I am Ryker Wada, Director for the Department of Human Resources Development (DHRD). I am here today to present the Department's budget request for the Fiscal Biennium 2021-23.

Mission Statement

The Department's mission is to attract and maintain a qualified and high performing workforce within applicable fiscal and operational constraints. This includes recruitment activities for civil service positions; providing support for personnel actions that are necessary as a result of the State's fiscal status; classifying positions based on the duties and responsibilities; identifying and coordinating employee training and development opportunities; compensating employees at proper pay levels; assuring effective employee-employer relations; administering a variety of voluntary employee benefits; administering the State's self-insured workers' compensation program for State employees; and ensuring a safe and healthy work environment.

Impact of Current State-Wide Conditions

The coronavirus pandemic has significantly changed the landscape of the workplace and DHRD, as the central personnel agency for the State Executive Branch, has been working with the line departments to help them navigate the changes to ensure employee safety, health, wellness, and productivity. Issues we have been addressing include remote work environment, preventative measures to limit the spread of the illness in the workplace, leave policies and Families First Coronavirus Response Act requirements, employee benefits and financial relief measures, accommodation and compliance implications for COVID-19, and enhanced opportunities for employees working remotely to access on-demand learning as well as attend virtual training sessions.

Federal Funds

The Department has no programs that receive federal funds.

Non-General Funds

Reports on the Department's non-general funds pursuant to HRS 37-47 can be found at the web link: <http://budget.hawaii.gov/budget/reports-to-the-legislature/1983-2/reports-on-non-general-fund-information-fiscal-years-2017-2023-submitted-2021/>.

Budget Request

The Department has two significant budget requests for the Fiscal Biennium 2021-23:

1. HRD102 – Addition of \$307,775 in fiscal year 2022 and \$635,350 in fiscal year 2023 to address increasing workers' compensation claims costs. Workers' compensation is a statutorily mandated benefit with penalties and fees assessed to employers who do not timely pay their obligations.
2. HRD102 – Addition of \$275,000 in fiscal year 2022 to pay the Department of Labor and Industrial Relations for the increase in unemployment insurance (UI) benefits attributable to former State employees for all Executive Branch departments (except for the DOE and UH – who receive separate UI appropriations from the Legislature), the Judiciary, OHA, and the Legislature. The requested amount is based on UI benefit costs that will not be covered by reimbursements from the CARES Act.

Department programs were asked to be prudent and focused in their fiscal planning. Requests for additional resources were limited to fixed costs and entitlement expenses.

We are aware of the challenges ahead and remain committed to work with the Legislature to seek solutions that effectively balance short-and long-term priorities.

Attachments

- Table 1: Department Functions
- Table 2: Department-Wide Totals
- Table 3: Program ID Totals
- Table 4: Budget Decisions
- Table 5: Proposed Budget Reductions
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Table 15: Capital Improvement Program (CIP) Requests

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Table 18: Organization Changes

Department of Human Resources Development
Functions

Table 1

Division	Description of Function	Activities	Prog ID(s)	Statutory Reference
Employee Staffing	Develops and administers a civil service system consistent with the application of the Merit Principle.	Develops and administers a statewide staffing program for civil service employment in the Executive Branch, within applicable fiscal and operational constraints. This includes competitive recruitment; competitive examination development (education and experience) and administration; and jurisdictional placement searches for employees affected by reduction in force, and work related and non-work related disabilities.	HRD102PA	Hawaii Constitution, Article XVI. Chapter 76, HRS. Chapter 78, HRS. Section 89-9(d), HRS. Chapter 378, HRS. Chapter 386, HRS. Chapter 831, HRS. Chapter 92F, HRS.

Department of Human Resources Development
Functions

Table 1

Division	Description of Function	Activities	Prog ID(s)	Statutory Reference
Labor Relations	Administers and enforces the State's labor-management agreements and employee performance appraisal system for Executive Branch departments, and provides staff services in the negotiation of labor contracts.	<ul style="list-style-type: none"> a. Participates in negotiations with the employee unions on collective bargaining agreements and mutual agreements, which includes serving as spokespersons for the State and County Employers; b. Administers the uniform interpretation and application of provisions in collective bargaining agreements, dispute settlements, and related determinations of labor-management relationships (i.e. Hawaii Labor Relations Board rulings); c. Provides advisory guidance and assistance to management representatives in the application of contractual provisions and handling of employees with performance problems, in consideration of past arbitration decisions, court decisions, and contract interpretations; d. Develops policies, procedures, and operating guidelines on various labor relations and performance evaluation matters; e. Processes grievances which may have statewide impact; and f. Tracks legislation involving labor relations matters and prepares testimonies for the DHRD Director. 	HRD102QA	<p>Chapter 89, HRS <i>Collective Bargaining Law</i>.</p> <p>Section 76-41, HRS <i>Performance appraisal systems; failure to meet performance requirements</i>.</p>

Department of Human Resources Development
Functions

Table 1

Division	Description of Function	Activities	Prog ID(s)	Statutory Reference
Employee Relations	(Employee Assistance) Develops, implements, and administers various statewide no-cost/low-cost employee benefit and training and development programs. Benefit programs include those which provide significant tax savings to the State, and other activities to help attract and retain employees.	<ul style="list-style-type: none"> a. Administers various pre-tax benefit programs, such as the Deferred Compensation Plan; PTS Deferred Compensation Plan for Part-Time, Temporary, and Seasonal or Casual Employees; Premium Conversion Plan; Island Flex Flexible Spending Accounts Plan; Flex Park; and Pre-Tax Transportation Benefits Program; which produce more than \$10.3 million in tax savings annually to the State. b. Administers other employee benefit programs that are required by federal laws, State laws, and the collective bargaining agreements. c. Provides staff support to the Deferred Compensation Plan Board of Trustees. d. Develops, conducts, and coordinates communication on various employee benefit programs, including pre-retirement workshops and new employee orientations. e. Develops policies, procedures, and guidelines on the benefit programs; ensures compliance with the IRS regulations which authorize the benefit programs. f. Provides advisory guidance to line departments on benefit programs. g. Tracks legislation involving employee benefit programs and training and development matters, and prepares testimonies for the DHRD Director. 	HRD102QA	Section 125, Internal Revenue Code (IRC); Section 78-30, HRS <i>Cafeteria plans</i> . Chapter 88E, HRS <i>Deferred Compensation Plan</i> . Chapter 88F, HRS <i>Deferred Compensation Retirement Plan for Part-Time, Temporary, and Seasonal or Casual Employees</i> . Section 132(f), IRC; Section 78-53, HRS <i>Pre-tax Transportation Benefit Programs</i> . Chapter 398, HRS <i>Family Leave</i> . Federal Regulations, Part 825, <i>Family & Medical Leave Act</i> . Section 78-28, HRS <i>In-service training programs</i> . Section 78-29, HRS <i>Incentive & Service Awards</i> .

Department of Human Resources Development
Functions

Table 1

Division	Description of Function	Activities	Prog ID(s)	Statutory Reference
Employee Relations	(Personnel Transactions) Processes, audits, and advises on various pay and personnel transactions for employees of the Executive Branch; develops and implements update/processing requirements to effect new employment actions; and generates routine and special workforce reports.	<ul style="list-style-type: none"> a. Develops instructions for all Executive Branch departments to guide them in implementing negotiated pay adjustments, arbitration decisions, and settlement agreements; b. Processes mass pay adjustments negotiated for Bargaining Units 1, 2, 3, 4, 9, 10, 11, and 13, for all departments, and various pay actions for identified groups of positions; c. Prints and distributes Employee Personnel Action Report forms to record all personnel transactions which are generated en masse, e.g., pay adjustments for all 8 Bargaining Units, pay adjustments by Bargaining Unit due to varying effective dates and/or agreement terms, job title changes due to changes in a class or class series, and coordinates set up of print files when departments elect to print their EPAR forms; d. Provides advisory guidance and assistance to line Departmental Personnel Office (DPO) staff in the interpretation and application of laws, policies, collective bargaining agreements, and Executive Orders provisions relating to compensation, leaves (vacation and sick leave and leaves of absence without pay), leave record-keeping, transfers, separations, Uniformed Services Employment and Reemployment Rights Act compliance and Leave Sharing program, and other personnel transactions related issues; e. Selectively audits the line departments' personnel transactions to ensure accurate reporting and processing; f. Generates routine and special workforce reports to provide data requested by the Office of the Governor, DHRD Director, Department of Budget and Finance, Office of Collective Bargaining Chief Negotiator, Legislators, Unions, and others; and g. Tracks legislation involving matters related to compensation and leaves, and prepares testimonies for the DHRD Director. 	HRD102QA	<p>Section 76-13(1), HRS <i>Establish and maintain roster of all persons in the civil service.</i></p> <p>Section 26-5(b), HRS <i>Pay administration.</i></p> <p>Section 76-28, HRS <i>Forms required of appointing authorities.</i></p> <p>Section 76-30, HRS <i>Tenure; resignations.</i></p> <p>Section 78-16.5, HRS <i>Pay of Officers and employees on active military service.</i></p> <p>Section 78-23, HRS <i>Leaves of absence.</i></p> <p>Section 78-26, HRS <i>Leave sharing program.</i></p> <p>Section 78-27, HRS <i>Temporary inter-and intra-governmental assignments and exchanges.</i></p>
Employee Relations	(Training) Develops, conducts, and coordinates statewide training for managerial and non-managerial employees of the Executive Branch.	<ul style="list-style-type: none"> a. Assesses statewide training needs and priorities; b. Develops, conducts, and coordinates employee training programs using online, virtual, and traditional deliveries; c. Assists departments in identifying area-specific training needs, developing and implementing programs; d. Hosts on-demand learning library, creating and maintaining relevant content; e. Provides consultative services to the line departments on training-related matters, including facilitating management/leadership meetings, retreats, etc.; f. Develops policies, procedures, and operating guidelines on training-related matters; and g. Tracks legislation involving training and employee development-related matters and prepares testimonies for the DHRD Director. 	HRD102QA	<p>Section 78-28, HRS <i>In-service training programs</i></p>

Department of Human Resources Development
Functions

Table 1

Division	Description of Function	Activities	Prog ID(s)	Statutory Reference
Employee Classification and Compensation	(Classification) Develops and administers the position classification system for civil service positions, including the establishment and maintenance of classes and their experience and training requirements; and the assignment of positions to classes, bargaining units and other administrative units.	Civil Service Position Classification 1. Position actions (i.e., establish, reallocate, abolish, extend, etc.). 2. Class specifications (i.e., establish, amend, and abolish) and selective certification requirements.	HRD102RA	Section 76-13.5, HRS
Employee Classification and Compensation	(Compensation) Develops and maintains the civil service compensation system, including the pricing/repricing of classes; and establishing special rates for shortage occupations.	Compensation 1. Pricing and repricing of civil service classes (i.e., determine and review). 2. Wage analysis. 3. Providing collective bargaining support (primarily on wages). 4. Shortage category determinations and rate setting. 5. Developing and implementing pay programs to attract and retain quality employees.	HRD102RA	Section 76-1, HRS. Section 89-9(f)(2), HRS. Section 89-11(f), HRS.
Employee Classification and Compensation	(Exempt Positions and Employees) Development and administration of programs covering exempt positions and employees.	Exemptions from Civil Service 1. Review requests to approve and extend projects (authority to approve delegated by Governor to DHRD Director). 2. Review requests for approval and extensions of exempt positions (other than project exemptions). 3. Review exemption checklists from departments used to determine exemptions in order to contract for services.	HRD102RA	Section 76-16, HRS.

Department of Human Resources Development
Functions

Table 1

Division	Description of Function	Activities	Prog ID(s)	Statutory Reference
Employee Claims	(Employee Claims) The delivery of statutory benefits to all injured employees within the Executive Branch (excluding DOE, UH, and HHSC) of government, Charter Schools, Hawaii Public Housing Authority, and the Legislature in accordance with the Hawaii Workers' Compensation Law (Chapter 386) and its related rules and regulations.	<ol style="list-style-type: none"> 1. Investigating questionable claims which includes, but is not limited to securing recorded statements of injured employees and witnesses, taking photographs of accident scenes, conducting discovery, and researching precedent cases. 2. Attending administrative hearings on contested claims, denied treatment plans, and where the parties can't reach an agreement as to the extent of the injured employee's disability. 3. Authorizing accurate and appropriate benefits, such as: calculating and authorizing temporary total disability benefits within 10 days after notification of the disability; insuring payment of benefits ordered pursuant to a final decision or settlement agreement within 31 days after they become due; and authorizing or denying bills for medical care, services, and supplies within 60 days of their receipt. 4. Monitoring treatment plans to insure that the treatment being provided is reasonable, necessary, curative and related to the nature of the compensable injury or illness. 5. Arranging for evaluations by medical experts if there is a question regarding causation or reasonableness of medical care. 6. Maintaining, monitoring, and updating the State's Return to Work Priority Program which assists injured employees who become unable to perform their usual and customary jobs to return to suitable gainful employment. 7. Identifying light duty work for those injured employees who cannot return to their usual and customary jobs on a temporary or permanent basis. 8. Identifying those injured employees who are capable of performing their usual and customary jobs but are restricted from returning to a particular environment and maintaining the policy that governs their placement in an alternate work site. 9. Providing financial and reserve data to DAGS for inclusion in the State's financial statement as well as separate financial and reserve data to all Executive Branch departments as part of their financial audits. 	HRD102SA	Act 285, Section 71A, SLH 1984. Section 26-5, HRS. Chapter 386, HRS. Chapter 10, Title 12. Chapter 14, Title 12. Chapter 15, Title 12. All collective bargaining agreements. Americans with Disabilities Act. Americans with Disabilities Act Amendments Act. Administrative Directive 94-02. State of Hawaii, Accommodations for Employees With Disabilities Manual.

Department of Human Resources Development
Functions

Table 1

Division	Description of Function	Activities	Prog ID(s)	Statutory Reference
Employee Claims	(Employee Safety) Administration of safety and health workplace laws, rules, and regulations consistent with State and federal mandates in accordance with the Occupational Safety and Health Administration, Environmental Protection Administration, and Federal Motor Carrier Safety Administration.	<ol style="list-style-type: none"> 1. Developing and conducting safety and health seminars, workshops, and conferences. 2. Developing and maintaining the human resources component of the State's Civil Defense Plan for emergency disaster management. 3. Developing and maintaining the State's Alcohol and Drug Testing Program which includes all educational materials and training sessions for employees required to attend. 4. Maintaining the State's program for safety toed shoes and safety glasses. 5. Conducting temporary hazard surveys in response to temporary hazard pay requests. 6. Providing accident statistics to all departments on a regular basis to pinpoint injury trends; and whenever possible, developing training programs to address those injuries which were preventable. 7. Conducting worksite inspections post accident and ergonomic evaluations to prevent future injuries. 8. Conducting employee workshops for Drug and Alcohol Testing, Violence in the Workplace, ergonomics, and driver education. 9. Administering the accidental injury leave provision in the collective bargaining agreements. 	HRD102SA	40 CFR. 49 CFR Parts 382-384, 390-397. 49 CFR Part 40. 29 CFR Part 1910. Chapter 396, HRS. All collective bargaining agreements. Act 111, SLH 2014. Title 11, HAR. Title 12, HAR.

Department of Human Resources Development
Functions

Table 1

Division	Description of Function	Activities	Prog ID(s)	Statutory Reference
Admin	(General Administration) Administers the State personnel program, provides administrative support services, and represents the State on commissions and committees.	<ol style="list-style-type: none"> 1. Advises the Governor on policies and issues concerning the administration of the State personnel management system. 2. Provides long-range and overall policy-setting direction for the State's personnel management system. 3. Provides policies, training, and guidance to departments and agencies to assure and maintain a workplace free of discrimination, harassment and retaliation in personnel practices. 4. Directs and coordinates DHRD operations; and program and financial plans. 5. Provides administrative and technical support services relating to information technology (IT), fiscal, budget, procurement, and personnel management to department programs. 6. Administers and maintains the State's centralized Human Resources Management System (HRMS) that is used by state agencies, ERS, and EUTF. 	HRD191	Section 26-5, HRS Chapter 76, HRS Chapter 78, HRS Chapter 89, HRS Chapter 89C, HRS State and federal non-discrimination laws
Admin	(Attached Agency) Provides technical assistance to the Merit Appeals Boards (MAB). MAB decides appeals from actions taken by the chief executive, the director, an appointing authority or a designee acting on behalf of one of these individuals on issues such as: any person suffering a legal wrong by a recruitment and examination for a civil service position; an employee serving an initial probationary appointment who alleges wrongful termination for failure to successfully complete the initial probation period; for a classification and reclassification of a civil service position which is occupied by a civil service employee, an incumbent of a position in a new class may file an appeal if the employee has suffered a legal wrong by that action. Employees who aren't covered by a collective bargaining agreement under section 89-6, HRS may file an appeal on disciplinary actions, adverse actions for failure to meet performance requirements, or other employment actions if the employee suffers a legal wrong by the action.	<ol style="list-style-type: none"> 1. Recommending rule revisions. 2. Coordinating/running public hearings. 3. Providing administrative support to the Board. 	HRD102SA HRD102OA HRD191	Chapter 76, HRS. Section 26-5, HRS. HAR, Title 14, DHRD.
Admin	(Unemployment Insurance Benefits) Administers the unemployment insurance benefit fund for the Executive Branch (excluding DOE, UH and RCUH), OHA, the Legislature, and Judiciary.	<ol style="list-style-type: none"> 1. Prepares and processes payment to DLIR for quarterly estimated unemployment insurance (UI) benefits for former State employees. 2. Prepares and processes fiscal documents (journal vouchers, bill for collections, treasury deposits) for the accounting of UI benefits paid by general funds, assessed accounts, and non-assessed accounts. 3. Distributes monthly statement of UI benefits charges to all State agencies. 	HRD191 HRD102KA	Section 383-62, HRS

Department of Human Resources Development
Functions

Table 1

Division	Description of Function	Activities	Prog ID(s)	Statutory Reference
Employee Claims	(Temporary Disability Benefits) Provides oversight for the State's Temporary Disability Benefits Program	<ol style="list-style-type: none"> 1. Responding to inquiries regarding the interpretation of the program, and its applicability to bargaining unit and non-bargaining unit employees. 2. Insuring that the State's program retains its equivalency with the statute. 3. Updating the provisions of the program to insure compliance with the statute. 	HRD102SA	Chapter 392, HRS. State of Hawaii Temporary Disability Benefits Plan for Bargaining Unit Employees. State of Hawaii Temporary Disability Benefits Plan for Non-Bargaining Unit Employees.

Department of Human Resources Development
Department-Wide Totals

Table 2

Fiscal Year 2022					
Budget Acts Appropriation	Reductions	Additions	Emergency Appropriations	Total FY22	MOF
\$ 20,181,003.00	\$ (264,000.00)	\$ 582,775.00		\$ 20,499,778.00	A
\$ 700,000.00				\$ 700,000.00	B
\$ 5,166,134.00				\$ 5,166,134.00	U
\$ 26,047,137.00	\$ (264,000.00)	\$ 582,775.00	\$ -	\$ 26,365,912.00	Total
Fiscal Year 2023					
Budget Acts Appropriation	Reductions	Additions		Total FY23	MOF
\$ 20,181,003.00	\$ (264,000.00)	\$ 635,350.00		\$ 20,552,353.00	A
\$ 700,000.00				\$ 700,000.00	B
\$ 5,166,134.00				\$ 5,166,134.00	U
\$ 26,047,137.00	\$ (264,000.00)	\$ 635,350.00	\$ -	\$ 26,418,487.00	Total

Department of Human Resources Development
Program ID Totals

Table 3

Prog ID	Program Title	MOF	As budgeted (FY22)			As budgeted (FY23)			Governor's Submittal (FY22)				Governor's Submittal (FY23)			
			Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Percent Change of \$\$\$\$	Pos (P)	Pos (T)	\$\$\$	Percent Change of \$\$\$\$
HRD102	Workforce Attra	A	94.00	-	\$ 18,706,753	94.00	-	\$ 18,706,753	77.00	-	\$ 19,025,528	1.7%	77.00	-	\$ 19,078,103	2.0%
HRD102	Workforce Attra	B	-	-	\$ 700,000	-	-	\$ 700,000	-	-	\$ 700,000	0.0%	-	-	\$ 700,000	0.0%
HRD102	Workforce Attra	U	2.00	-	\$ 5,166,134	2.00	-	\$ 5,166,134	2.00	-	\$ 5,166,134	0.0%	2.00	-	\$ 5,166,134	0.0%
HRD191	Supporting Serv	A	9.00	-	\$ 1,474,250	9.00	-	\$ 1,474,250	9.00	-	\$ 1,474,250	0.0%	9.00	-	\$ 1,474,250	0.0%

Department of Human Resources Development
Budget Decisions

Table 4

Prog ID	Sub-Org	Description of Request	MOF	Initial Department Requests						Budget and Finance Recommendations						Governor's Decision					
				FY22			FY23			FY22			FY23			FY22			FY23		
				Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$
HRD102	SA	Request additional funding for workers' compensation claims	A			\$ 307,775			\$ 635,350			\$ 307,775			\$ 635,350			\$ 307,775			\$ 635,350
HRD102	KA	Request additional funding for unemployment insurance benefits	A			\$ 275,000					\$ 275,000							\$ 275,000			
HRD102	OA	Reduce permanent position counts for unfunded positions	A	(2.00)		\$ -	(2.00)		\$ -	(2.00)	\$ -	(2.00)	\$ -	(2.00)	\$ -	(2.00)	\$ -	(2.00)	\$ -	(2.00)	\$ -
HRD102	PA	Reduce permanent position counts for unfunded positions	A	(4.00)		\$ -	(4.00)		\$ -	(4.00)	\$ -	(4.00)	\$ -	(4.00)	\$ -	(4.00)	\$ -	(4.00)	\$ -	(4.00)	\$ -
HRD102	QA	Reduce permanent position counts for unfunded positions	A	(2.00)		\$ -	(2.00)		\$ -	(2.00)	\$ -	(2.00)	\$ -	(2.00)	\$ -	(2.00)	\$ -	(2.00)	\$ -	(2.00)	\$ -
HRD102	RA	Reduce permanent position counts for unfunded positions	A	(3.00)		\$ -	(3.00)		\$ -	(3.00)	\$ -	(3.00)	\$ -	(3.00)	\$ -	(3.00)	\$ -	(3.00)	\$ -	(3.00)	\$ -
HRD102	SA	Reduce permanent position counts for unfunded positions	A	(3.00)		\$ -	(3.00)		\$ -	(3.00)	\$ -	(3.00)	\$ -	(3.00)	\$ -	(3.00)	\$ -	(3.00)	\$ -	(3.00)	\$ -
HRD102	PA	Reduce two exempt Senior Recruiter positions	A	(2.00)		\$ (200,000)	(2.00)		\$ (200,000)	(2.00)	\$ (200,000)	(2.00)	\$ (200,000)	(2.00)	\$ (200,000)	(2.00)	\$ (200,000)	(2.00)	\$ (200,000)	(2.00)	\$ (200,000)
HRD102	QA	Reduce General Professional position for statewide fellowship program	A	(1.00)		\$ (64,000)	(1.00)		\$ (64,000)	(1.00)	\$ (64,000)	(1.00)	\$ (64,000)	(1.00)	\$ (64,000)	(1.00)	\$ (64,000)	(1.00)	\$ (64,000)	(1.00)	\$ (64,000)

Department of Human Resources Development
Proposed Budget Reductions

Table 5

Prog ID	Sub-Org	Description of Reduction	Impact of Reduction	MOF	FY22			FY23			FY21 Restriction (Y/N)
					Pos (P)	Pos (T)	\$\$\$\$	Pos (P)	Pos (T)	\$\$\$\$	
HRD102	OA	Reduce permanent position counts for unfunded positions	Minimal impact. Two positions and funds were authorized for Lean Government Office. Because funds were non-recurring, the department was not able to establish the office.	A	(2.00)		\$ -	(2.00)		\$ -	N
HRD102	PA	Reduce permanent position counts for unfunded positions	Significant impact. Losing positions will result in slower service to Executive branch departments and applicants; and impact the division's ability to develop/implement improvements to recruitment and examination programs.	A	(4.00)		\$ -	(4.00)		\$ -	N
HRD102	QA	Reduce permanent position counts for unfunded positions	Significant impact. Losing positions will reduce assistance to the Executive branch departments and hinder the program's ability to make the necessary corrections to employment records in the Human Resources Management System (HRMS) in a timely manner. Information in HRMS is used by DAGS payroll, the ERS, and EUTF and if it is not accurate, the impact could have significant cost implications.	A	(2.00)		\$ -	(2.00)		\$ -	N
HRD102	RA	Reduce permanent position counts for unfunded positions	Significant impact. Losing positions will reduce program's ability to respond to Executive branch departments, the legislature, and management on human resources matters that include, but are not limited to, civil service classification, civil service exemptions, bargaining unit exclusions, and ensuring that equal pay for equal work is applied between classes in a bargaining unit among jurisdictions.	A	(3.00)		\$ -	(3.00)		\$ -	N
HRD102	SA	Reduce permanent position counts for unfunded positions	Significant impact. Losing positions will increase the workload of staff that provide workers compensation claims management services, compromise their ability to scrutinize all aspects of filed claims; and could cause statutory deadlines to be missed, penalties to be assessed, and costs to go up.	A	(3.00)		\$ -	(3.00)		\$ -	N
HRD102	PA	Reduce two exempt Senior Recruiter positions	Minimal impact. The two Senior Recruiter positions were not established in order to meet budget restrictions.	A	(2.00)		\$ (200,000)	(2.00)		\$ (200,000)	Y
HRD102	QA	Reduce General Professional position for statewide fellowship program	The primary purpose of this position is the development of a new Fellows program for the State Executive Branch that provides employees in professional positions a formal program to prepare them for leadership roles and careers in State government. As a result of the impact of the COVID-19 pandemic on the State, we will not be proceeding with the Fellows program.	A	(1.00)		\$ (64,000)	(1.00)		\$ (64,000)	N

Department of Human Resources Development
Proposed Budget Additions

Table 6

Prog ID	Sub-Org	Addition Type	Prog ID Priority	Dept- Wide Priority	Description of Addition	Justification	MOF	FY22			FY23		
								Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$
HRD102	SA	FC	1	1	Request additional funding for workers' compensation claims to address increasing benefit costs.	DHRD is responsible for administering the State's centralized, self-insured workers' compensation program, which covers all State Executive Branch agencies (except for the DOE, UH, and HHSC), Charter Schools, and the Legislature. Without additional funding, the department will not be able to pay claims when they are due as required under Chapter 386, HRS, and as a result, will be subject to statutory penalties and fees.	A			\$ 307,775			\$ 635,350
HRD102	KA	FC	2	2	Request additional funding for unemployment insurance benefits.	DHRD, as the designated State employer, is required to pay the Department of Labor and Industrial Relations (DLIR) for the unemployment insurance (UI) benefits attributable to former State employees for all Executive Branch agencies (except for the DOE and UH - who receive separate UI appropriations from the Legislature), the Judiciary, OHA, and the Legislature. The requested amount is based on UI benefit costs that will not be covered by reimbursements from the CARES Act.	A			\$ 275,000			

Department of Human Resources Development
 FB 2018 - 2021 Restrictions

Table 7

<u>Fiscal Year</u>	<u>Prog ID</u>	<u>Sub-Org</u>	<u>MOF</u>	<u>Budgeted by Dept</u>	<u>Restriction</u>	<u>Difference Between Budgeted & Restricted</u>	<u>Percent Difference</u>	<u>Impact</u>
FY19	HRD102		A	\$ 6,481,591	\$ 190,290	\$ 6,291,301	97.1%	The department was able to meet the restriction because of vacant positions and turnover savings.
FY19	HRD191		A	\$ 883,655	\$ 26,510	\$ 857,145	97.0%	
FY20	HRD102		A	\$ 7,424,115	\$ 623,527	\$ 6,800,588	91.6%	The department was be able to meet the restriction because of vacant positions and turnover savings.
FY20	HRD191		A	\$ 900,061	\$ 17,673	\$ 882,388	98.0%	
FY21	HRD102		A	\$ 6,410,128	\$ 323,880	\$ 6,086,248	94.9%	The department will be able to meet the restriction because of vacant positions and delay in hiring.

Department of Human Resources Development
Emergency Appropriation Requests

Table 8

<u>Prog ID</u>	<u>Description of Request</u>	<u>Explanation of Request</u>	<u>MOF</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>
	None					

Department of Human Resources Development
Expenditures Exceeding Appropriation Ceilings in FY22 and FY23

Table 9

<u>Prog ID</u>	<u>MOF</u>	<u>Date</u>	<u>Appropriation</u>	<u>Amount Exceeding Appropriation</u>	<u>Percent Exceeded</u>	<u>Reason for Exceeding Ceiling</u>	<u>Legal Authority</u>	<u>Recurring (Y/N)</u>	<u>GF Impact (Y/N)</u>
		None							

Department of Human Resources Development
 Intradepartmental Transfers in FY22 and FY23

Table 10

<u>Actual or Anticipated Date of Transfer</u>	<u>MOF</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>	<u>From Prog ID</u>	<u>Percent of Program ID Appropriation Transferred From</u>	<u>To Prog ID</u>	<u>Percent of Receiving Program ID Appropriation</u>	<u>Reason for Transfer</u>	<u>Recurring (Y/N)</u>
None										

Department of Human Resources Development
Vacancy Report as of November 30, 2020

Table 11

Prog ID	Sub-Org	Date of Vacancy	Expected Fill Date	Position Number	Position Title	Exempt (Y/N)	SR Level	BU Code	Perm Temp (P/T)	FTE	MOF	Budgeted Amount	Actual Salary Last Paid	Authority to Hire (Y/N)	Occupied by 89 Day Hire (Y/N)	# of 89 Hire Appts	Describe if Filled by other Means	Priority # to Retain
HRD102	SA	5/16/2019		47381	Human Resources Asst III	N	SR09	63	P	1.00	A	\$ -	\$ 38,556	N	N			
HRD102	RA	7/16/2019		26638	Human Resources Spclt V	N	SR24	73	P	1.00	A	\$ -	\$ 84,876	N	N			
HRD102	RA	9/4/2019		12494	Human Resources Spclt V	N	SR24	73	P	1.00	A	\$ -	\$ 78,420	N	N			
HRD102	QA	9/16/2019		11824	Human Resources Spclt V	N	SR24	73	P	1.00	A	\$ -	\$ 79,788	N	N			
HRD102	RA	10/16/2019		13968	Human Resources Spclt V	N	SR24	73	P	1.00	A	\$ -	\$ 78,420	N	N			
HRD102	QA	12/31/2019		48216	Human Resources Tech VI	N	SR15	63	P	1.00	A	\$ -	\$ 61,176	N	N			
HRD102	SA	1/16/2020		37435	Human Resources Tech VI	N	SR15	63	P	1.00	A	\$ -	\$ 57,487	N	N			
HRD102	PA	1/22/2020		13138	Human Resources Asst IV	N	SR11	63	P	1.00	A	\$ -	\$ 38,592	N	N			
HRD102	PA	2/3/2020		3304	Human Resources Asst IV	N	SR11	63	P	1.00	A	\$ -	\$ 43,368	N	N			
HRD102	PA	2/4/2020	6/1/2021	3298	Personnel Program Admr	N	EM08	35	P	1.00	A	\$ 111,072	\$ 139,080	N	N		Temp Assign	1b
HRD102	SA	2/8/2020	6/1/2021	38030	Personnel Program Admr	N	EM08	35	P	1.00	A	\$ 111,072	\$ 148,152	N	N		Temp Assign	1a
HRD102	SA	3/16/2020		36303	Human Resources Asst IV	N	SR11	63	P	1.00	A	\$ -	\$ 36,732	N	N			
HRD102	PA	3/16/2020		39799	Human Resources Spclt V	N	SR24	73	P	1.00	A	\$ -	\$ 68,164	N	N			
HRD102	PA	4/1/2020		38725	Human Resources Tech VII	N	SR17	63	P	1.00	A	\$ -	\$ 61,176	N	N			
HRD102	QA	6/1/2020	4/1/2021	46933	Human Resources Tech VI	N	SR15	63	P	1.00	A	\$ 46,476	\$ 46,476	N	N			3
HRD102	RA	7/16/2020	5/1/2021	33456	Human Resources Spclt V	N	SR24	73	P	1.00	A	\$ 75,432	\$ 75,432	N	N			5
HRD102	QA	9/1/2020	3/1/2021	12547	Human Resources Spclt V	N	SR24	73	P	1.00	A	\$ 78,420	\$ 78,420	N	N			2
HRD102	SA	9/1/2020	4/1/2021	31107	Human Resources Spclt I	N	SR16	73	P	1.00	A	\$ 47,196	\$ 47,196	N	N			4
HRD102	QA	New	3/1/2021	123097	Human Resources Spclt V	N	SR24	73	P	1.00	U	\$ 95,386	New	N	N			6

Positions Established by Acts other than the State Budget as of November 30, 2020

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Date Established</u>	<u>Legal Authority</u>	<u>Position Number</u>	<u>Position Title</u>	<u>Exempt (Y/N)</u>	<u>SR Level</u>	<u>BU Code</u>	<u>T/P</u>	<u>MOF</u>	<u>FTE</u>	<u>Annual Salary</u>	<u>Filled (Y/N)</u>	<u>Occupied by 89 Day Hire (Y/N)</u>
		None												

Department of Human Resources Development
Overtime Expenditure Summary

Table 13

Prog ID	Sub-Org	Program Title	MOF	FY20 (actual)			FY21 (estimated)			FY22 (budgeted)			FY23 (budgeted)		
				<u>Base Salary</u> \$\$\$\$	<u>Overtime</u> \$\$\$\$	<u>Overtime</u> Percent	<u>Base Salary</u> \$\$\$\$	<u>Overtime</u> \$\$\$\$	<u>Overtime</u> Percent	<u>Base Salary</u> \$\$\$\$	<u>Overtime</u> \$\$\$\$	<u>Overtime</u> Percent	<u>Base Salary</u> \$\$\$\$	<u>Overtime</u> \$\$\$\$	<u>Overtime</u> Percent
HRD102	PA	Workforce Attraction, Selection, Classification and Effectiveness	A	\$ 2,050,096	\$ 7,961	0.4%	\$ 1,699,716	\$ 2,914	0.2%	\$ 1,588,108	\$ 2,914	0.2%	\$ 1,588,108	\$ 2,914	0.2%
HRD102	QA	Workforce Attraction, Selection, Classification and Effectiveness	A	\$ 2,353,028	\$ 8,471	0.4%	\$ 2,212,064	\$ 4,905	0.2%	\$ 2,279,416	\$ 4,905	0.2%	\$ 2,279,416	\$ 4,905	0.2%
HRD102	RA	Workforce Attraction, Selection, Classification and Effectiveness	A	\$ 1,162,100	\$ 5,424	0.5%	\$ 920,384	\$ 1,380	0.1%	\$ 968,396	\$ 1,380	0.1%	\$ 968,396	\$ 1,380	0.1%
HRD102	SA	Workforce Attraction, Selection, Classification and Effectiveness	A	\$ 1,832,654	\$ -	0.0%	\$ 1,551,727	\$ 3,600	0.2%	\$ 1,638,434	\$ 3,600	0.2%	\$ 1,638,434	\$ 3,600	0.2%
HRD191	AA	Supporting Services - Human Resources Development	A	\$ 887,261	\$ -	0.0%	\$ 887,261	\$ 2,500	0.3%	\$ 912,941	\$ 2,500	0.3%	\$ 912,941	\$ 2,500	0.3%

Department of Human Resources Development
Active Contracts as of December 1, 2020

Table 14

Prog ID	MOF	Amount	Frequency (M/A/O)	Max Value	Outstanding Balance	Term of Contract			Entity	Contract Description	Explanation of How Contract is Monitored	POS Y/N	Category E/L/P/C/G/S/*
						Date Executed	From	To					
HRD102 HRD191	A	\$ 215,696	A	\$ 215,696	\$ -	3/31/2020	4/1/2020	3/31/2021	governmentjobs.com , Inc. dba NEOGOV	Internet-based integrated e- Recruitment and Onboarding software subscription license	The Department participates in quarterly on-line performance measurement surveys. The surveys enable the Department to monitor and provide feedback on the performance of the e- Recruitment software; and assists the contractor in better serving the public sector customers.	N	G/S
HRD102	A	\$ 42,000	A	\$ 42,000	\$ 12,912.50	10/29/2019	1/1/2020	12/31/2020	Child and Family Service	Confidential, short-term professional counseling services to eligible employees of the Executive Branch who may be experiencing personal problems that are affecting their job performance through the REACH Program.	Employees who utilize the services of the REACH provider are given a questionnaire at their final appointment for completion. DHRD also receives monthly and quarterly reports from the contractor that summarize the professional counseling services provided.	N	S
HRD191	A	\$ 14,867	M	\$ 21,000	\$ 6,132.60	2/26/2020	3/9/2020	3/8/2021	American Guard Services, Inc.	Cooperative purchasing agreement for security guard services for the Leiopapa A Kamehameha (LAK) building. Each State agency located in the LAK building pays a portion of the cost.	The Department's Safety Office monitors the contractor's performance and verifies that contract services have been rendered.	N	S

Department of Human Resources Development
 Capital Improvements Program (CIP) Requests

Table 15

<u>Prog ID</u>	<u>Prog ID</u> <u>Priority</u>	<u>Dept- Wide</u> <u>Priority</u>	<u>Senate</u> <u>District</u>	<u>Rep.</u> <u>District</u>	<u>Project Title</u>	<u>MOF</u>	<u>FY22 \$\$\$</u>	<u>FY23 \$\$\$</u>
					None			

Department of Human Resources Development
CIP Lapses

Table 16

<u>Prog ID</u>	<u>Act/Year of Appropriation</u>	<u>Project Title</u>	<u>MOF</u>	<u>Lapse Amount</u> <u>\$\$\$\$</u>	<u>Reason</u>
		None			

Department of Human Resources Development
 Program ID Sub-Organizations

Table 17

<u>Program ID</u>	<u>Sub-Org Code</u>	<u>Name</u>	<u>Objective</u>
HRD102	PA	Employee Staffing	Develop and administer a civil service system consistent with the application of the Merit Principle.
HRD102	QA	Employee Relations	<p>Administer and enforce the State's labor-management agreements and employee performance appraisal system for Executive Branch departments, and provide staff services in the negotiation of labor contracts.</p> <p>Develop, implement, and administer various statewide no-cost/low-cost employee benefit and training and development programs. Benefit programs include those which provide significant tax savings to the State, and other activities to help attract and retain employees. Process, audit, and advise on various pay and personnel transactions for employees of the Executive Branch; develop and implement update/processing requirements to effect new employment actions; and generate routine and special workforce reports.</p> <p>Develops, conducts, and coordinates statewide training for managerial and non-managerial employees of the Executive Branch.</p>
HRD102	RA	Employee Classification and Compensation	<p>Develop and administer the position classification system for civil service positions, including the establishment and maintenance of classes and their experience and training requirements; and the assignment of positions to classes, bargaining units and other administrative units.</p> <p>Develop and maintain the civil service compensation system, including the pricing/repricing of classes; and establishing special rates for shortage occupations.</p> <p>Develop and administer programs covering exempt positions and employees.</p>

Department of Human Resources Development
 Program ID Sub-Organizations

Table 17

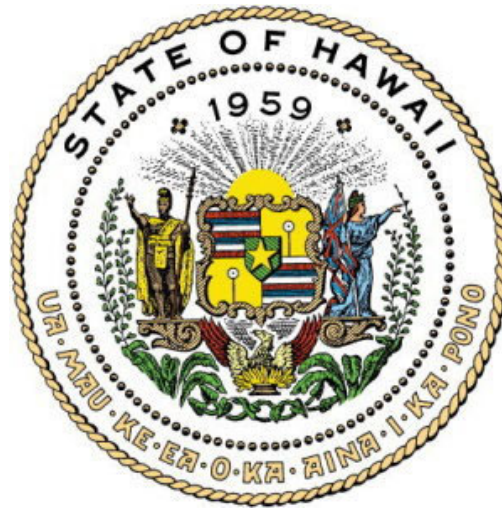
HRD102	SA	Employee Claims	<p>The delivery of statutory benefits to all injured employees within the Executive Branch (excluding DOE, UH, and HHSC) of government, Charter Schools, Hawaii Public Housing Authority, and the Legislature in accordance with the Hawaii Workers' Compensation Law (Chapter 386) and its related rules and regulations.</p> <p>Administration of safety and health workplace laws, rules, and regulations consistent with State and federal mandates in accordance with the Occupational Safety and Health Administration, Environmental Protection Administration, and Federal Motor Carrier Safety Administration.</p>
HRD191	AA	Support Services	<p>Administer the State personnel program, provide administrative support services, and represent the State on commissions and committees.</p> <p>Administer the unemployment insurance benefit fund for the Executive Branch (excluding DOE, UH and RCUH), OHA, the Legislature, and Judiciary.</p>

Department of Human Resources Development
Organization Changes

Table 18

<u>Year of Change</u> <u>FY20/FY21</u>	<u>Description of Change</u>
	None

State of Hawaii



The FB 2021-23 Executive Biennium Budget

Budget in Brief

Prepared by the Department of Budget and Finance
December 21, 2020

EXECUTIVE CHAMBERS
State Capitol
Honolulu, Hawai'i 96813

**GOVERNOR'S MESSAGE TO THE
31ST STATE LEGISLATURE OF HAWAI'I
MEETING IN THE REGULAR SESSION OF 2021**

In compliance with Article VII, Section 8, of the Hawai'i Constitution, I hereby submit to the State Legislature the Executive Budget for Fiscal Biennium (FB) 2021-23 and the Program and Financial Plan for the period 2021-27.

OVERVIEW

The novel coronavirus, which causes COVID-19, quickly became a pandemic that swept through and impacted countries around the globe. On January 31, 2020, the United States' Secretary of Health and Human Services declared a public health emergency for the United States.

On March 4, 2020, I issued an emergency proclamation to address COVID-19 in the State of Hawai'i and have issued 17 supplementary proclamations since then. On March 11, 2020, the World Health Organization designated the COVID-19 outbreak a pandemic of international concern, and on March 13, 2020, the President declared a national emergency in response to the COVID-19 pandemic.

As we approach the end of the calendar year, we are still learning about COVID-19. Even many who predicted an eventual pandemic did not foresee the magnitude of its significant socio-economic impact, which is still unfolding.

The health and welfare of Hawai'i's people have always been our primary concern. Difficult decisions have been made as a result. We must wear masks, wash our hands and practice social distancing. "Stay at home," "Safer at home," and

"Acting with care" orders and mandatory 14-day quarantines for travelers have helped to keep Hawai'i's case numbers low, for the most part, compared to our mainland counterparts. Nevertheless, we have also seen how the number of cases can increase quickly.

Mitigation measures have helped, but the pandemic has taken the lives of too many of our friends and loved ones, caused thousands to suffer from the disease, and taken a huge toll on our health care system and our healthcare heroes who keep us safe.

Within our communities, measures to mitigate the spread of COVID-19 have dramatically impacted Hawai'i's families and businesses. These disruptions to our daily lives take their toll on each of us, especially our keiki and kūpuna. Adapting to these new parameters is not easy but safeguards are necessary.

This pandemic has not only impacted our mental and physical health but our livelihoods, as well. The State's preliminary unemployment rate rose sharply from 2.4% – one of the best in the nation – in March 2020 to 23.8% in April 2020. As businesses have reopened on a measured basis, the unemployment rate has decreased to 14.3% in October 2020.

With so many unemployed, the State's Unemployment Insurance (UI) Trust Fund was quickly depleted, and the State had to obtain a \$1.0 billion loan for calendar year 2020 from the federal government to pay UI claims, for which the State will pay the interest. Future loans may also be necessary.

This unprecedented contraction of Hawai'i's economy is especially difficult following years of growth, due in large part to the record expansion of the tourism industry, a major economic driver. The public's general hesitation towards air travel due to COVID-19 and restrictions implemented to control the spread of the disease caused an abrupt reduction in the number of travelers to Hawai'i. Year-to-date through October 2020, total visitor arrivals have decreased by 73.4%.

Back in March, we were hopeful that the pandemic would be contained in a few months and we would be able to open the State to tourism by July. However, due in part to surges in COVID-19 cases, the launch of the Safe Travels pre-travel testing program, which allows travelers to bypass the mandatory 14-day quarantine with negative COVID-19 test results, was delayed until mid-October for transpacific travelers. In early November, we welcomed back the first international flight from Japan.

Recent increases in the number of COVID-19 cases in other states and areas of the world will undoubtedly slow the recovery of the tourism sector. It may be years before tourism returns to pre-pandemic levels. Those in the tourism industry, as well as other related industries such as restaurants and entertainment, are suffering severely.

As expected, the State's general fund tax collections have taken a substantial blow. The growth of preliminary general fund tax collections for FY 20 decreased from 7.5% in February 2020, before COVID-19 restrictions were imposed, to -6.3% by the end of the fiscal year. This drastic drop in revenues, though not quite the 7.0% reduction projected by the Council on Revenues (COR), will negatively impact the State's fiscal situation for years to come.

As changes in revenue growth over a fiscal year have often proven to be unpredictable, we are closely monitoring general fund tax revenues in relation to the COR's FY 21 general fund

tax revenue growth projection of -11%. General fund tax collections for FY 21 increased by 32.9% in July 2020 due to the deferral of the income tax filing deadline to July 20, 2020.

Collections have declined by 7.8% in November 2020, but we are hopeful that income tax collections and a possible tourism rebound as vaccinations become more widespread later in the fiscal year will keep revenue collections on track.

In April 2020, the State received \$862.8 million in federal funds pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act to assist with COVID-19-related costs. As the City and County of Honolulu received a separate award, subawards were provided to the counties of Kaua'i, Hawai'i and Maui. The balance of the funds has been awarded to various State agencies for such costs as personal protective equipment, testing, contact tracing and economic support, such as housing assistance.

It currently appears that additional federal assistance may be made available to support the education and health costs, but action by Congress continues to be delayed. Potentially, these federal funds could be used to support costs for the Department of Education (DOE), University of Hawai'i (UH), Department of Health (DOH) and the Hawai'i Health Systems Corporation (HHSC). At this point, however, we cannot afford to wait for Congress. Should Congress make these funds available, we will work with the Legislature to make the appropriate adjustments to the budget.

Regardless, we cannot expect that these federal funds will be the panacea for our fiscal issues. If we continue the current rate of State spending, the projected shortfalls are overwhelming, and it is our responsibility to take action to ensure the State's fiscal stability. The longer we wait to act, the larger these shortfalls become, and the more drastic corrective actions will need to be.

The Administration has already implemented measures to decrease general fund expenditures, including restrictions and a hiring freeze on non-critical general-funded positions in FY 21. We have suspended the prefunding of other post-employment benefits (OPEB) pursuant to Act 268, SLH 2013, for FY 21 through my emergency powers.

The general fund carryover balance from FY 20 has helped to support FY 21 operating costs. The State ended FY 20 with a general fund balance of approximately \$1 billion. However, this extraordinarily large balance is due to the 2020 Legislature authorizing \$303 million in general fund to general obligation (G.O.) bond swaps and special fund transfers and a \$345 million transfer from the Emergency and Budget Reserve Fund (EBRF) to the general fund, increasing the FY 20 general fund balance by \$648 million.

All departments were asked to review their planned expenditures and find innovative ways to deliver essential services and trim costs. We expect these restrictive fiscal controls will need to continue through the remainder of the fiscal year. These measures are in addition to the sizeable reductions made to FY 21 general fund appropriations by the 2020 Legislature.

Given the magnitude and consequences of these actions, we took out a \$750 million working capital loan to provide short-term liquidity through the end of FY 21 to give the Administration and the Legislature time to consider the best options to balance the budget going forward. The loan will be paid back over five fiscal years, FY 22 through FY 26.

Due to the unprecedented revenue gap that must be addressed, a wide range of cost-saving and revenue enhancement measures were considered. After much consideration, we believe that a multi-pronged approach is necessary to address the estimated annual general fund revenue shortfall of \$1.4 billion.

Savings due to revised projections for fixed costs and the continuation of the suspension of OPEB payments for four more years will help to alleviate some of the shortfall. Program review reductions and furloughs are also integral parts of the Administration's plan to reduce the balance of the projected shortfall, but revenue enhancements are also needed to fill in the gap. All of the proposed actions are necessary to balance the State's general fund financial plan for FB 2021-23 and through the four-year statutory planning period (FY 24 through FY 27).

Due to the extent of the State's estimated revenue losses through FY 21 and the forthcoming fiscal years, permanent ongoing changes must be made to State government. These changes will understandably be difficult.

Regrettably, we are unable to shield our employees and priority programs from these reductions. We understand that furloughs will unfortunately cause hardships for many and, while difficult, they will allow us to avoid layoffs of roughly 4,000 people.

Throughout our administration, we have nourished and protected education, our highest priority. It was extremely difficult for us to consider reductions that would impact students and teachers.

However, in these very difficult times, we were forced to look at education and other priority programs due to the significant portion of the State budget that they receive. We would be unable to leave these programs untouched without decimating the rest of State government. The State provides critical services, many of which are needed now more than ever.

The FB 2021-23 Program Review

As a prerequisite to the development of the FB 2021-23 Executive Budget, the Administration conducted an extensive FB 2021-23 Program Review. The objective of this review

was to identify significant reductions to general fund appropriations for FY 22 and FY 23 based on a systematic review of State programs and services due to the reduced level of general fund support that would be available due to the economic fallout of the COVID-19 pandemic.

Thus, the program review focused on programs that were fully or partially funded by general funds. Programs wholly funded by other means of financing (MOF), such as special funds, were encouraged to conduct their own modified reviews with the goal of increasing program efficiency and effectiveness.

The intent was to have each department make honest and discerning assessments of its programs and services as compared to its primary mission (what it does and who it serves) by identifying:

- Programs, functions, and/or activities for possible elimination that, although well-intentioned, are of marginal benefit, low performing, or of lesser priority.
- Cost saving opportunities in core and primary programs and services through tightening program eligibility, reducing program benefits, improving efficiency, or cost shifting.
- Programs within or between departments with complimentary goals and operations that could be combined to reduce operational redundancies and administrative costs.

The first step was to establish a prioritized program inventory to set the groundwork for a more rigorous program review and the systemic identification of possible reductions. To ensure both short- and long-term operational sustainability, departments identified their highest to lowest priority program functions and activities. Then, departments proposed reductions to meet reduction targets of 10%, 15%, and 20% of Act 5, SLH 2019, as amended by Act 7, SLH 2020, and Act 9,

SLH 2020 (to be referred to as “Act 5, SLH 2019, as amended”), plus FY 21 Section 44 transfers, as adjusted for fixed costs and the application of a \$4 million exemption for all departments.

The reduction proposals were reviewed based on statewide priorities, and the decisions regarding the identified reductions have been incorporated into the FB 2021-23 Executive Budget Request. We realize reductions of this magnitude are extremely difficult, as all programs have value, but we must position the State to deal with the ongoing, significant economic downturn that will impact the State for many years.

Budget and Fiscal Considerations

We have always taken our responsibility to ensure the State’s fiscal stability seriously. Our administration has generally approached the budget in a cautious manner, often because unpredictable general fund revenue growth did not reflect the State’s economic situation.

In developing each Executive Biennium or Supplemental Budget, the Administration takes a hard look at the State’s fiscal situation and potential fiscal challenges to ensure that the State’s fiscal health is maintained through the upcoming biennium and beyond. Doing this during a pandemic, however, poses significant challenges due to the added levels of uncertainty.

While no one can predict how long this worldwide health crisis will last, we are hopeful that continuing our mitigation measures and the availability of vaccines will help us recover from this pandemic. As such, the Administration will be requesting, through specific legislation, emergency appropriations for FY 21 (beginning January 1, 2021) and appropriations for FY 22 for the substantial funding requirements to support COVID-19 mitigation efforts, including, but not limited to, the Safe Travels program, hospital surge staffing, and vaccination implementation.

Aside from vaccination costs, many of these costs are currently supported by CARES Act funds. Thus, the State has been insulated from these costs. However, the CARES Act funds must be expended by December 30, 2020, so any subsequent COVID-19-related costs must be paid by the State.

The COVID-19 mitigation costs that the State must now cover are currently estimated to be \$205 million and \$182 million, which will be requested as FY 21 emergency appropriations and FY 22 appropriations, respectively, but are subject to change as more information becomes available. We will work closely with the Legislature to ensure that sufficient resources are appropriated for these mitigation efforts.

In addition, we will be submitting several other emergency appropriation bills for FY 21 which total over \$82.5 million. These appropriations are necessary to provide critical support for the respective programs for the remainder of FY 21, in many cases to offset the indirect impact of COVID-19. Such requests include, but are not limited to, \$20 million for the DOE's food service program; \$5.4 million for the General Assistance program under the Department of Human Services (DHS); and \$1.5 million for the Stadium Authority.

For many programs, federal funding has become uncertain or nonexistent and this trend will likely continue. In the past, the State often supported the costs of federal programs which had been deemed critical when federal funding was reduced or discontinued.

The State is currently not in the position to assume such costs, and departments must work with their federal counterparts to ensure that budgeted federal funds are available. Of additional concern is the constant instability in Congress, which could result in the federal budget or a continuing resolution not being passed in a timely manner, effectively shutting down the federal government.

We are continuing to work to align resources to address our most critical issues. As such, the Executive Budget proposes limited general fund appropriations for FB 2021-23 beyond those for fixed costs.

Due to the anticipated general fund revenue shortfall, significant reductions have also been proposed based on the FB 2021-23 Program Review. Requests for non-general funds have been included based on priority and sustainability.

We must be fiscally prudent and responsible with our expenditures to ensure the State's fiscal stability through FB 2021-23 and beyond. We must control our expenditures to prepare, to the extent possible, for uncertain revenue collections.

Constitutional and Statutory Requirements

The FB 2021-23 Executive Biennium Budget includes the operating and capital improvement program (CIP) requirements of the Executive Branch as required by the State Constitution. In preparing the Biennium Budget, the Executive Branch is bound by constitutional and statutory requirements, which include, but are not limited to, the following:

- Article VII, Section 8, of the State Constitution provides that “[w]ithin such time prior to the opening of each regular session in an odd-numbered year as may be provided by law, the governor shall submit to the legislature a budget in a form provided by law setting forth a complete plan of proposed expenditures of the executive branch. . . .”
- Section 37-69, HRS, requires that “[t]he governor prepare a [S]tate six-year program and financial plan encompassing all state programs, . . .” The program and financial plan shall contain financial summaries displaying the State’s financial condition including “[t]he changes proposed to the existing tax and nontax rates, sources or structure, and the estimated increases or reductions in

revenues, the estimated cumulative increases or reductions, and the estimated fund balance or deficit in each of the next six fiscal years as a result of such proposed changes. Proposals for changes in the existing tax and nontax rates, sources or structure shall be made in every case where the proposed, total state expenditures exceed the total resources anticipated from existing tax and nontax sources at existing rates.”

- Section 37-71(b)(4), HRS, prescribes that the information provided in the budget be formatted such that “[p]rogram costs shall include all costs, including research and development, operating and capital, regardless of the means of financing. . .”
- Section 37-71(c)(3), HRS, requires a summary listing of all capital improvement projects by program, at the lowest level of the program structure, which shows for each project, by investment cost elements, the amount of new appropriations and authorizations proposed. Under Section 37-62, Definitions, HRS, “cost elements” means the major subdivisions of a cost category. The category “capital investment” includes plan, land acquisition, design, construction, and equipment and furnishing.

In order to prepare a comprehensive Executive Biennium Budget, which includes all program costs, FY 21 operating appropriations and position ceilings from various departmental budget bills were transferred to Act 5, SLH 2019, as amended, as approved by the Governor on June 19, 2019, pursuant to Section 44 of Act 5, SLH 2019, as amended (to be referred to as “Act 5, SLH 2019, as amended, including Section 44 transfers”). These transfers were also intended to provide centralized funding for operations, which would improve fiscal control and reduce workload.

These transfers have been included in the operating budget ceilings of the respective departments. The Governor’s approval and list of bills with budget impact is available here:

<https://budget.hawaii.gov/wp-content/uploads/2020/10/FM-20-15-Attachment-8.pdf>. Please note that this list includes bills that were repealed by the 2020 Legislature; thus, no appropriations were available from those bills for transfer in FY 21.

Budget Transparency

To increase budget transparency, departments were instructed to review their FY 21 operating budget details for items that did not align with anticipated expenditures and could be addressed immediately. Each department’s review was to include, but would not be limited to, the following, as applicable:

- Negative adjustments;
- Underfunded, unfunded or unbudgeted positions; and
- Specific budget line items which do not align with anticipated expenditures.

Section 37-74(f), HRS, and Section 42 of Act 5, SLH 2019, as amended, prohibit funds from being expended to fill a permanent or temporary position for the lowest level of a program if the filling of that position causes the position ceiling for that level of the program to be exceeded. “Position ceiling” is defined as the maximum number of permanent and temporary positions that an expending agency is authorized for a particular program.

Consequently, it was highly recommended that all departments review their unbudgeted positions. All unbudgeted positions that are critical and on-going were to be identified and incorporated into the budget. Because the unbudgeted positions are currently funded, only cost neutral requests (i.e., trade-off/transfer requests with related increases in permanent or temporary position counts) were allowed.

Departments were also specifically advised to review positions that were not funded in Act 5, SLH 2019, as amended. General-funded programs with unfunded positions deemed critical for department operations were advised to submit trade-off and transfer requests to fund such positions.

As such, the FY 2021-23 Executive Budget includes the following:

1. "Conversion of unbudgeted positions" requests to authorize unbudgeted positions through trade-off and transfer of funding and position counts (if necessary, permanent or temporary position counts have been requested).
2. Trade-off and transfer adjustment requests necessary to fully fund underfunded or unfunded positions, if the positions are deemed critical.
3. Trade-off and transfer adjustment requests necessary to correct negative amounts or realign the budget to expenditures.
4. Base adjustment requests to delete underfunded or unfunded positions.

THE ECONOMY

The pandemic, COVID-19, has caused a worldwide health crisis and an economic crisis. It has severely impacted the nation's economy, causing the sharpest drop on record to the U.S. economy.

Following shutdowns across the nation, many states were on the path to recovery. Recent increases in COVID-19 cases, however, have put a damper on economic growth as many states have returned to various stages of shutdown.

As COVID-19 cases began to increase in Hawai'i, mitigation measures to stop community spread brought our economy to a near standstill. The State's unemployment rate, which hit a record high of 23.8% in April 2020, gradually decreased to 14.3% in October 2020. Initial unemployment claims have reached unprecedented levels, with over 424,000 claims filed this calendar year through December 5, 2020, compared to less than 59,000 for the same period last year.

Following the initial downturn, the State's economy was improving as more businesses reopened at the end of the second quarter, but surges in COVID-19 cases interrupted the State's recovery. One of the State's major economic drivers, the tourism industry, is struggling to stay afloat, as the number of travelers to Hawai'i remains low.

Surges in COVID-19 cases on the mainland and in other countries threaten to slow recovery of the tourism industry. At this point, this contraction may provide an opportunity to evaluate the State's tourism carrying capacity.

Businesses have had to be innovative, offering alternative ways for their customers to interact during a pandemic, such as online sales and contactless pickup options. However, this may be a make-or-break season for retailers that rely heavily on Christmas sales.

The major indicators of Hawai'i's construction industry for the first two and three quarters were mixed. Construction jobs increased by 1.2%, or 433 jobs, for the first three quarters while the contracting tax base decreased slightly by 1.4% during the first half of 2020.

During the first nine months of 2020, the total value of private building authorizations decreased by 2.0%, while State CIP expenditures decreased by 8.7%. This was offset by a 386.3% increase in government contracts awarded compared

to the same period last year. The stability of the construction industry has supported Hawai'i's economy during this slowdown.

Recovery from this economic downturn weighs heavily on the success of mitigating this public health crisis both locally and globally. The complexities of improving the State's economy during a pandemic, where actions may impact public health, are extraordinary.

We cannot predict when things will happen, but we can do our best to be prepared. Thus, we will continue to work together with the Legislature to further protect the health of Hawai'i's people, support the State's economic recovery and improve the State's fiscal position.

REVENUE PROJECTIONS

Due to the economic impact of COVID-19, the COR decreased its general fund revenue projections at its May 28, 2020 meeting from 3.8% to -7.0% for FY 20 and from 0% to -12.0% for FY 21, resulting in a projected revenue decrease of over \$2.3 billion for the biennium. The COR's FY 21 projection, however, assumed that the 14-day self-quarantine period imposed on transpacific passengers would be lifted by late July 2020 and substituted with other mechanisms to screen for disease. For the remaining fiscal years, the COR projected 12.0% for FY 22 and 3.0% for FY 23 to FY 26.

At its September 9, 2020 meeting, the COR changed its FY 21 projection from -12.0% to -11.0%, which reflects revenue loss due to a delay in opening the State to tourism to later this calendar year that would be offset by the income tax revenue increase due to the delay in the filing deadline to July 20, 2020. The COR reduced its projection for FY 22 from 12.0% to 8.5% and increased its FY 23 projection from 3.0% to 6.0% and FY 24 projection from 3.0% to 4.0%. Projections for FY 25 and FY 26 were kept at 3.0%, while the COR also

added its FY 27 projection of 3.0%. All of these changes result in annual revenue losses of over \$1.4 billion per year compared to the COR's March 2020 projections.

Preliminary actual general fund tax revenue growth for FY 21 increased in July 2020, and August 2020 collections increased by 32.9% and 5.6%, respectively, due to the deferral of the income tax filing deadline to July 20, 2020. Since then, general fund revenues have gone down by 2.7% in September 2020, 8.0% in October 2020, and 7.8% in November 2020 when compared to the same periods in FY 20. Current economic activity may be better reflected by the 24% decrease in general excise tax revenues and the 92% drop in transient accommodations tax revenues in November 2020.

THE EXECUTIVE BUDGET REQUEST FOR FB 2021-23

The Operating Budget

The development of the Executive Budget for FB 2021-23 began with an operating base budget amount for each department, equivalent to its FY 21 appropriations, minus non-recurring costs and plus collective bargaining (except for federal and other federal funds) and other adjustments, as applicable. These base budget amounts were adjusted by requests that included:

- Trade-offs and transfers and conversion of unbudgeted positions to align the budget with current operational requirements;
- Select fixed costs and entitlements;
- Federal funds based on anticipated grant awards;
- Health and safety or immediate requirements of court orders or federal mandates; and

- Other special, revolving, and trust fund requests that were sustainable, reasonable and necessary for program implementation.

For FB 2021-23, the budget includes \$15.416 billion in FY 22 and \$15.521 billion in FY 23 from all MOF for operating costs. This represents net decreases of \$280.2 million (1.8%) and \$175.6 million (1.1%), respectively, below the current level appropriated for FY 21 in Act 5, SLH 2019, as amended, including Section 44 transfers. Of these amounts, the request for general funds is \$7.686 billion in FY 22 and \$7.798 billion in FY 23, resulting in decreases of \$361.9 million (4.5%) and \$249.6 million (3.1%), respectively.

Additional information on funding distribution by MOF and department may be found in the sections that follow.

Major general fund adjustments for fixed costs and entitlements include:

- Increases debt service payments by \$172,171,836 in FY 22 and \$226,412,904 in FY 23 for DOE, UH and other State CIP projects.
- Decreases health premium payments by \$322,254,936 in FY 22 and \$281,057,936 in FY 23 for DOE, UH and other State programs, primarily due to the suspension of OPEB prefunding.
- Decreases retirement benefits payments by \$9,076,579 in FY 22 and FY 23 for DOE, UH and other State programs.
- Increases Medicaid health care payments by \$34,685,255 in general funds and \$216,337,913 in federal funds in FY 22 and by \$54,964,524 in general funds and \$148,460,463 in federal funds in FY 23.

The Executive Budget for FB 2021-23 includes the following significant requests by program area (requests are for general funds unless otherwise noted):

Economic Development

- Converts positions in the Plant Pest and Disease Control Program from general to special funds by reducing 15.00 permanent positions and \$745,556 in general funds in both FY 22 and FY 23; and adding 15.00 permanent positions and \$1,215,558 in special funds for the Pest Inspection, Quarantine and Eradication Special Fund (PIQESF) in both FY 22 and FY 23.
- Trades off \$1,215,558 in special funds for both FY 22 and FY 23 from other current expenses to personal services for the PIQESF to offset the conversion of general-funded positions.
- Adds \$800,000 in general funds in FY 22 to allow the expenditure of settlement funds received in FY 21 to establish a pesticide disposal program.
- Reduces \$1,050,000 in both FY 22 and FY 23 for the Business Development and Support Division of the Department of Business, Economic Development and Tourism.
- Reduces \$550,000 in both FY 22 and FY 23 to abolish the Pacific International Space Center for Exploration Systems program.
- Reduces \$733,531 in general funds and 2.00 full-time equivalent (FTE) permanent and 8.00 FTE temporary positions in both FY 22 and FY 23 and increases \$1,107,632 in special funds and 2.00 FTE permanent and 8.00 FTE temporary positions to convert positions from general to special funds for the Hawai'i State Energy Office.

- Increases \$800,000 in revolving funds in both FY 22 and FY 23 to convert 4.00 FTE unfunded permanent positions from general funds to revolving funds for the Hawai'i Community Development Authority.

Employment

- Adds \$431,937 in FY 22 and FY 23 to cover ongoing maintenance costs of the completed Disability Compensation Division's information technology modernization project.
- Reduces \$2,603,486 in general funds, 7.00 FTE permanent and 4.00 FTE temporary positions in FY 22 and FY 23; and 2.00 FTE temporary federally funded positions in FY 22 and FY 23 for various programs in the Department of Labor and Industrial Relations.
- Adds \$16,950,645 in FY 22 and \$19,377,143 in FY 23 for interest payments for the UI loan under the Department of Budget and Finance (B&F).

Transportation

- Adds \$15,000,000 in special funds in FY 22 and FY 23 for the Airports Division's (AIR) special maintenance projects.
- Adds \$13,611,408 in special funds in FY 22 and FY 23 for AIR for routine maintenance at Daniel K. Inouye International Airport.
- Adds \$4,634,400 in special funds in FY 22 and FY 23 for AIR for anticipated increases for statewide security services.
- Consolidates 136.00 permanent positions, 1.00 temporary position and \$100,271,196 in FY 22 and FY 23 for the Harbors Division from the various district program IDs into one program entitled "Hawaii Harbors System."

- Trade-off/transfer of 1.00 permanent position and \$22,331,887 (\$22,215,777 in special funds and \$116,110 in federal funds) in FY 22 and \$22,153,838 (\$22,037,728 in special funds and \$116,110 in federal funds) in FY 23 for the Highways Division (HWY) for energy savings contract maintenance, lease payments, special maintenance, and various requests.
- Adds \$5,712,084 in FY 22 and \$13,974,703 in FY 23 for HWY for special maintenance projects.

Environmental Protection

- Adds \$5,100,000 in special funds in both FY 22 and FY 23 for the Legacy Land Conservation Program.
- Adds 12.00 permanent positions and \$1,165,691 in special funds in both FY 22 and FY 23 as part of a trade-off for unfunded positions at the Division of Conservation and Resources Enforcement.
- Reduces \$5,414,615 in both FY 22 and FY 23 for the Division of Forestry and Wildlife.

Health

- Adds \$4,305,833 in both FY 22 and FY 23 for full year salaries for the new positions to support the new Hawai'i State Hospital (HSH) forensic building.
- Adds \$2,655,133 in both FY 22 and FY 23 for additional operating funds for the new HSH forensic building.
- Adds \$50,000,000 in revolving funds in both FY 22 and FY 23 to increase the appropriation ceiling of the Clean Water State Revolving Fund to expand capacity to provide loans for water pollution control infrastructure.

- Adds \$6,000,000 in FY 23 to increase the State match for the Medicaid 1915(c) Waiver for Individuals with Intellectual and Developmental Disabilities to accommodate new enrollments and increasing provider rates.
- Reduces 6.00 FTE permanent positions, \$475,769 in general funds, and \$114,000 in special funds in both FY 22 and FY 23 for the elimination of the State Health Planning and Development Agency and adds 3.00 FTE permanent positions, \$237,264 in general funds, and \$114,000 in special funds in both FY 22 and FY 23 to General Administration to continue the Certificate of Need program.
- Adds \$35,906,000 in both FY 22 and FY 23 for operational costs for HHSC – Regions.

Social Services

- Adds \$7,000,000 in revolving funds in both FY 22 and FY 23 for Native American Housing Assistance and Self Determination Act of 1996 loans administered by the Department of Hawaiian Home Lands (DHHL) to beneficiaries.
- Increases the Spouse and Child Abuse Special Fund ceiling by \$5,000,000 in special funds in FY 22 and FY 23 for Child Protective Services to fund operations and services necessary to comply with the Family First Prevention Services Act.
- Increases General Assistance payments by \$5,400,000 in FY 22 and FY 23 to meet projected enrollment increases.
- Increases State Rent Supplement Program funding by \$500,000 in FY 22 for Rental Assistance Services.
- Reduces 78.00 permanent positions (49.92 general-funded and 28.08 federal-funded), 4.00 temporary positions

(0.40 general-funded and 3.60 federal-funded), \$16,932,562 in general funds, and \$4,320,609 in federal funds in various programs in FY 22 and FY 23 for DHS.

Formal Education

Public School System

- Reduces 62.50 permanent positions, 8.00 temporary positions and \$165,578,927 in both FY 22 and FY 23 for various DOE programs.
- Adds 2.00 permanent positions and \$249,239 in both FY 22 and FY 23 to support the early learning classrooms that are administered by the Executive Office on Early Learning.
- Adds 6.00 permanent positions and \$2,901,925 in both FY 22 and FY 23 to support the Public Charter School Early Education and Preschool program.
- Reduces \$14,417,334 in both FY 22 and FY 23 for Charter Schools to equalize the per pupil funding based on the DOE's proposed FB 2021-23 operating budget and projected enrollment.

Public Library System

- Reduces \$870,000 in both FY 22 and FY 23 for student helpers at various libraries.
- Reduces \$709,000 in both FY 22 and FY 23 for library books and materials.

University System

- Reduces \$35,600,000 in FY 22 and FY 23 for UH Mānoa.

- Reduces \$23,000,000 in FY 22 and FY 23 for UH Community Colleges.
- Reduces \$8,478,080 in FY 22 and FY 23 for UH Systemwide Support.
- Reduces \$5,700,000 in FY 22 and FY 23 for UH Hilo.

Youth Challenge Academy

- Reduces 41.75 temporary positions (10.25 in general funds and 31.50 in other federal funds) and \$2,974,665 (\$612,797 in general funds and \$2,361,868 in other federal funds) in both FY 22 and FY 23 for the Hawai'i Youth Challenge Academy - Hilo program.

Culture and Recreation

- Adds \$2,587,200 in FY 22 for operating costs for the Aloha Stadium to cover the shortfall in revenues due to the adverse economic impact of the pandemic.
- Adds \$300,000 in FY 22 for annual structural assessment of Aloha Stadium.
- Adds \$2,906,688 in FY 22 and \$2,000,000 in FY 23 in special funds to support State Parks operations.

Public Safety

- Adds \$1,000,000 in both FY 22 and FY 23 for airport thermal device maintenance.
- Adds 2.50 permanent positions and \$399,996 in both FY 22 and FY 23 to provide full State funding for certain leadership positions under the Hawai'i Emergency Management Agency.

- Adds \$12,127,438 in both FY 22 and FY 23 to replace reduced payroll funding of 237.50 positions from various programs for the Department of Public Safety (PSD).
- Adds \$676,222 in FY 22 for a cash infusion for the payroll and operating expenditures of the Crime Victim Compensation Commission.
- Reduces non-critical operating expenditures of \$2,817,299 from various programs in both FY 22 and FY 23 to replace the reduced funding of 61.00 permanent positions for PSD.
- Reduces 18.00 permanent Adult Corrections Officer positions and \$1,485,629 in both FY 22 and FY 23 for the additional housing of Ho'okipa Makai Cottage under the Women's Community Correctional Center.

Individual Rights

- Adds special funds of \$3,500,000 in FY 22 and \$500,000 in FY 23 for a new business registration transactions and documents system for the Department of Commerce and Consumer Affairs.

Government-Wide Support

- Reduces 60.50 FTE permanent and 5.39 FTE temporary positions which were unfunded in various Department of Accounting and General Services' (DAGS) programs.
- Reduces a total of \$11,584,545 and \$11,701,713 in FY 22 and FY 23, respectively, and 90.50 FTE permanent and 11.00 FTE temporary positions in both fiscal years. Includes the conversion of general-funded positions and funds for DAGS – Public Works (87.00 FTE permanent and 1.00 FTE temporary positions and \$5,962,321) and the Office of Enterprise Technology Services (10.00 FTE temporary positions and \$955,512) to G.O. bond-funded positions in the CIP budget.

- Reduces \$1,000,000 in FY 22 and FY 23 for the Department of the Attorney General’s litigation fund.
- Reduces 11.00 permanent general-funded positions, 3.00 temporary trust-funded positions, and \$6,270,940 in general funds in various programs in FY 22 and FY 23 for B&F.
- Reduces 14.00 unfunded permanent positions in FY 22 and FY 23 for the Work Force Attraction, Selection, Classification, and Effectiveness Program.
- Converts positions from general to special funds by reducing 5.00 permanent positions, 8.00 temporary positions and \$1,320,730 in both FY 22 and FY 23; and adds 5.00 permanent positions, 8.00 temporary positions and \$1,994,305 in special funds from the Tax Administration Special Fund in both FY 22 and FY 23.
- Adds \$3,033,382 in both FY 22 and FY 23 for maintenance and support for the Tax Modernization System.
- Reduces 60.00 permanent positions, 104.00 temporary positions and \$2,150,850 in FY 22 and 60.00 permanent positions, 104.00 temporary positions and \$2,347,536 in FY 23 in various Department of Taxation programs.

The Capital Improvements Program Budget

For the CIP budget, a total of \$1.236 billion in FY 22 and \$1.116 billion in FY 23 has been recommended. Of these amounts, the requests for G.O. bond funds total \$679.4 million and \$512.1 million, respectively.

The State’s fiscal prudence and financial strength in the past has allowed the State to maintain its credit quality during the pandemic. Going forward, it is critical that we prioritize essential CIP projects given the uncertain revenue situation

and evaluate which projects that could be deferred until revenues rebound and the full budgetary impact of pension and OPEB costs are absorbed.

This is necessary to limit debt service costs to preserve the State’s financial flexibility through the planning period and position the State to handle future economic shocks. As such, the Administration has made a conscientious effort to reduce the FB 2021-23 CIP budget request compared to the previous biennium. As such, we have requested a total of less than \$1.2 billion in G.O. bond funds for FY 22 and FY 23.

The requested projects are necessary to maintain and improve our State facilities and resources to allow our programs to better serve Hawai’i’s people. It makes good financial sense to invest now – while interest rates are low – to meet these priority needs. This will help reduce debt service costs while creating jobs and sustaining our construction industry.

Additional information on funding distribution by MOF and department may be found in the sections that follow.

The FB 2021-23 CIP requests support the following program areas (G.O. bond funds unless otherwise noted):

Economic Development

- Adds \$3,000,000 in FY 22 for the Agribusiness Development Corporation to implement agricultural infrastructure on O’ahu.
- Adds \$3,250,000 in FY 22 for the Lower Hamakua Ditch Watershed Project, Hawai’i.
- Adds \$3,000,000 in FY 22 for Miscellaneous Health, Safety, Code and Other Requirements, Statewide.
- Adds \$5,700,000 in FY 22 for Halawa Animal Industry Facility Improvements, O’ahu.

- Adds \$2,000,000 in both FY 22 and FY 23 for Planning for Transit-Oriented Development, Statewide.
- Adds \$20,000,000 in FY 23 for a Cash Infusion for the Dwelling Unit Revolving Fund, Statewide.
- Adds \$25,000,000 in FY 23 for a Cash Infusion for the Rental Housing Revolving Fund (RHRF), Statewide.
- Adds \$38,000,000 in both FY 22 and FY 23 for a Cash Infusion to Replace the Conveyance Tax Distribution to the RHRF due to the COVID-19 Emergency Proclamation, Statewide.
- Adds \$40,000,000 in FY 22 for a Cash Infusion for the RHRF for the Hawai'i Public Housing Authority School Street Senior Affordable Housing Project, O'ahu.

Transportation

- Adds \$15,000,000 in FY 22 and \$100,000,000 in FY 23 for Lihue Airport, Terminal Improvements, Kaua'i.
- Adds \$98,441,000 (\$98,440,000 in revenue bond funds and \$1,000 in federal funds) in FY 22 and \$21,208,000 (\$16,207,000 in revenue bond funds, \$1,000 in federal funds, and \$5,000,000 in private contributions) in FY 23 for Airfield Improvements, Statewide.
- Adds \$58,420,000 in other funds (passenger facility charges) in FY 22 and FY 23 for Airport Improvements, Statewide.
- Adds \$10,000,000 (\$9,988,000 in revenue bond funds, \$4,000 in special funds, \$4,000 in federal funds, and \$4,000 in private contributions) in FY 22 and \$63,000,000 (\$62,988,000 in revenue bond funds, \$4,000 in special

funds, \$4,000 in federal funds, and \$4,000 in private contributions) in FY 23 for Kahului Harbor Improvements, Maui.

- Adds \$10,000,000 (\$9,988,000 in revenue bond funds, \$4,000 in special funds, \$4,000 in federal funds, and \$4,000 in private contributions) in FY 22 and \$30,000,000 (\$29,988,000 in revenue bond funds, \$4,000 in special funds, \$4,000 in federal funds, and \$4,000 in private contributions) in FY 23 for Honolulu Harbor Improvements, O'ahu.
- Adds \$10,000,000 (\$9,988,000 in revenue bond funds, \$4,000 in special funds, \$4,000 in federal funds, and \$4,000 in private contributions) in FY 22 and \$30,000,000 (\$29,988,000 in revenue bond funds, \$4,000 in special funds, \$4,000 in federal funds, and \$4,000 in private contributions) in FY 23 for Kawaihae Harbor Improvements, Hawai'i.
- Adds \$41,500,000 (\$8,300,000 in revenue bond funds and \$33,200,000 in federal funds) in FY 22 and \$103,500,000 (\$20,700,000 in revenue bond funds and \$82,800,000 in federal funds) in FY 23 for Various Bridges, Statewide.
- Adds \$63,700,000 (\$14,800,000 in revenue bond funds and \$48,900,000 in federal funds) in FY 22 and \$14,800,000 (\$3,000,000 in revenue bond funds and \$11,800,000 in federal funds) in FY 23 for Highway Planning, Statewide.
- Adds \$20,500,000 (\$4,100,000 in revenue bond funds and \$16,400,000 in federal funds) in FY 22 for Vehicle to Everything Technology, Statewide.
- Adds \$15,000,000 (\$3,000,000 in revenue bond funds and \$12,000,000 in federal funds) in FY 22 for Rail Line Highway Improvements, O'ahu.

Environmental Protection

- Adds \$4,000,000 in both FY 22 and FY 23 for Watershed Protection and Initiatives, Statewide.

Health

- Adds \$2,462,000 and \$12,308,000 in federal funds in FY 22 and FY 23 for the Wastewater Treatment Revolving Fund for Pollution Control, Statewide.
- Adds \$2,202,000 and \$11,011,000 in federal funds in FY 22 and FY 23 for the Safe Drinking Water Revolving Fund, Statewide.
- Adds \$3,500,000 in FY 22 for HSH, Building Q, Replace Chillers and Related Improvements, O'ahu.
- Adds \$7,090,000 in FY 22 for Kalaupapa Settlement, Close Landfills, Moloka'i.
- Adds \$4,000,000 in FY 22 for DOH, Health and Safety, Statewide.
- Adds \$2,500,000 in FY 22 and \$3,000,000 in FY 23 for lump sum facility improvements and renovations to HHSC – Regions, O'ahu.
- Adds \$3,000,000 in FY 22 and \$5,000,000 in FY 23 for lump sum facility improvements and renovations to HHSC – Regions, Kaua'i.
- Adds \$8,000,000 in FY 22 and \$8,000,000 in FY 23 for lump sum facility improvements and renovations to HHSC – Regions, Hawai'i.
- Adds \$6,000,000 in FY 22 and \$6,000,000 in FY 23 for lump sum facility improvements and renovations to Maui Health System, Maui and Lāna'i.

Social Services

- Adds \$1,700,000 (\$500,000 in G.O. bonds and \$1,200,000 in other federal funds) in FY 22 and \$3,210,000 in other federal funds in FY 23 for West Hawai'i Veterans Cemetery Expansion and Improvements, Hawai'i.
- Adds \$20,000,000 in both FY 22 and FY 23 for DHHL lot development projects, Statewide.
- Adds \$5,000,000 in both FY 22 and FY 23 for repairs and maintenance to infrastructure within DHHL subdivisions, Statewide.
- Adds \$10,000,000 in FY 22 and FY 23 for public housing development, improvements, and renovations, Statewide.

Formal Education

Public School System

- Adds \$81,500,000 in FY 22 and \$103,150,000 for FY 23 for Lump Sum – Deferred Maintenance Projects, Statewide.
- Adds \$25,000,000 in FY 22 and FY 23 for Lump Sum – Project Completion, Statewide.
- Adds \$13,500,000 in FY 22 for Lump Sum – Support, Statewide.
- Adds \$10,000,000 in FY 22 and FY 23 for Lump Sum – Health and Safety, Statewide.
- Adds \$8,200,000 in FY 22 for Lump Sum – Compliance, Statewide.
- Adds \$6,800,000 in FY 22 and \$2,850,000 for FY 23 for Lump Sum – Instructional, Statewide.

- Adds \$5,000,000 in FY 22 and FY 23 for Lump Sum – Office of Information Technology Services, Statewide.
- Adds \$4,000,000 in FY 23 for Lump Sum – Capacity, Statewide.

Public Library System

- Adds \$5,000,000 in FY 22 and FY 23 for Health and Safety, Statewide.

University System

- Adds \$48,500,000 in FY 22 and \$80,000,000 in FY 23 for System, Renew, Improve and Modernize, Statewide.
- Adds \$60,000,000 in FY 22 for Mānoa Mini Master Plan Phase 2, O‘ahu.
- Adds \$15,000,000 in FY 22 and \$25,000,000 in FY 23 for Community Colleges, Capital Renewal and Deferred Maintenance, Statewide.
- Adds \$10,000,000 in FY 22 and \$15,000,000 in FY 23 for UH Hilo, Renew, Improve and Modernize, Hawai‘i
- Adds \$15,000,000 in FY 22 for Community Colleges, Honolulu Technology Renovations, O‘ahu.

Culture and Recreation

- Adds \$6,000,000 (\$5,500,000 in G.O. bonds and \$500,000 in federal funds) in both FY 22 and FY 23 for State Parks Infrastructure and Park Improvements, Lump Sum, Statewide.

Public Safety

- Adds \$3,000,000 in FY 22 and FY 23 to Retrofit Public Buildings with Hurricane Protective Measures, Statewide.
- Adds \$2,500,000 in FY 22 and FY 23 for Disaster Warning and Communications Devices, Statewide.
- Adds \$35,000,000 in FY 22 for Halawa Correctional Facility, Consolidated Health Care Unit, O‘ahu.
- Adds \$30,000,000 in FY 22 and \$10,000,000 in FY 23 for various lump sum CIP projects to provide major repairs, upgrades, improvements to comply with Americans with Disabilities Act standards, and deferred maintenance to PSD facilities, Statewide.
- Adds \$6,000,000 in FY 22 for PSD Sheriffs Relocation – Keawe Station to Kalanimoku Building, O‘ahu.
- Adds \$5,000,000 in FY 22 for O‘ahu Community Correctional Center – Laumaka Work Furlough Center Infrastructure Repairs, Renovation and Improvements, O‘ahu.
- Re-appropriates lapsed funds of \$12,968,000 in FY 22 to provide additional funding for PSD Medium Security Housing at Hawai‘i Community Correctional Center and Maui Community Correctional Center, and Other Housing Improvements, Statewide.

Government-Wide Support

- Adds \$10,141,000 in FY 22 and FY 23 for CIP Staff Costs, Statewide. Project covers staff costs for 87.00 FTE permanent and 1.00 FTE temporary positions in the Public Works program, which were formerly funded by general funds in the operating budget.

- Adds \$20,000,000 in FY 22 for Lump Sum Maintenance of Existing Facilities, Public Works Division, Statewide.
- Adds \$4,700,000 in FY 22 and \$2,000,000 in FY 23 for Lump Sum Health and Safety, Information and Communication Services Division, Statewide.
- Adds \$17,500,000 in FY 22 and \$12,500,000 in FY 23 for State Capitol Building, Rehabilitation of Chambers/Parking Level Waterproofing System, O'ahu.
- Adds \$3,150,000 in FY 22 for Waikīkī Master Plan Improvements, O'ahu.
- Adds \$3,000,000 in special funds in FY 22 for Hawai'i District Land Office Renovation, Hawai'i.
- Adds \$3,400,000 in special funds in FY 22 for acquisitions of Haloa Aina and Hoomau Forest conservation easements and Hawai'i Koa Forest, Hawai'i.

STRENGTH THROUGH ADVERSITY

It took many years for the State and the nation to recover from economic shocks of lesser magnitude, such as September 11th and the Great Recession. This worldwide health crisis adds levels of complexity that increase the uncertainty and, perhaps, the time needed for recovery.

This pandemic has caused us to take a step back to refocus and recognize what is truly important to us. We must be personally responsible because our lives – and those of our family and friends – depend on it. We must care for our kūpuna and the most vulnerable.

We are making progress towards managing the pandemic in the islands. We are at the point where we can begin taking greater steps towards reviving our economy and strengthening

our communities. The availability of vaccines to prevent COVID-19 and promising new treatment options bring hope that we will recover from this pandemic.

Together, we can get through this. We must draw on the resiliency and foresight of our ancestors and work to rebuild the lives of Hawai'i's people and strive to make them better than before. Adversity often brings out the best in us, the strength and ingenuity that we did not know we had.

We have a unique opportunity to reshape Hawai'i for the future and make it stronger and more resilient. Like our parents and grandparents, we want the best for our families. There is no limit to what we can accomplish when we work towards a common goal.

It may not be easy, but we are committed. Now more than ever, we must do the right thing, the right way, for the right reasons.

Sincerely,



DAVID Y. IGE
Governor of Hawai'i

APPENDIX TO THE GOVERNOR'S MESSAGE

A. THE EXECUTIVE BUDGET RECOMMENDATIONS

The Operating Budget

All Means of Financing

For FB 2021-23, total operating budget requests from all sources of funding amount to \$15.417 billion in FY 22 and \$15.521 billion in FY 23, resulting in decreases of 1.8% and 1.1%, respectively.

<u>Means of Financing</u>	<u>FY 21* Appropriation (\$million)</u>	<u>FY 22 Request (\$million)</u>	<u>FY 23 Request (\$million)</u>
General Funds	8,047.9	7,686.0	7,798.3
Special Funds	3,639.2	3,370.1	3,453.3
Federal Funds	2,825.0	3,091.6	3,021.5
Other Federal Funds	198.3	220.3	199.3
Private Contributions	0.9	0.9	0.9
County Funds	2.2	2.2	2.2
Trust Funds	433.8	433.8	433.8
Interdept. Transfers	76.5	79.1	79.1
Revolving Funds	450.6	514.0	514.0
Other Funds	<u>18.7</u>	<u>18.8</u>	<u>18.9</u>
Total	15,693.2	15,416.7**	15,521.3
Decrease under FY 21		-276.4	-171.8
Percentage decrease		-1.8%	-1.1%

* - Includes FY 21 appropriations from Act 5, SLH 2019, as amended by Act 7, SLH 2020, and Act 9, SLH 2020, including transfers pursuant to Section 44 of Act 5, as amended by Act 7, SLH 2020, and Act 9, SLH 2020.

** - Total differs due to rounding.

The decreases are primarily due to suspension of prefunding for OPEB, program review reductions for general-funded programs, and reduced retirement benefit payments, which are offset by escalating other non-discretionary costs (general funds for debt service; health premium payments; and federal and general funds for Medicaid). Also contributing are adjustments made for transportation.

General Fund

Total requests for general funds amount to \$7.686 billion in FY 22 and \$7.798 billion in FY 23, which represents a decrease of \$361.9 million (4.5%) in the first year and \$249.6 million (3.1%) in the second year over the FY 21 appropriation level (includes FY 21 appropriations from Act 5, SLH 2019, as amended by Act 7, SLH 2020, and Act 9, SLH 2020, including transfers pursuant to Section 44 of Act 5, as amended by Act 7, SLH 2020, and Act 9, SLH 2020).

Increased non-discretionary requests (debt service, health premium payments, and Medicaid) are offset by decreases due to suspension of prefunding for OPEB, program review reductions, and reduced retirement benefit payments.

Net new general fund requests by budget request category include (does not include general fund ceiling):

FY 22

<u>Category</u>	<u>FY 22 Perm Positions (FTE)</u>	<u>FY 22 Temp Positions (FTE)</u>	<u>FY 22 Request (\$million)</u>
Trade-Off/Transfer	-11.00	-	-
Non-Discretionary	-	-	-124.5
Other Requests	-364.78	-172.66	91.5
Program Review	<u>-431.57</u>	<u>-62.15</u>	<u>-347.8</u>
Total	-807.35	-234.81	-380.8

FY 23

<u>Category</u>	<u>FY 23 Perm Positions (FTE)</u>	<u>FY 23 Temp Positions (FTE)</u>	<u>FY 23 Request (\$million)</u>
Trade-Off/Transfer	-11.00	-	-
Non-Discretionary	-	-	-8.8
Other Requests	-364.78	-176.66	94.5
Program Review	<u>-431.57</u>	<u>-62.15</u>	<u>-350.3</u>
Total	-807.35	-238.81	-264.5*

* - Total differs due to rounding.

The Capital Improvement Program Budget

For FB 2021-23, total requests for capital improvements amount to \$1.236 billion in FY 22 and \$1.116 billion in FY 23, to be funded from the following sources:

<u>Means of Financing</u>	<u>FY 22 Request (\$million)</u>	<u>FY 23 Request (\$million)</u>
General Funds	-	-
Special Funds	25.4	7.0
G.O. Bonds	679.4	512.1
G.O. Reimbursable	-	-
Revenue Bonds	312.5	428.1
Federal Funds	159.3	160.7
Other Federal Funds	1.2	3.2
Private Contributions	-	5.0
County Funds	-	-
Trust Funds	-	-
Interdept. Transfers	-	-
Revolving Funds	-	-
Other Funds	<u>58.6</u>	<u>0.2</u>
Total	1,236.3*	1,116.3

* - Total differs due to rounding.

B. THE GENERAL FUND EXPENDITURE CEILING

By law, general fund appropriations must comply with the expenditure ceiling requirements that are set forth in Section 9 of Article VII of the State Constitution and Section 37-92 of the Hawai'i Revised Statutes (HRS).

At the aggregate level that includes all branches of government, the total proposed appropriations from the general fund are within the expenditure ceilings for FY 21 through FY 23.

For the Executive Branch, the total proposed appropriations from the general fund (which include emergency appropriations for FY 21, the Executive Biennium Budget for FB 2021-23 and other specific appropriation measures to be submitted) exceed the appropriation ceiling by \$79.3 million (or 0.9%) in FY 21 but are within the expenditure ceilings for FY 22 and FY 23. In FY 21, the excess is due to the costs of COVID-19-related expenses, differentials for classroom teachers, support of education, public safety operational requirements, and critical operational needs.

C. TAX REFUND OR CREDIT AND DEPOSIT TO THE EMERGENCY AND BUDGET RESERVE FUND

Article VII, Section 6, of the Hawai'i State Constitution, requires that whenever the State general fund balance at the close of each of two successive fiscal years exceed 5% of general fund revenues for each of the two fiscal years, the Legislature must provide for a tax refund or tax credit to the taxpayers of the State or make a deposit into one or more emergency funds, as provided by law.

Section 328L-3, HRS, provides that whenever general fund revenues for each of two successive fiscal years exceed revenues for each of the preceding fiscal years by 5%, 5% of the general fund balance shall be deposited into the EBRF.

For FYs 19 and 20, the general fund balances were greater than 5% of general fund revenues. It is noted that the FY 20 general fund balance was adjusted to include certain transactions that were authorized for FY 20 but processed in FY 21. Due to a combination of timing issues with enactment of various laws and accounting system limitations, certain items were processed in FY 21 but for the purposes of the general fund financial plan have been reflected as authorized in FY 20.

Although the general fund balance exceeded 5% of general fund revenues for FYs 19 and 20, FYs 19 and 20 general fund revenues did not exceed the respective previous years' (FYs 18 and 19) general fund revenues by more than 5%.

Accordingly, the 2021 Legislature must provide for a tax refund or tax credit or make a deposit into one or more funds that serve as temporary supplemental sources of funding in times of emergency, economic downturn, or unforeseen reduction in revenues, or appropriate general funds for the prepayment of either or both of 1) debt service or 2) pension or OPEB liabilities.

D. THE DEBT LIMIT

Section 13 of Article VII of the Hawai'i State Constitution places a debt limit on G.O. bonds that may be issued by the State. It has been determined that the total amount of principal and interest calculated on: a) all bonds issued and outstanding; b) all bonds authorized and unissued; and c) all bonds proposed in the Executive Supplemental Budget (including State guaranties) will not cause the debt limit to be exceeded at the time of each bond issuance.

BUDGET IN BRIEF
The FB 2019-21 Executive Biennium Budget

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The Operating and Capital Budget - Statewide Summaries

MULTI-YEAR FINANCIAL SUMMARY
GENERAL FUND
FISCAL YEARS 20 - 27
(in millions of dollars)

	Adj. Actual*	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>
REVENUES:								
Executive Branch:	-6.3%	-11.0%	8.5%	6.0%	4.0%	3.0%	3.0%	3.0%
Tax revenues	6,694.7	5,958.4	6,464.8	6,852.7	7,126.8	7,340.6	7,560.9	7,787.7
Nontax revenues	914.2	649.5	664.3	673.6	693.0	708.4	789.3	789.3
Judicial Branch revenues	28.2	27.2	27.2	27.2	27.2	27.2	27.2	27.2
Other revenues	648.0	1,027.8	221.8	153.7	163.7	154.8	156.0	157.2
TOTAL REVENUES	8,285.1	7,662.9	7,378.2	7,707.3	8,010.7	8,231.1	8,533.4	8,761.5
EXPENDITURES								
Executive Branch:								
Operating	8,024.0	8,047.9	7,686.0	7,798.3	7,928.2	8,062.9	8,643.0	8,593.7
CIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Specific appropriation/CB	139.3	184.1	5.9	5.9	5.9	5.9	5.9	5.9
Other expenditures/adjustments	0.2	(196.3)	(84.3)	(272.6)	(272.6)	(21.2)	5.0	5.0
Sub-total - Exec Branch	8,163.5	8,035.7	7,607.6	7,531.6	7,661.6	8,047.6	8,653.9	8,604.6
Legislative Branch	42.6	42.5	42.5	42.5	42.5	42.5	42.5	42.5
Judicial Branch	172.2	163.0	164.0	164.0	164.0	164.0	164.0	164.0
Judicial Branch adjustments	0.0	0.0	(8.9)	(8.9)	(8.9)	(0.6)	0.0	0.0
OHA	3.1	-	3.0	3.0	3.0	3.0	3.0	3.0
Counties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lapses	(346.9)	(80.0)	(80.0)	(80.0)	(80.0)	(80.0)	(80.0)	(80.0)
TOTAL EXPENDITURES	8,034.5	8,161.1	7,728.3	7,652.2	7,782.2	8,176.5	8,783.4	8,734.1
REV. OVER (UNDER) EXPEND.	250.6	(498.2)	(350.1)	55.1	228.5	54.6	(250.0)	27.3
CARRY-OVER BALANCE (DEFICIT)								
Beginning	752.1	1,002.7	504.5	154.3	209.4	437.9	492.5	242.5
Ending	1,002.7	504.5	154.3	209.4	437.9	492.5	242.5	269.9
<hr style="border-top: 1px dashed black;"/>								
EBRF (added \$308M & appropriated \$648M out in FY20)	58.9	63.7	68.3	73.0	77.3	81.3	85.1	89.0
EBRF fund balance as % of prior yr revenues	0.74%	0.77%	0.89%	0.99%	1.00%	1.01%	1.03%	1.04%

* unaudited

Notes: Due to rounding, details may not add to totals. It is noted that the FY 20 general fund balance was adjusted to include certain transactions that were authorized for FY 20 but processed in FY 21. Due to a combination of timing issues with enactment of various laws and accounting system limitations, certain items were processed in FY 21 but for the purposes of the general fund financial plan have been reflected as authorized in FY 20.

**FB 21-23 Operating Budget
Statewide Totals by Means of Financing**

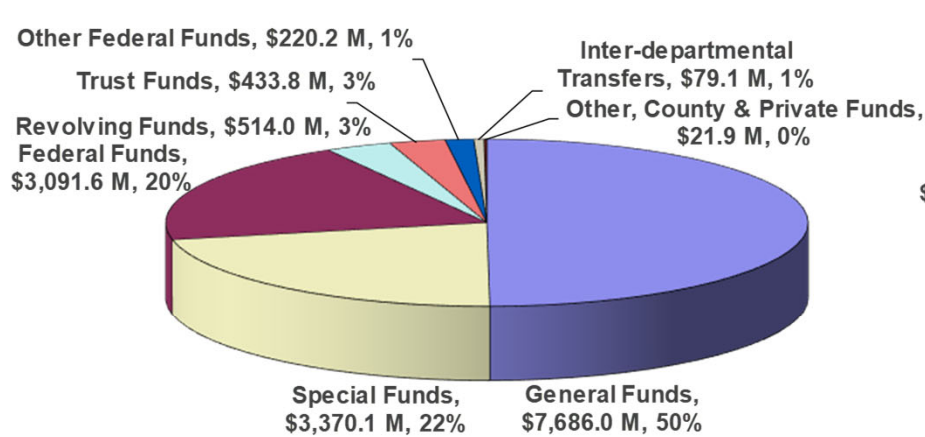
		Budget Base*	% of	Budget Base*	% of	FY 2022	% of	FY 2023	% of
		FY 2022	Total	FY 2023	Total		Total		Total
General Funds	perm	35,343.20		35,343.20		34,535.85		34,535.85	
	temp	2,696.02		2,696.02		2,461.21		2,457.21	
	\$	8,066,760,502	52.4%	8,062,808,302	52.3%	7,685,972,117	49.9%	7,798,266,153	50.2%
Special Funds	perm	7,318.68		7,318.68		7,432.33		7,432.33	
	temp	150.25		150.25		166.47		166.47	
	\$	3,334,235,257	21.6%	3,334,235,257	21.6%	3,370,064,057	21.9%	3,453,281,161	22.2%
Federal Funds	perm	2,362.14		2,362.14		2,351.90		2,351.90	
	temp	365.25		365.25		335.85		335.85	
	\$	2,823,958,456	18.3%	2,823,958,456	18.3%	3,091,605,738	20.1%	3,021,549,373	19.5%
Other Federal Funds	perm	416.20		416.20		421.60		421.60	
	temp	274.14		274.14		241.14		241.14	
	\$	198,268,280	1.3%	198,268,280	1.3%	220,274,752	1.4%	199,266,479	1.3%
Private Contributions	perm	-		-		-		-	
	temp	-		-		-		-	
	\$	904,067	0.0%	904,067	0.0%	903,067	0.0%	903,067	0.0%
County Funds	perm	20.00		20.00		20.00		20.00	
	temp	3.00		3.00		3.00		3.00	
	\$	2,209,721	0.0%	2,209,721	0.0%	2,209,721	0.0%	2,209,721	0.0%
Trust Funds	perm	88.00		88.00		89.50		89.50	
	temp	15.00		15.00		11.00		11.00	
	\$	433,533,393	2.8%	433,533,393	2.8%	433,828,743	2.8%	433,828,743	2.8%
Interdepartmental Transfers	perm	252.56		252.56		264.60		264.60	
	temp	57.50		57.50		61.60		61.60	
	\$	77,873,174	0.5%	77,873,174	0.5%	79,105,956	0.5%	79,105,956	0.5%
Revolving Funds	perm	337.90		337.90		359.60		359.60	
	temp	129.50		129.50		131.50		131.50	
	\$	452,132,768	2.9%	452,132,768	2.9%	513,955,507	3.3%	514,017,684	3.3%
Other Funds	perm	111.00		111.00		111.00		111.00	
	temp	2.00		2.00		2.00		2.00	
	\$	18,823,939	0.1%	18,887,939	0.1%	18,823,939	0.1%	18,887,939	0.1%
TOTAL REQUIREMENTS	perm	46,249.68		46,249.68		45,586.38		45,586.38	
	temp	3,692.66		3,692.66		3,413.77		3,409.77	
	\$	15,408,699,557	100.0%	15,404,811,357	100.0%	15,416,743,597	100.0%	15,521,316,276	100.0%

*The FYs 22 and 23 Budget Bases reflect FY 21 appropriations from Act 5, SLH 2019, as amended by Act 7, SLH 2020, and Act 9, SLH 2020; and including appropriation and position ceiling transfers from other departmental budget acts as approved by the Governor pursuant to Section 44 of Act 5, SLH 2019, as amended by Act 7, SLH 2020, and Act 9, SLH 2020, on June 19, 2019, collective bargaining (except federal and other federal funds) and specific recurring costs, and minus non-recurring expense adjustments.

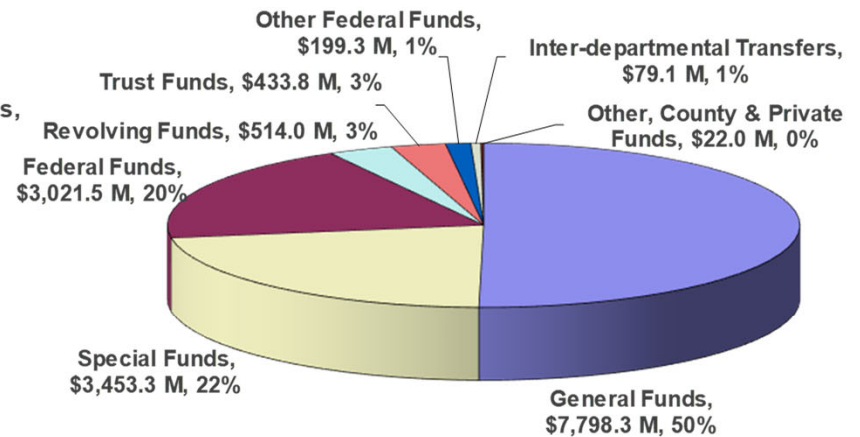
FB 21-23 Operating Budget Statewide Totals by Means of Financing

FY 2022

FY 2023



Total \$15.42 B



Total \$15.52 B

**FB 21-23 Operating Budget
Statewide Totals By Department - All Funds**

		Budget Base*	% of	Budget Base*	% of	% of	FY 2023	% of	
		FY 2022	Total	FY 2023	Total	FY 2022	Total	Total	
	perm	812.00		812.00		663.00		663.00	
	temp	43.44		43.44		25.05		21.05	
Accounting & General Svcs	\$	189,636,269	1.2%	189,349,069	1.2%	179,773,244	1.2%	175,981,676	1.1%
	perm	350.00		350.00		308.00		308.00	
	temp	33.00		33.00		33.00		33.00	
Agriculture	\$	52,162,118	0.3%	52,162,118	0.3%	53,649,296	0.3%	52,276,098	0.3%
	perm	674.78		674.78		684.78		684.78	
	temp	63.72		63.72		62.72		62.72	
Attorney General	\$	103,678,464	0.7%	103,678,464	0.7%	101,483,588	0.7%	101,612,568	0.7%
	perm	168.00		168.00		154.00		154.00	
	temp	147.00		147.00		144.00		144.00	
Business, Econ. Dev. & Tourism	\$	287,022,373	1.9%	287,022,373	1.9%	286,932,989	1.9%	286,645,520	1.8%
	perm	381.50		381.50		370.50		370.50	
	temp	5.00		5.00		2.00		2.00	
Budget and Finance	\$	3,564,546,684	23.1%	3,564,610,684	23.1%	3,416,404,146	22.2%	3,514,332,712	22.6%
	perm	521.00		521.00		522.00		522.00	
	temp	26.00		26.00		19.00		19.00	
Commerce & Consumer Affairs	\$	89,397,564	0.6%	89,397,564	0.6%	93,821,564	0.6%	90,997,564	0.6%
	perm	267.00		267.00		258.00		258.00	
	temp	211.00		211.00		152.50		152.50	
Defense	\$	107,564,912	0.7%	107,564,912	0.7%	104,727,293	0.7%	104,727,293	0.7%
	perm	20,164.25		20,164.25		20,103.75		20,103.75	
	temp	2,145.00		2,145.00		2,137.00		2,137.00	
Education	\$	2,074,068,703	13.5%	2,074,068,703	13.5%	1,908,739,015	12.4%	1,908,739,015	12.3%
	perm	24.00		24.00		28.00		28.00	
	temp	-		-		-		-	
Charter Schools	\$	111,426,636	0.7%	111,426,636	0.7%	99,677,897	0.6%	99,677,897	0.6%
	perm	561.50		561.50		561.50		561.50	
	temp	1.00		1.00		1.00		1.00	
Public Libraries	\$	42,489,320	0.3%	42,489,320	0.3%	38,943,511	0.3%	38,923,511	0.3%
	perm	23.00		23.00		23.00		23.00	
	temp	23.00		23.00		23.00		23.00	
Governor	\$	4,183,002	0.0%	4,183,002	0.0%	4,249,002	0.0%	4,196,002	0.0%
	perm	204.00		204.00		185.00		185.00	
	temp	2.00		2.00		2.00		2.00	
Hawaiian Home Lands	\$	47,812,114	0.3%	47,812,114	0.3%	54,812,114	0.4%	54,812,114	0.4%
	perm	2,747.27		2,747.27		2,616.97		2,616.97	
	temp	400.75		400.75		393.75		393.75	
Health	\$	1,048,907,754	6.8%	1,048,907,754	6.8%	1,102,816,891	7.2%	1,101,576,714	7.1%

**FB 21-23 Operating Budget
Statewide Totals By Department - All Funds**

		Budget Base*	% of	Budget Base*	% of	FY 2022	% of	FY 2023	% of
		FY 2022	Total	FY 2023	Total		Total		Total
	perm	2,835.25		2,835.25		2,835.25		2,835.25	
	temp	-		-		-		-	
HHSC	\$	733,643,271	4.8%	730,981,271	4.7%	769,549,271	5.0%	766,887,271	4.9%
	perm	105.00		105.00		88.00		88.00	
	temp	-		-		-		-	
Human Resources Development	\$	26,047,137	0.2%	26,047,137	0.2%	26,365,912	0.2%	26,418,487	0.2%
	perm	2,275.75		2,275.75		2,207.75		2,207.75	
	temp	115.00		115.00		108.00		108.00	
Human Services	\$	3,660,806,442	23.8%	3,659,803,442	23.8%	3,947,144,063	25.6%	3,898,312,034	25.1%
	perm	549.55		549.55		523.55		523.55	
	temp	80.50		80.50		74.50		74.50	
Labor and Industrial Relations	\$	466,961,357	3.0%	466,961,357	3.0%	471,948,782	3.1%	471,948,782	3.0%
	perm	928.00		928.00		900.50		900.50	
	temp	89.00		89.00		35.00		35.00	
Land and Natural Resources	\$	159,811,958	1.0%	159,811,958	1.0%	179,911,443	1.2%	161,000,945	1.0%
	perm	3.00		3.00		3.00		3.00	
	temp	10.00		10.00		8.00		8.00	
Lieutenant Governor	\$	955,793	0.0%	955,793	0.0%	955,793	0.0%	955,793	0.0%
	perm	2,782.60		2,782.60		2,743.60		2,743.60	
	temp	46.00		46.00		46.00		46.00	
Public Safety	\$	291,345,291	1.9%	291,345,291	1.9%	300,204,917	1.9%	298,867,052	1.9%
	perm	-		-		-		-	
	temp	-		-		-		-	
Subsidies	\$	-	0.0%	-	0.0%	-	0.0%	-	0.0%
	perm	401.00		401.00		335.00		335.00	
	temp	130.00		130.00		26.00		26.00	
Taxation	\$	30,257,312	0.2%	30,257,312	0.2%	31,813,867	0.2%	31,617,181	0.2%
	perm	2,794.00		2,794.00		2,794.00		2,794.00	
	temp	13.00		13.00		13.00		13.00	
Transportation	\$	1,066,023,418	6.9%	1,066,023,418	6.9%	1,065,745,414	6.9%	1,153,736,462	7.4%
	perm	6,677.23		6,677.23		6,677.23		6,677.23	
	temp	108.25		108.25		108.25		108.25	
University of Hawaii	\$	1,249,951,665	8.1%	1,249,951,665	8.1%	1,177,073,585	7.6%	1,177,073,585	7.6%
	perm	46,249.68		46,249.68		45,586.38		45,586.38	
	temp	3,692.66		3,692.66		3,413.77		3,409.77	
TOTAL REQUIREMENTS	\$	15,408,699,557	100.0%	15,404,811,357	100.0%	15,416,743,597	100.0%	15,521,316,276	100.0%

*The FYs 22 and 23 Budget Bases reflect FY 21 appropriations from Act 5, SLH 2019, as amended by Act 7, SLH 2020, and Act 9, SLH 2020; and including appropriation and position ceiling transfers from other departmental budget acts as approved by the Governor pursuant to Section 44 of Act 5, SLH 2019, as amended by Act 7, SLH 2020, and Act 9, SLH 2020, on June 19, 2019, collective bargaining (except federal and other federal funds) and specific recurring costs, and minus non-recurring expense adjustments.

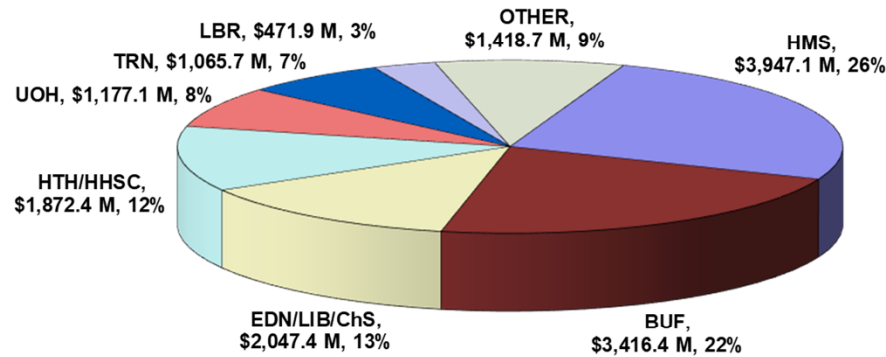
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FB 21-23 Operating Budget

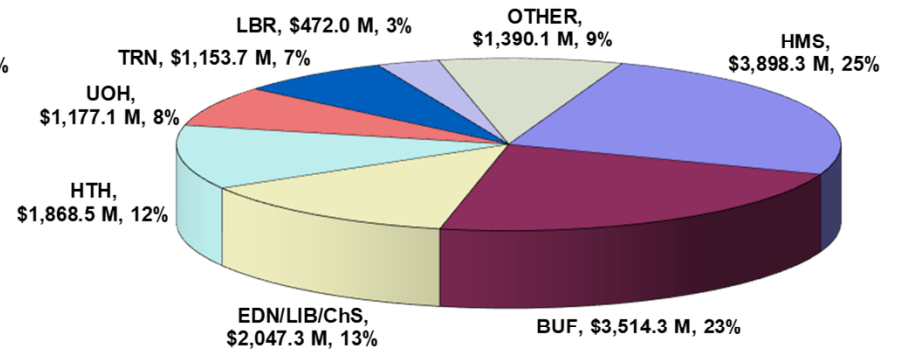
Statewide Totals by Department - All Funds

FY 2022

FY 2023



Total \$15.42 B



Total \$15.52 B

**FB 21-23 Operating Budget
Statewide Totals By Department - General Funds**

		Budget Base*	% of	Budget Base*	% of	% of	% of	% of
		FY 2022	Total	FY 2023	Total	FY 2022	FY 2023	Total
	perm	652.50		652.50		503.50	503.50	
	temp	36.44		36.44		18.05	14.05	
Accounting & General Svcs	\$	107,234,856	1.3%	106,947,656	1.3%	98,037,511	94,245,943	1.2%
	perm	201.68		201.68		137.68	137.68	
	temp	2.00		2.00		1.00	1.00	
Agriculture	\$	13,830,326	0.2%	13,830,326	0.2%	12,770,622	11,970,622	0.2%
	perm	355.14		355.14		348.80	348.80	
	temp	23.36		23.36		22.54	22.54	
Attorney General	\$	35,791,466	0.4%	35,791,466	0.4%	31,471,466	31,449,466	0.4%
	perm	105.00		105.00		86.00	86.00	
	temp	36.00		36.00		24.00	24.00	
Business, Econ. Dev. & Tourism	\$	15,931,926	0.2%	15,931,926	0.2%	12,532,910	12,325,441	0.2%
	perm	201.50		201.50		190.50	190.50	
	temp	-		-		-	-	
Budget and Finance	\$	3,143,622,877	39.0%	3,143,622,877	39.0%	2,995,280,339	3,093,144,905	39.7%
	perm	-		-		-	-	
	temp	-		-		-	-	
Commerce & Consumer Affairs	\$	-	0.0%	-	0.0%	-	-	0.0%
	perm	163.00		163.00		156.00	156.00	
	temp	79.75		79.75		53.25	53.25	
Defense	\$	23,501,254	0.3%	23,501,254	0.3%	23,225,501	23,225,501	0.3%
	perm	19,410.75		19,410.75		19,350.25	19,350.25	
	temp	2,005.50		2,005.50		1,997.50	1,997.50	
Education	\$	1,700,873,653	21.1%	1,700,873,653	21.1%	1,535,543,965	1,535,543,965	19.7%
	perm	17.12		17.12		21.12	21.12	
	temp	-		-		-	-	
Charter Schools	\$	104,584,636	1.3%	104,584,636	1.3%	92,835,897	92,835,897	1.2%
	perm	561.50		561.50		561.50	561.50	
	temp	1.00		1.00		1.00	1.00	
Public Libraries	\$	37,124,076	0.5%	37,124,076	0.5%	33,578,267	33,558,267	0.4%
	perm	23.00		23.00		23.00	23.00	
	temp	23.00		23.00		23.00	23.00	
Governor	\$	4,183,002	0.1%	4,183,002	0.1%	4,249,002	4,196,002	0.1%
	perm	200.00		200.00		181.00	181.00	
	temp	-		-		-	-	
Hawaiian Home Lands	\$	15,928,344	0.2%	15,928,344	0.2%	15,928,344	15,928,344	0.2%
	perm	2,264.06		2,264.06		2,089.22	2,089.22	
	temp	173.00		173.00		162.00	162.00	
Health	\$	495,678,195	6.1%	495,678,195	6.1%	482,395,205	487,233,421	6.2%

**FB 21-23 Operating Budget
Statewide Totals By Department - General Funds**

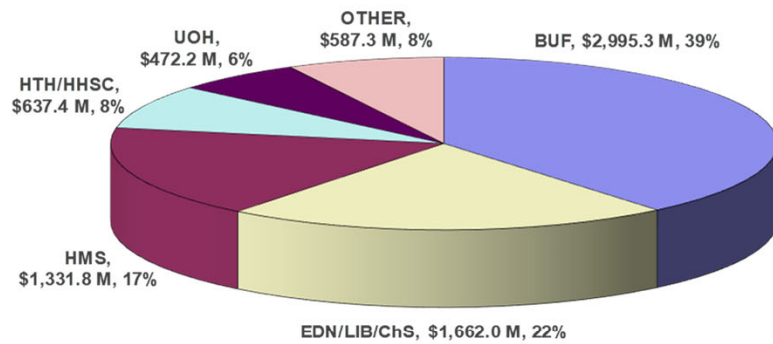
		Budget Base*	% of	Budget Base*	% of	FY 2022	% of	FY 2023	% of
		FY 2022	Total	FY 2023	Total		Total		Total
	perm	-		-		-		-	
	temp	-		-		-		-	
HHSC	\$	119,086,003	1.5%	116,424,003	1.4%	154,992,003	2.0%	152,330,003	2.0%
	perm	103.00		103.00		86.00		86.00	
	temp	-		-		-		-	
Human Resources Development	\$	20,181,003	0.3%	20,181,003	0.3%	20,499,778	0.3%	20,552,353	0.3%
	perm	1,140.82		1,140.82		1,073.40		1,073.40	
	temp	20.60		20.60		19.00		19.00	
Human Services	\$	1,308,171,100	16.2%	1,307,168,100	16.2%	1,331,785,593	17.3%	1,350,561,862	17.3%
	perm	191.11		191.11		165.11		165.11	
	temp	14.12		14.12		10.12		10.12	
Labor and Industrial Relations	\$	17,034,897	0.2%	17,034,897	0.2%	14,863,348	0.2%	14,863,348	0.2%
	perm	616.00		616.00		536.75		536.75	
	temp	52.00		52.00		14.50		14.50	
Land and Natural Resources	\$	66,387,293	0.8%	66,387,293	0.8%	54,452,975	0.7%	54,305,973	0.7%
	perm	3.00		3.00		3.00		3.00	
	temp	10.00		10.00		8.00		8.00	
Lieutenant Governor	\$	955,793	0.0%	955,793	0.0%	955,793	0.0%	955,793	0.0%
	perm	2,684.60		2,684.60		2,644.60		2,644.60	
	temp	-		-		-		-	
Public Safety	\$	263,246,891	3.3%	263,246,891	3.3%	272,076,517	3.5%	270,738,652	3.5%
	perm	-		-		-		-	
	temp	-		-		-		-	
Subsidies	\$	-	0.0%	-	0.0%	-	0.0%	-	0.0%
	perm	401.00		401.00		330.00		330.00	
	temp	117.00		117.00		5.00		5.00	
Taxation	\$	26,690,196	0.3%	26,690,196	0.3%	26,252,446	0.3%	26,055,760	0.3%
	perm	-		-		-		-	
	temp	-		-		-		-	
Transportation	\$	-	0.0%	-	0.0%	-	0.0%	-	0.0%
	perm	6,048.42		6,048.42		6,048.42		6,048.42	
	temp	102.25		102.25		102.25		102.25	
University of Hawaii	\$	546,722,715	6.8%	546,722,715	6.8%	472,244,635	6.1%	472,244,635	6.1%
	perm	35,343.20		35,343.20		34,535.85		34,535.85	
	temp	2,696.02		2,696.02		2,461.21		2,457.21	
TOTAL REQUIREMENTS	\$	8,066,760,502	100.0%	8,062,808,302	100.0%	7,685,972,117	100.0%	7,798,266,153	100.0%

*The FYs 22 and 23 Budget Bases reflect FY 21 appropriations from Act 5, SLH 2019, as amended by Act 7, SLH 2020, and Act 9, SLH 2020; and including appropriation and position ceiling transfers from other departmental budget acts as approved by the Governor pursuant to Section 44 of Act 5, SLH 2019, as amended by Act 7, SLH 2020, and Act 9, SLH 2020, on June 19, 2019, collective bargaining (except federal and other federal funds) and specific recurring costs, and minus non-recurring expense adjustments.

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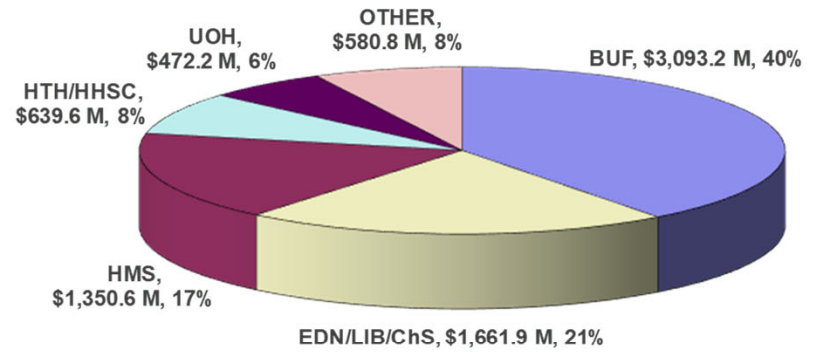
FB 21-23 Operating Budget Statewide Totals by Department - General Fund

FY 2022



Total \$7.69 B

FY 2023



Total \$7.80 B

FY 22 Operating Budget
Statewide Position Ceiling Totals By Department By Means of Financing

		General	Special	Federal	Other Fed	Private	County	Trust	Inter-Dept	Revolving	Other	Total
		Fund	Funds	Funds	Funds	Contrib	Funds	Funds	Trsfs	Funds	Funds	by Dept
	Perm	503.50	63.50	5.00	-	-	-	-	42.00	49.00	-	663.00
	Temp	18.05	5.00	1.00	-	-	-	1.00	-	-	-	25.05
Accounting & General Services	Total	521.55	68.50	6.00	-	-	-	1.00	42.00	49.00	-	688.05
	Perm	137.68	142.82	-	2.00	-	-	-	-	25.50	-	308.00
	Temp	1.00	1.00	-	6.00	-	-	-	-	25.00	-	33.00
Agriculture	Total	138.68	143.82	-	8.00	-	-	-	-	50.50	-	341.00
	Perm	348.80	28.40	-	157.38	-	-	0.50	117.60	32.10	-	684.78
	Temp	22.54	0.22	5.70	2.66	-	-	-	30.60	1.00	-	62.72
Attorney General	Total	371.34	28.62	5.70	160.04	-	-	0.50	148.20	33.10	-	747.50
	Perm	86.00	21.00	5.00	-	-	-	-	-	42.00	-	154.00
	Temp	24.00	64.00	5.00	9.00	-	-	-	-	42.00	-	144.00
Business, Econ. Dev. & Tourism	Total	110.00	85.00	10.00	9.00	-	-	-	-	84.00	-	298.00
	Perm	190.50	-	-	-	-	-	69.00	-	-	111.00	370.50
	Temp	-	-	-	-	-	-	-	-	-	2.00	2.00
Budget and Finance	Total	190.50	-	-	-	-	-	69.00	-	-	113.00	372.50
	Perm	-	514.00	-	-	-	-	8.00	-	-	-	522.00
	Temp	-	14.00	-	-	-	-	5.00	-	-	-	19.00
Commerce & Consumer Affairs	Total	-	528.00	-	-	-	-	13.00	-	-	-	541.00
	Perm	156.00	-	8.00	94.00	-	-	-	-	-	-	258.00
	Temp	53.25	-	12.00	87.25	-	-	-	-	-	-	152.50
Defense	Total	209.25	-	20.00	181.25	-	-	-	-	-	-	410.50
	Perm	19,350.25	23.00	720.50	-	-	-	-	-	10.00	-	20,103.75
	Temp	1,997.50	-	136.50	1.00	-	-	-	-	2.00	-	2,137.00
Education	Total	21,347.75	23.00	857.00	1.00	-	-	-	-	12.00	-	22,240.75
	Perm	21.12	-	6.88	-	-	-	-	-	-	-	28.00
	Temp	-	-	-	-	-	-	-	-	-	-	-
Charter Schools	Total	21.12	-	6.88	-	-	-	-	-	-	-	28.00
	Perm	561.50	-	-	-	-	-	-	-	-	-	561.50
	Temp	1.00	-	-	-	-	-	-	-	-	-	1.00
Public Libraries	Total	562.50	-	-	-	-	-	-	-	-	-	562.50
	Perm	23.00	-	-	-	-	-	-	-	-	-	23.00
	Temp	23.00	-	-	-	-	-	-	-	-	-	23.00
Governor	Total	46.00	-	-	-	-	-	-	-	-	-	46.00
	Perm	181.00	-	4.00	-	-	-	-	-	-	-	185.00
	Temp	-	-	2.00	-	-	-	-	-	-	-	2.00
Hawaiian Home Lands	Total	181.00	-	6.00	-	-	-	-	-	-	-	187.00
	Perm	1,073.40	21.21	1,047.14	-	-	-	-	-	66.00	-	2,207.75
	Temp	19.00	2.00	68.00	-	-	-	-	-	19.00	-	108.00
Human Services	Total	1,092.40	23.21	1,115.14	-	-	-	-	-	85.00	-	2,315.75

FY 22 Operating Budget
Statewide Position Ceiling Totals By Department By Means of Financing

		General Fund	Special Funds	Federal Funds	Other Fed Funds	Private Contrib Funds	County Funds	Trust Funds	Inter-Dept Trsfs Funds	Revolving Funds	Other Funds	Total by Dept
	Perm	86.00	-	-	-	-	-	-	2.00	-	-	88.00
	Temp	-	-	-	-	-	-	-	-	-	-	-
Human Resources Development	Total	86.00	-	-	-	-	-	-	2.00	-	-	88.00
	Perm	2,089.22	175.45	199.45	86.85	-	-	-	11.00	55.00	-	2,616.97
	Temp	162.00	25.00	82.90	119.85	-	-	-	4.00	-	-	393.75
Health	Total	2,251.22	200.45	282.35	206.70	-	-	-	15.00	55.00	-	3,010.72
	Perm	-	2,835.25	-	-	-	-	-	-	-	-	2,835.25
	Temp	-	-	-	-	-	-	-	-	-	-	-
Health - HHSC	Total	-	2,835.25	-	-	-	-	-	-	-	-	2,835.25
	Perm	165.11	-	219.87	73.57	-	20.00	11.00	12.00	22.00	-	523.55
	Temp	10.12	16.00	15.00	7.88	-	-	5.00	20.00	0.50	-	74.50
Labor and Industrial Relations	Total	175.23	16.00	234.87	81.45	-	20.00	16.00	32.00	22.50	-	598.05
	Perm	536.75	305.25	47.50	7.00	-	-	1.00	-	3.00	-	900.50
	Temp	14.50	4.25	2.75	6.50	-	-	-	7.00	-	-	35.00
Land and Natural Resources	Total	551.25	309.50	50.25	13.50	-	-	1.00	7.00	3.00	-	935.50
	Perm	3.00	-	-	-	-	-	-	-	-	-	3.00
	Temp	8.00	-	-	-	-	-	-	-	-	-	8.00
Lieutenant Governor	Total	11.00	-	-	-	-	-	-	-	-	-	11.00
	Perm	2,644.60	9.00	-	-	-	-	-	80.00	10.00	-	2,743.60
	Temp	-	-	-	1.00	-	3.00	-	-	42.00	-	46.00
Public Safety	Total	2,644.60	9.00	-	1.00	-	3.00	-	80.00	52.00	-	2,789.60
	Perm	-	-	-	-	-	-	-	-	-	-	-
	Temp	-	-	-	-	-	-	-	-	-	-	-
Subsidies	Total	-	-	-	-	-	-	-	-	-	-	-
	Perm	330.00	5.00	-	-	-	-	-	-	-	-	335.00
	Temp	5.00	21.00	-	-	-	-	-	-	-	-	26.00
Taxation	Total	335.00	26.00	-	-	-	-	-	-	-	-	361.00
	Perm	-	2,786.20	7.00	0.80	-	-	-	-	-	-	2,794.00
	Temp	-	12.00	1.00	-	-	-	-	-	-	-	13.00
Transportation	Total	-	2,798.20	8.00	0.80	-	-	-	-	-	-	2,807.00
	Perm	6,048.42	502.25	81.56	-	-	-	-	-	45.00	-	6,677.23
	Temp	102.25	2.00	4.00	-	-	-	-	-	-	-	108.25
University of Hawaii	Total	6,150.67	504.25	85.56	-	-	-	-	-	45.00	-	6,785.48
	Perm	34,535.85	7,432.33	2,351.90	421.60	-	20.00	89.50	264.60	359.60	111.00	45,586.38
	Temp	2,461.21	166.47	335.85	241.14	-	3.00	11.00	61.60	131.50	2.00	3,413.77
TOTAL POSITION CEILING	Total	36,997.06	7,598.80	2,687.75	662.74	-	23.00	100.50	326.20	491.10	113.00	49,000.15

FY 23 Operating Budget
Statewide Position Ceiling Totals By Department By Means of Financing

		General	Special	Federal	Other Fed	Private	County	Trust	Inter-Dept	Revolving	Other	Total
		Fund	Funds	Funds	Funds	Contrib	Funds	Funds	Trsfs	Funds	Funds	by Dept
	Perm	503.50	63.50	5.00	-	-	-	-	42.00	49.00	-	663.00
	Temp	14.05	5.00	1.00	-	-	-	1.00	-	-	-	21.05
Accounting & General Services	Total	517.55	68.50	6.00	-	-	-	1.00	42.00	49.00	-	684.05
	Perm	137.68	142.82	-	2.00	-	-	-	-	25.50	-	308.00
	Temp	1.00	1.00	-	6.00	-	-	-	-	25.00	-	33.00
Agriculture	Total	138.68	143.82	-	8.00	-	-	-	-	50.50	-	341.00
	Perm	348.80	28.40	-	157.38	-	-	0.50	117.60	32.10	-	684.78
	Temp	22.54	0.22	5.70	2.66	-	-	-	30.60	1.00	-	62.72
Attorney General	Total	371.34	28.62	5.70	160.04	-	-	0.50	148.20	33.10	-	747.50
	Perm	86.00	21.00	5.00	-	-	-	-	-	42.00	-	154.00
	Temp	24.00	64.00	5.00	9.00	-	-	-	-	42.00	-	144.00
Business, Econ. Dev. & Tourism	Total	110.00	85.00	10.00	9.00	-	-	-	-	84.00	-	298.00
	Perm	190.50	-	-	-	-	-	69.00	-	-	111.00	370.50
	Temp	-	-	-	-	-	-	-	-	-	2.00	2.00
Budget and Finance	Total	190.50	-	-	-	-	-	69.00	-	-	113.00	372.50
	Perm	-	514.00	-	-	-	-	8.00	-	-	-	522.00
	Temp	-	14.00	-	-	-	-	5.00	-	-	-	19.00
Commerce & Consumer Affairs	Total	-	528.00	-	-	-	-	13.00	-	-	-	541.00
	Perm	156.00	-	8.00	94.00	-	-	-	-	-	-	258.00
	Temp	53.25	-	12.00	87.25	-	-	-	-	-	-	152.50
Defense	Total	209.25	-	20.00	181.25	-	-	-	-	-	-	410.50
	Perm	19,350.25	23.00	720.50	-	-	-	-	-	10.00	-	20,103.75
	Temp	1,997.50	-	136.50	1.00	-	-	-	-	2.00	-	2,137.00
Education	Total	21,347.75	23.00	857.00	1.00	-	-	-	-	12.00	-	22,240.75
	Perm	21.12	-	6.88	-	-	-	-	-	-	-	28.00
	Temp	-	-	-	-	-	-	-	-	-	-	-
Charter Schools	Total	21.12	-	6.88	-	-	-	-	-	-	-	28.00
	Perm	561.50	-	-	-	-	-	-	-	-	-	561.50
	Temp	1.00	-	-	-	-	-	-	-	-	-	1.00
Public Libraries	Total	562.50	-	-	-	-	-	-	-	-	-	562.50
	Perm	23.00	-	-	-	-	-	-	-	-	-	23.00
	Temp	23.00	-	-	-	-	-	-	-	-	-	23.00
Governor	Total	46.00	-	-	-	-	-	-	-	-	-	46.00
	Perm	181.00	-	4.00	-	-	-	-	-	-	-	185.00
	Temp	-	-	2.00	-	-	-	-	-	-	-	2.00
Hawaiian Home Lands	Total	181.00	-	6.00	-	-	-	-	-	-	-	187.00
	Perm	1,073.40	21.21	1,047.14	-	-	-	-	-	66.00	-	2,207.75
	Temp	19.00	2.00	68.00	-	-	-	-	-	19.00	-	108.00
Human Services	Total	1,092.40	23.21	1,115.14	-	-	-	-	-	85.00	-	2,315.75

FY 23 Operating Budget
Statewide Position Ceiling Totals By Department By Means of Financing

		General Fund	Special Funds	Federal Funds	Other Fed Funds	Private Contrib Funds	County Funds	Trust Funds	Inter-Dept Trsfs Funds	Revolving Funds	Other Funds	Total by Dept
	Perm	86.00	-	-	-	-	-	-	2.00	-	-	88.00
	Temp	-	-	-	-	-	-	-	-	-	-	-
Human Resources Development	Total	86.00	-	-	-	-	-	-	2.00	-	-	88.00
	Perm	2,089.22	175.45	199.45	86.85	-	-	-	11.00	55.00	-	2,616.97
	Temp	162.00	25.00	82.90	119.85	-	-	-	4.00	-	-	393.75
Health	Total	2,251.22	200.45	282.35	206.70	-	-	-	15.00	55.00	-	3,010.72
	Perm	-	2,835.25	-	-	-	-	-	-	-	-	2,835.25
	Temp	-	-	-	-	-	-	-	-	-	-	-
Health - HHSC	Total	-	2,835.25	-	-	-	-	-	-	-	-	2,835.25
	Perm	165.11	-	219.87	73.57	-	20.00	11.00	12.00	22.00	-	523.55
	Temp	10.12	16.00	15.00	7.88	-	-	5.00	20.00	0.50	-	74.50
Labor and Industrial Relations	Total	175.23	16.00	234.87	81.45	-	20.00	16.00	32.00	22.50	-	598.05
	Perm	536.75	305.25	47.50	7.00	-	-	1.00	-	3.00	-	900.50
	Temp	14.50	4.25	2.75	6.50	-	-	-	7.00	-	-	35.00
Land and Natural Resources	Total	551.25	309.50	50.25	13.50	-	-	1.00	7.00	3.00	-	935.50
	Perm	3.00	-	-	-	-	-	-	-	-	-	3.00
	Temp	8.00	-	-	-	-	-	-	-	-	-	8.00
Lieutenant Governor	Total	11.00	-	-	-	-	-	-	-	-	-	11.00
	Perm	2,644.60	9.00	-	-	-	-	-	80.00	10.00	-	2,743.60
	Temp	-	-	-	1.00	-	3.00	-	-	42.00	-	46.00
Public Safety	Total	2,644.60	9.00	-	1.00	-	3.00	-	80.00	52.00	-	2,789.60
	Perm	-	-	-	-	-	-	-	-	-	-	-
	Temp	-	-	-	-	-	-	-	-	-	-	-
Subsidies	Total	-	-	-	-	-	-	-	-	-	-	-
	Perm	330.00	5.00	-	-	-	-	-	-	-	-	335.00
	Temp	5.00	21.00	-	-	-	-	-	-	-	-	26.00
Taxation	Total	335.00	26.00	-	-	-	-	-	-	-	-	361.00
	Perm	-	2,786.20	7.00	0.80	-	-	-	-	-	-	2,794.00
	Temp	-	12.00	1.00	-	-	-	-	-	-	-	13.00
Transportation	Total	-	2,798.20	8.00	0.80	-	-	-	-	-	-	2,807.00
	Perm	6,048.42	502.25	81.56	-	-	-	-	-	45.00	-	6,677.23
	Temp	102.25	2.00	4.00	-	-	-	-	-	-	-	108.25
University of Hawaii	Total	6,150.67	504.25	85.56	-	-	-	-	-	45.00	-	6,785.48
	Perm	34,535.85	7,432.33	2,351.90	421.60	-	20.00	89.50	264.60	359.60	111.00	45,586.38
	Temp	2,457.21	166.47	335.85	241.14	-	3.00	11.00	61.60	131.50	2.00	3,409.77
TOTAL POSITION CEILING	Total	36,993.06	7,598.80	2,687.75	662.74	-	23.00	100.50	326.20	491.10	113.00	48,996.15

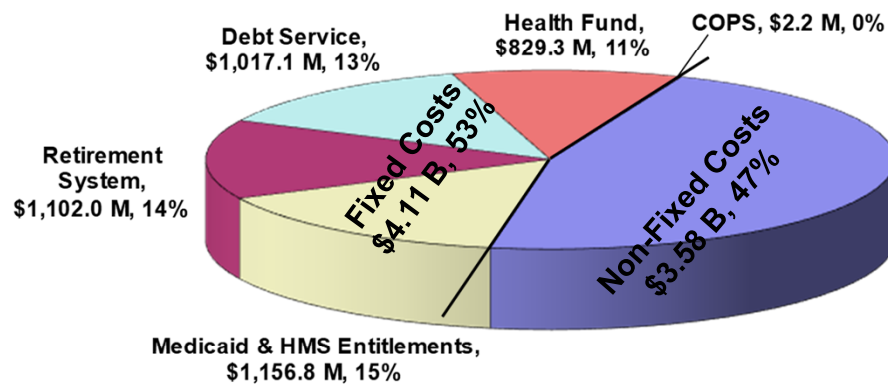
**FB 21-23 Operating Budget
Statewide Totals by Fixed vs. Non-Fixed
General Funds**

Fixed:	FY 2022	as % of Ttl	FY 2023	as % of Ttl
Medicaid and HMS Entitlements	1,156,803,897	15.1%	1,177,083,166	15.1%
Health Fund	829,330,182	10.8%	870,527,182	11.2%
Retirement System	1,101,986,274	14.3%	1,101,986,274	14.1%
Debt Service	1,017,082,741	13.2%	1,071,323,809	13.7%
Certificate of Participation	2,183,296	0.0%	2,183,296	0.0%
Fixed Sub-total:	4,107,386,390	53.4%	4,223,103,727	54.2%
Non-Fixed:	FY 2022	as % of Ttl	FY 2023	as % of Ttl
Accounting & General Svcs	97,604,215	1.3%	93,812,647	1.2%
Agriculture	12,770,622	0.2%	11,970,622	0.2%
Attorney General	31,471,466	0.4%	31,449,466	0.4%
Business, Econ. Dev. & Tourism	12,532,910	0.2%	12,325,441	0.2%
Budget and Finance	46,881,142	0.6%	49,307,640	0.6%
Commerce & Consumer Affairs	-	0.0%	-	0.0%
Defense	23,225,501	0.3%	23,225,501	0.3%
Education	1,535,543,965	20.0%	1,535,543,965	19.7%
Charter Schools	92,835,897	1.2%	92,835,897	1.2%
Public Libraries	33,578,267	0.4%	33,558,267	0.4%
Governor	4,249,002	0.1%	4,196,002	0.1%
Hawaiian Home Lands	14,178,344	0.2%	14,178,344	0.2%
Health	482,395,205	6.3%	487,233,421	6.2%
HHSC	154,992,003	2.0%	152,330,003	2.0%
Human Resources Development	20,499,778	0.3%	20,552,353	0.3%
Human Services	174,981,696	2.3%	173,478,696	2.2%
Labor and Industrial Relations	14,863,348	0.2%	14,863,348	0.2%
Land and Natural Resources	54,452,975	0.7%	54,305,973	0.7%
Lieutenant Governor	955,793	0.0%	955,793	0.0%
Public Safety	272,076,517	3.5%	270,738,652	3.5%
Subsidies	-	0.0%	-	0.0%
Taxation	26,252,446	0.3%	26,055,760	0.3%
Transportation	-	0.0%	-	0.0%
University of Hawaii	472,244,635	6.1%	472,244,635	6.1%
Non-Fixed Sub-total:	3,578,585,727	46.6%	3,575,162,426	45.8%
Total Request	7,685,972,117	100.0%	7,798,266,153	100.0%

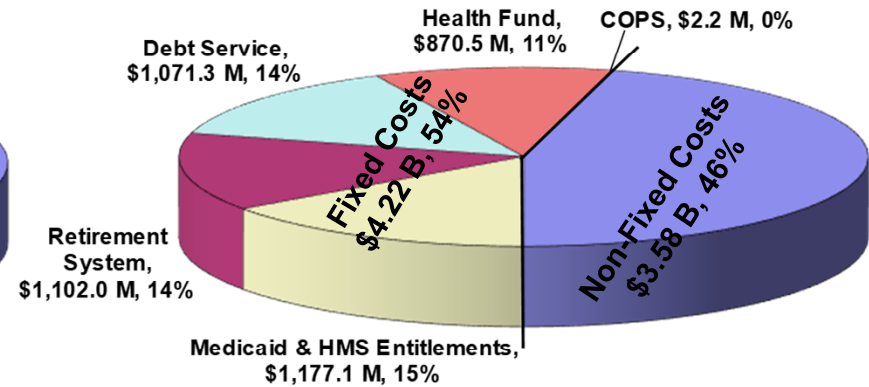
FB 21-23 Operating Budget Statewide Totals by Fixed vs. Non-Fixed - General Funds

FY 2022

FY 2023



Total \$7,686.0 M



Total \$7,798.3 M

*Due to rounding, numbers may not add to total.

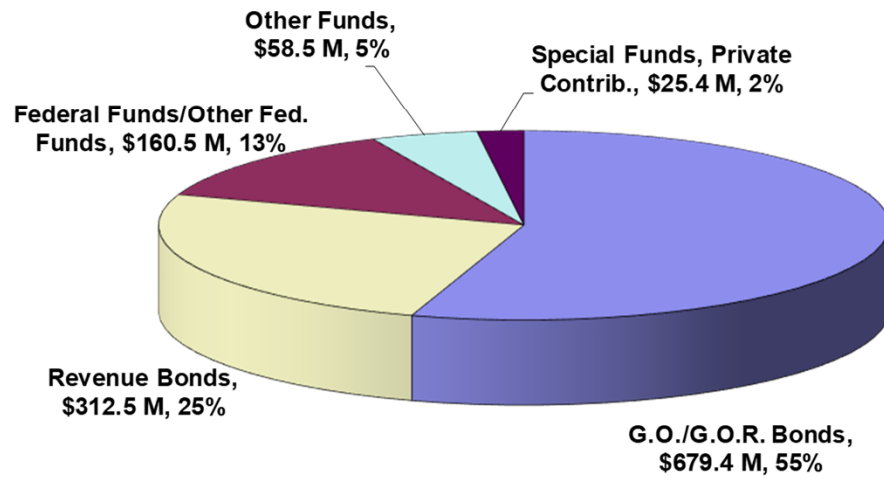
**FB 21-23 CIP Budget
Statewide Totals by Means of Financing**

	FY 2022	% of Total	FY 2023	% of Total
General Funds	-	0.0%	-	0.0%
Special Funds	25,360,000	2.1%	6,960,000	0.6%
General Obligation (G.O.) Bonds General Obligation	679,393,000	55.0%	512,128,000	45.9%
Reimbursable (G.O.R.) Bonds	-	0.0%	-	0.0%
Revenue Bonds	312,485,000	25.3%	428,111,000	38.4%
Federal Funds	159,281,000	12.9%	160,656,000	14.4%
Other Federal Funds	1,200,000	0.1%	3,210,000	0.3%
Private Contributions	32,000	0.0%	5,032,000	0.5%
County Funds	-	0.0%	-	0.0%
Trust Funds	-	0.0%	-	0.0%
Interdepartmental Transfers	-	0.0%	-	0.0%
Revolving Funds	-	0.0%	-	0.0%
Other Funds	58,577,000	4.7%	157,000	0.0%
TOTAL REQUIREMENTS	1,236,328,000	100.0%	1,116,254,000	100.0%

FB 21-23 CIP Budget

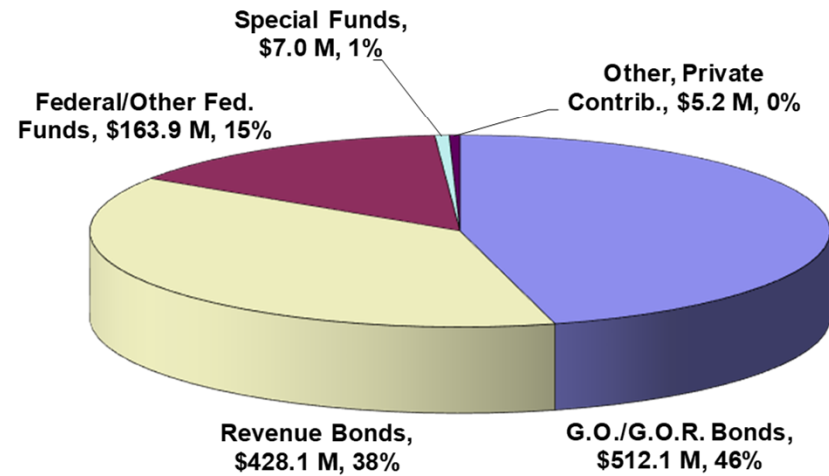
Statewide Totals by Means of Financing

FY 2022



Total \$1.24 B

FY 2023



Total \$1.12 B

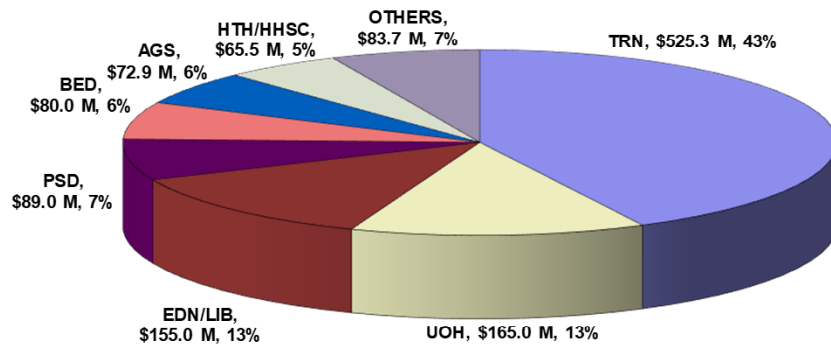
**FB 21-23 CIP Budget
Statewide Totals By Department - All Funds**

	FY 2022	% of Total	FY 2023	% of Total
Accounting and General Services	72,884,000	5.9%	30,084,000	2.7%
Agriculture	17,700,000	1.4%	-	0.0%
Attorney General	-	0.0%	-	0.0%
Business, Econ. Dev. & Tourism	80,000,000	6.5%	85,000,000	7.6%
Budget and Finance	-	0.0%	-	0.0%
Commerce and Consumer Affairs	-	0.0%	-	0.0%
Defense	7,200,000	0.6%	8,710,000	0.8%
Education	150,000,000	12.1%	150,000,000	13.4%
Public Libraries	5,000,000	0.4%	5,000,000	0.4%
Charter Schools	-	0.0%	-	0.0%
Governor	-	0.0%	-	0.0%
Hawaiian Home Lands	25,000,000	2.0%	25,000,000	2.2%
Health	44,505,000	3.6%	28,283,000	2.5%
HHSC	21,000,000	1.7%	23,000,000	2.1%
Human Resources Development	-	0.0%	-	0.0%
Human Services	10,380,000	0.8%	10,380,000	0.9%
Labor and Industrial Relations	-	0.0%	-	0.0%
Land and Natural Resources	23,400,000	1.9%	15,200,000	1.4%
Lieutenant Governor	-	0.0%	-	0.0%
Public Safety	88,968,000	7.2%	10,000,000	0.9%
Subsidies	-	0.0%	-	0.0%
Taxation	-	0.0%	-	0.0%
Transportation	525,291,000	42.5%	575,597,000	51.6%
University of Hawaii	165,000,000	13.3%	150,000,000	13.4%
TOTAL REQUIREMENTS	1,236,328,000	100.0%	1,116,254,000	100.0%

FB 21-23 CIP Budget

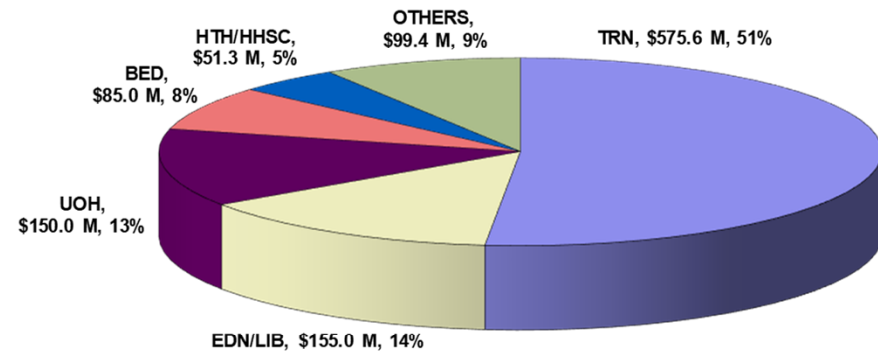
Statewide Totals by Departments - All Funds

FY 2022



Total \$1.24 B

FY 2023



Total \$1.12 B

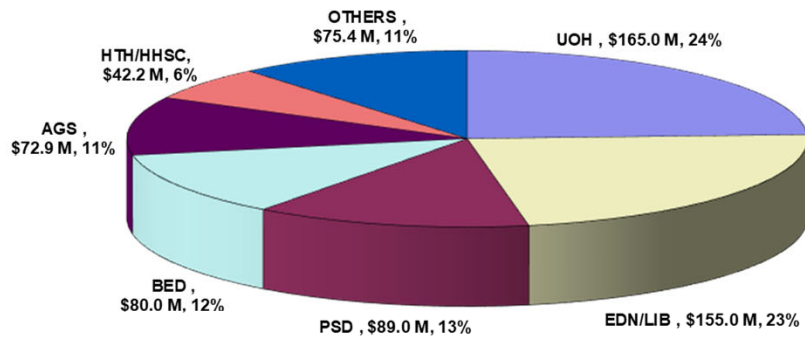
FB 21-23 CIP Budget
Statewide Totals By Department - General Obligation (GO) & GO Reimbursable Bonds

	FY 2022	% of Total	FY 2023	% of Total
Accounting and General Services	72,884,000	10.7%	30,084,000	5.9%
Agriculture	17,700,000	2.6%	-	0.0%
Budget and Finance	-	0.0%	-	0.0%
Business, Econ. Dev. & Tourism	80,000,000	11.8%	85,000,000	16.6%
Commerce and Consumer Affairs	-	0.0%	-	0.0%
Defense	6,000,000	0.9%	5,500,000	1.1%
Education	150,000,000	22.1%	150,000,000	29.3%
Public Libraries	5,000,000	0.7%	5,000,000	1.0%
Charter Schools	-	0.0%	-	0.0%
Governor	-	0.0%	-	0.0%
Hawaiian Home Lands	25,000,000	3.7%	25,000,000	4.9%
Health	21,186,000	3.1%	4,964,000	1.0%
HHSC	21,000,000	3.1%	23,000,000	4.5%
Human Services	10,380,000	1.5%	10,380,000	2.0%
Labor and Industrial Relations	-	0.0%	-	0.0%
Land and Natural Resources	16,275,000	2.4%	13,200,000	2.6%
Public Safety	88,968,000	13.1%	10,000,000	2.0%
Subsidies	-	0.0%	-	0.0%
Taxation	-	0.0%	-	0.0%
Transportation	-	0.0%	-	0.0%
University of Hawaii	165,000,000	24.3%	150,000,000	29.3%
TOTAL REQUIREMENTS	679,393,000	100.0%	512,128,000	100.0%
General Obligation Bonds	679,393,000	100.0%	512,128,000	100.0%
G.O. Reimbursable Bonds	-	0.0%	-	0.0%
TOTAL REQUIREMENTS	679,393,000	100.0%	512,128,000	100.0%

FB 21-23 CIP Budget

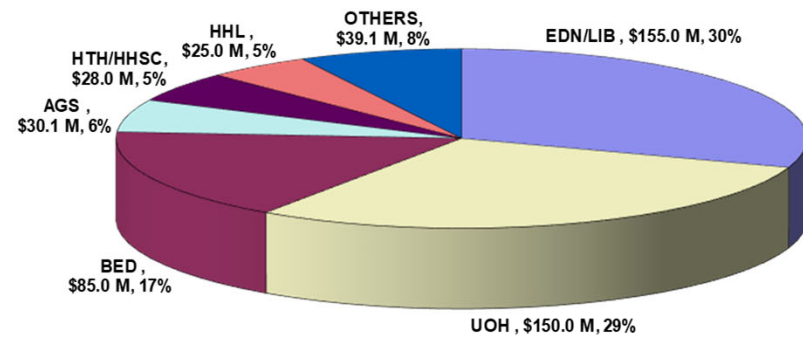
Statewide Totals by Departments - G.O./G.O.R. Bonds

FY 2022



Total \$679.4 M

FY 2023



Total \$512.1 M

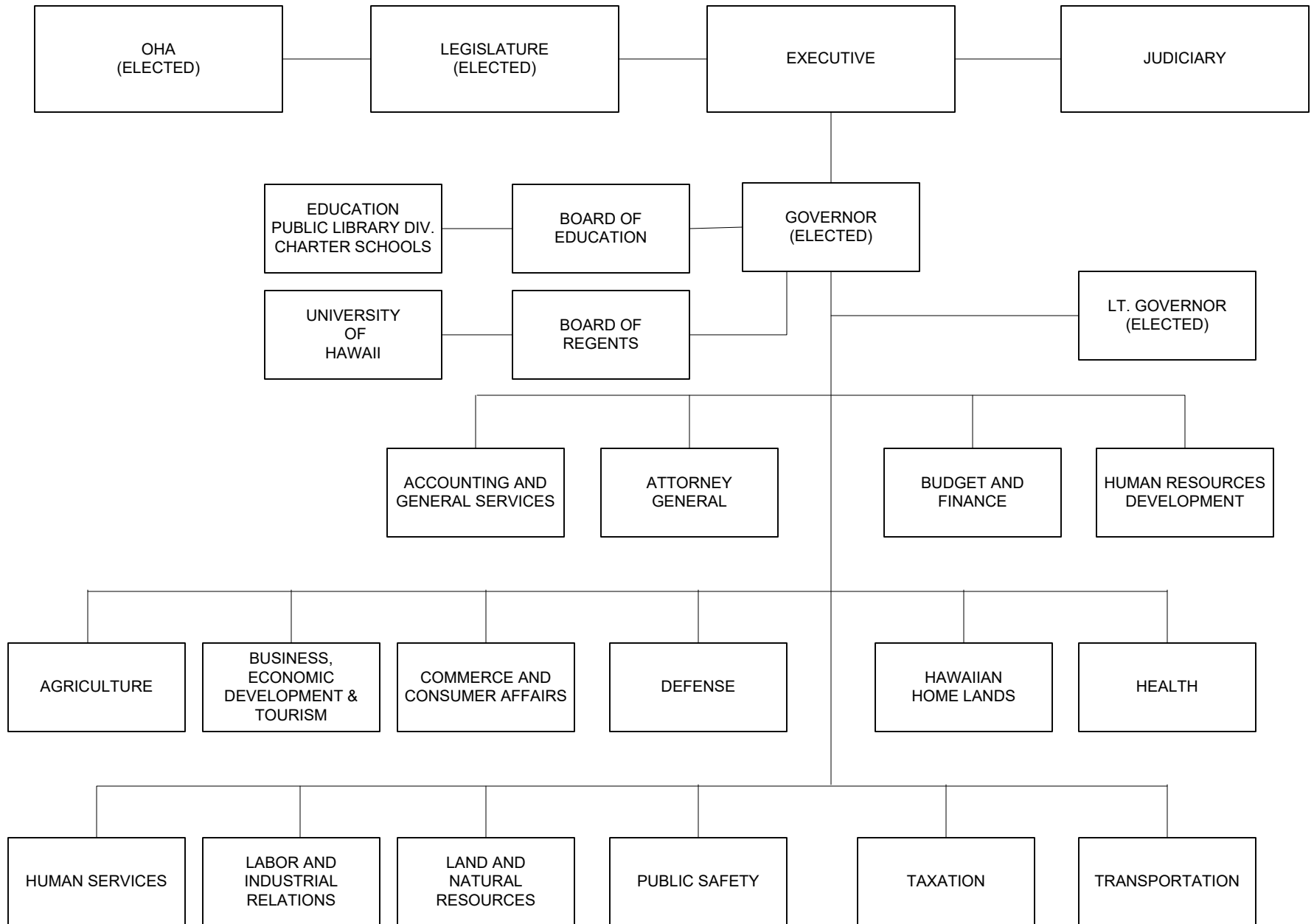
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**The Operating and Capital Budget -
Department Summaries and Highlights**

STATE GOVERNMENT OF HAWAII

PLAN OF ORGANIZATION



DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

Department Summary

Mission Statement

To attain maximum value for the state taxpayers in providing physical, financial, and technical infrastructure support for state departments and agencies so they may accomplish their missions.

Department Goals

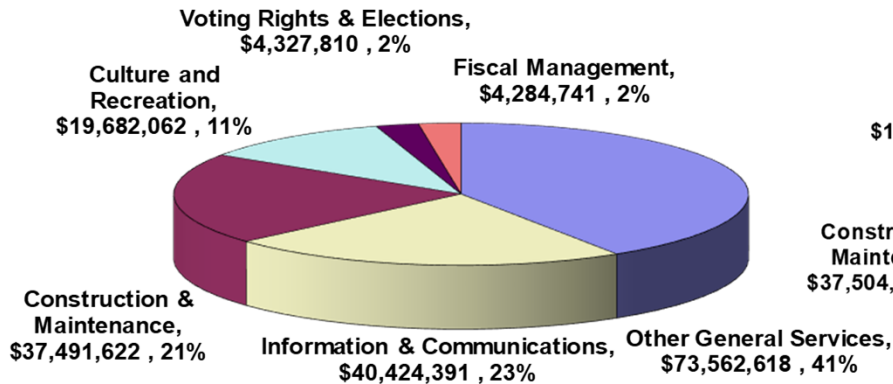
To strive for quality and consistency in the delivery of essential support services to other state departments and agencies. The department's activities reflect a continuing commitment towards cost efficiency, productivity, relevancy and timeliness of services.

Significant Measures of Effectiveness

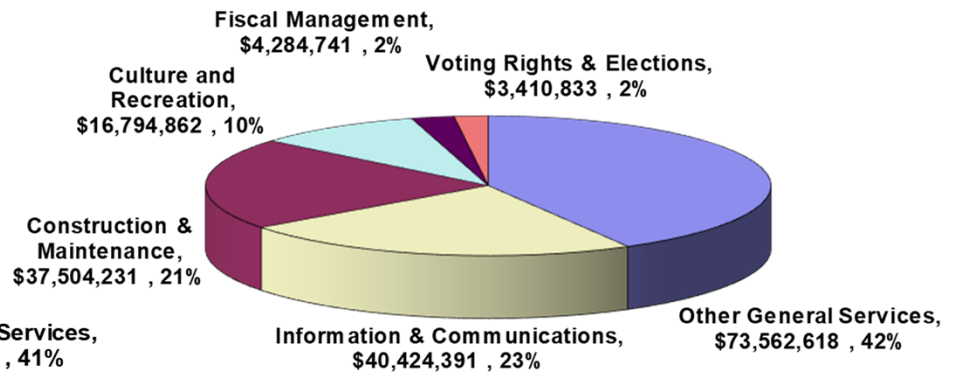
	<u>FY 2022</u>	<u>FY 2023</u>
1. Average in-house time to process payments to vendors (days)	5	5
2. Percentage of mainframe production jobs run on schedule	99	99
3. Average cost of change orders as a percentage of average actual construction cost	3	3

FB 2021-2023 Operating Budget by Major Program Area

FY 2022



FY 2023



DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES MAJOR FUNCTIONS

- Maintains the State’s accounting systems; records the State’s financial transactions; verifies expenditures before payments; audits fiscal records of State agencies; and preparation of the State’s Comprehensive Annual Financial Report.
- Coordinates and directs engineering, architectural, office leasing, and centralized services that include public building and school repair and maintenance (neighbor islands), custodial services, and grounds maintenance.
- Develops, implements, and manages statewide information technology governance, State information technology strategic plans, and technology standards.
- Administers the statewide information processing and telecommunication services and programs.
- Performs land survey work for government agencies.
- Preserves government records and historical material.
- Administers the State’s risk management activities.
- Manages the State’s motor pool and parking activities.
- Coordinates procurement activities under Chapter 103D and 103F, HRS.
- Manages and operates Aloha Stadium; guides and promotes culture, the arts, history and humanities.
- Directs the statewide elections systems; ensures full disclosure of campaign contributions and expenditures.
- Provides legal guidance and assistance on the open records law (HRS Chapter 92F (UIPA)), and the open meetings law (Part 1 of HRS Chapter 92 (Sunshine law)) and encourages government agencies to post open data online.

MAJOR PROGRAM AREAS

The Department of Accounting and General Services has programs in the following major program areas:

Formal Education

AGS 807 School Repair & Maintenance,
Neighbor Island Districts

Culture and Recreation

AGS 818 King Kamehameha
Celebration Commission
AGS 881 State Foundation on Culture
& the Arts
AGS 889 Spectator Events and Shows
– Aloha Stadium

Individual Rights

AGS 105 Enforcement of Information
Practices

Government-Wide Support

AGS 101 Accounting Sys Dev & Maintenance
AGS 102 Expenditure Examination
AGS 103 Recording and Reporting

AGS 104 Internal Post Audit
AGS 111 Archives – Records
Management
AGS 131 Enterprise Technology Services –
Operations and Infrastructure
Maintenance
AGS 203 State Risk Management and
Insurance Administration
AGS 211 Land Survey
AGS 221 Public Works – Planning,
Design, & Construction

AGS 223 Office Leasing
AGS 231 Central Services – Custodial
AGS 232 Central Services – Grounds
Maintenance
AGS 233 Central Services - Building
Repairs and Alterations
AGS 240 State Procurement
AGS 244 Surplus Property Management
AGS 251 Automotive Management – Motor
Pool
AGS 252 Automotive Management –
Parking Control
AGS 871 Campaign Spending Commission
AGS 879 Office of Elections
AGS 891 Enhanced 911 Board
AGS 901 General Administrative Services

**Department of Accounting and General Services
(Operating Budget)**

		Budget Base FY 2022	Budget Base FY 2023	FY 2022	FY 2023
Funding Sources:	Perm Positions	652.50	652.50	503.50	503.50
	Temp Positions	36.44	36.44	18.05	14.05
General Funds	\$	107,234,856	106,947,656	98,037,511	94,245,943
	Perm Positions	63.50	63.50	63.50	63.50
	Temp Positions	5.00	5.00	5.00	5.00
Special Funds	\$	26,436,566	26,436,566	26,377,822	26,377,822
	Perm Positions	5.00	5.00	5.00	5.00
	Temp Positions	1.00	1.00	1.00	1.00
Federal Funds	\$	856,496	856,496	856,496	856,496
	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
Other Federal Funds	\$	606,936	606,936	-	-
	Perm Positions	-	-	-	-
	Temp Positions	1.00	1.00	1.00	1.00
Trust Funds	\$	413,907	413,907	413,907	413,907
	Perm Positions	42.00	42.00	42.00	42.00
	Temp Positions	-	-	-	-
Interdepartmental Transfers	\$	15,788,631	15,788,631	15,788,631	15,788,631
	Perm Positions	49.00	49.00	49.00	49.00
	Temp Positions	-	-	-	-
Revolving Funds	\$	38,298,877	38,298,877	38,298,877	38,298,877
		812.00	812.00	663.00	663.00
		43.44	43.44	25.05	21.05
Total Requirements		189,636,269	189,349,069	179,773,244	175,981,676

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Trade-Off/Transfers (TO/TR) of funds only, from Office Leasing, Office of Enterprise Technology Services (ETS) and Office of Elections (OE) programs to support defunded positions in various programs. TO/TR of funds and positions from ETS' AGS 130/EG, Governance and Innovation program to a newly established program ID/org. code, AGS 131/EG, in order to streamline/simplify ETS program structure into a single program ID, AGS 131, Operations and Infrastructure Maintenance. TO/TRs are for both FY 22 and FY 23.
2. Adds \$500,000 in FY 22 in the OE program for vote counting system contracts. Reduces 4.00 FTE temporary positions in FY 23 for the reapportionment project as project ends in FY 22.
3. Adds \$2,587,200 in FY 22 for operating costs for the Aloha Stadium to cover shortfall in revenues due to the adverse economic impact of the pandemic. Also adds \$300,000 in FY 22 for annual structural assessment of the stadium facility.
4. Reduces 60.50 permanent and 5.39 temporary FTEs which were unfunded in various DAGS programs.
5. Reduces, under DAGS Program Review budget adjustments, a total of 90.50 permanent and 11.00 temporary FTE positions and \$11,584,545/\$11,701,713 in FY 22/FY 23. Includes the conversion of general funded positions and funds for Public Works (PW), 87.00 permanent and 1.00 temporary FTEs and \$5,962,321; and ETS, 10.00 temporary FTEs and \$955,512 to general obligation bonds in the CIP budget.

**Department of Accounting and General Services
(Capital Improvements Budget)**

	<u>FY 2022</u>	<u>FY 2023</u>
Funding Sources:		
General Obligation Bonds	72,884,000	30,084,000
Federal Funds	-	-
Total Requirements	72,884,000	30,084,000

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. Adds \$10,141,000 in FY 22 and FY 23 for Capital Improvements Program Staff Costs, Statewide. Project covers staff costs for 87.00 permanent and 1.00 temporary FTEs in the Public Works program, which were formerly funded by general funds in the operating budget.
2. Adds \$20,000,000 in FY 22 for Lump Sum Maintenance of Existing Facilities, Public Works Division, Statewide.
3. Adds \$4,700,000 in FY 22 and \$2,000,000 in FY 23 for Lump Sum Health and Safety, Information and Communication Services Division, Statewide.
4. Adds \$3,100,000 in FY 22 for Lump Sum Fire Alarm Systems Replacement & Upgrade, Statewide.
5. Adds \$17,500,000 in FY 22 and \$12,500,000 in FY 23 for State Capitol Building, Rehabilitation of Chambers/Parking Level Waterproofing System, Oahu.
6. Adds \$2,500,000 in FY 22 and FY 23 for Lump Sum State Office Building Remodeling, Statewide.
7. Adds \$1,500,000 in FY 22 and FY 23 for Washington Place, Health and Safety and Queen's Gallery Renovation, O'ahu.
8. Adds \$1,443,000 in FY 22 and FY 23 for Enterprise Resource Planning (ERP) - Capital Improvement Program Staff Costs, Statewide. Project covers staff costs for 10.00 temporary FTE positions in the Office of Enterprise Technology Services (ETS) program, which were formerly funded by general funds in the operating budget.
9. Adds \$12,000,000 in FY 22 for ETS' Data Centers, Renovations, Replacements and/or New, Statewide.

DEPARTMENT OF AGRICULTURE MAJOR FUNCTIONS

- Carries out programs to conserve, develop, and utilize the agricultural resources and infrastructure of the State and facilitates the transition of plantation agriculture to diversified farming.
- Enforces laws and formulates and enforces rules and regulations to further control the management of agricultural resources.
- Reviews and develops agricultural goals and objectives compatible with statewide expansion and diversification of Hawaii's agricultural base.
- Prevents the introduction of plant pests and diseases, provides certification services to facilitate the export of certain plant materials, and controls and eradicates insects and noxious weeds and controls the distribution and usage of pesticides.
- Administers the aquaculture development, State animal health, and agricultural and aquacultural loan programs.
- Maintains official State primary measurement standards; ensures accuracy of commercial measuring devices.
- Establishes and enforces grade standards for agricultural commodities producers in the State in cooperation with the industry and achieves stability within the State milk industry by ensuring the availability of an adequate supply of wholesale milk for the consuming public.
- Supports the marketing of various agricultural commodities.

MAJOR PROGRAM AREAS

The Department of Agriculture has programs in the following major program areas:

Economic Development

AGR 101 Financial Assistance for Agriculture
AGR 122 Plant Pest and Disease Control
AGR 131 Rabies Quarantine
AGR 132 Animal Disease Control
AGR 141 Agricultural Resource Management
AGR 151 Quality and Price Assurance
AGR 153 Aquaculture Development
AGR 161 Agribusiness Development and Research

AGR 171 Agricultural Development and Marketing
AGR 192 General Administration for Agriculture

Environmental Protection

AGR 846 Pesticides

Individual Rights

AGR 812 Measurement Standards

**Department of Agriculture
(Operating Budget)**

		Budget Base FY 2022	Budget Base FY 2023	FY 2022	FY 2023
Funding Sources:	Perm Positions	201.68	201.68	137.68	137.68
	Temp Positions	2.00	2.00	1.00	1.00
General Funds	\$	13,830,326	13,830,326	12,770,622	11,970,622
	Perm Positions	127.82	127.82	142.82	142.82
	Temp Positions	1.00	1.00	1.00	1.00
Special Funds	\$	20,515,097	20,515,097	21,925,176	21,475,176
	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
Federal Funds	\$	1,007,003	1,007,003	1,007,003	1,007,003
	Perm Positions	2.00	2.00	2.00	2.00
	Temp Positions	6.00	6.00	6.00	6.00
Other Federal Funds	\$	1,790,103	1,790,103	1,790,103	1,790,103
	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
Trust Funds	\$	812,962	812,962	812,962	812,962
	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
Interdepartmental Transfers	\$	212,095	212,095	212,095	212,095
	Perm Positions	18.50	18.50	25.50	25.50
	Temp Positions	24.00	24.00	25.00	25.00
Revolving Funds	\$	13,994,532	13,994,532	15,131,335	15,008,137
		350.00	350.00	308.00	308.00
		33.00	33.00	33.00	33.00
Total Requirements		52,162,118	52,162,118	53,649,296	52,276,098

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Converts positions in the Plant Pest and Disease Control Program from general to special funds by reducing 15.00 permanent positions and \$745,556 in general funds in both FY 22 and FY 23; and adding 15.00 permanent positions and \$1,215,558 in special funds for the Pest Inspection, Quarantine and Eradication Special Fund (PIQESF) in both FY 22 and FY 23.
2. Trades off \$1,215,558 in special funds for both FY 22 and FY 23 from other current expenses to personal services for the PIQESF to offset the conversion of general funded positions.
3. Converts positions in the Pesticide Program from general to revolving funds by reducing 7.00 permanent positions and \$412,040 in general funds in both FY 22 and FY 23; and adding 7.00 permanent positions and \$659,264 in revolving funds for the Pesticide Use Revolving Fund in both FY 22 and FY 23.
4. Adds \$124,140 in both FY 22 and FY 23 to offset a legislative error in Act 5, SLH 2019, as amended by Act 9, SLH 2020.
5. Adds \$800,000 in special funds in both FY 22 and FY 23 for the Hawaii Water Infrastructure Special Fund.

6. Adds \$800,000 in general funds in FY 22 to include settlement funds received in FY 21 into the FB 21-23 budget to establish a pesticide disposal program.
7. Adds \$450,000 in special funds in FY 22 to provide agricultural grants from the Agricultural Development and Food Security Special Fund.
8. Adds \$450,736 in revolving funds in FY 22 and \$300,736 in revolving funds in FY 23 to replace old vehicles and supplement the aforementioned pesticide disposal program in the Pesticides Program.
9. Reduces 42.00 permanent positions, 1.00 temporary position and \$826,248 in general funds in both FY 22 and FY 23 for various programs.

**Department of Agriculture
(Capital Improvements Budget)**

	<u>FY 2022</u>	<u>FY 2023</u>
Funding Sources:		
General Obligation Bonds	17,700,000	-
Federal Funds	-	-
Total Requirements	17,700,000	-

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. Adds \$3,000,000 in FY 22 for the Agribusiness Development Corporation to implement agricultural infrastructure on Oahu.
2. Adds \$1,200,000 in FY 22 for Airport Animal Quarantine Holding Facility Improvements, Oahu.
3. Adds \$3,250,000 in FY 22 for Lower Hamakua Ditch Watershed Project, Hawaii.
4. Adds \$300,000 in FY 22 for the Agricultural Resource Management Division to implement agricultural infrastructure, Statewide.
5. Adds \$750,000 in FY 22 for Kamuela Vacuum Cooling Plant, Hawaii.
6. Adds \$3,000,000 in FY 22 for Miscellaneous Health, Safety, Code and Other Requirements, Statewide.
7. Adds \$500,000 in FY 22 for Waimea Irrigation System Improvements, Hawaii.
8. Adds \$5,700,000 in FY 22 for Halawa Animal Industry Facility Improvements, Oahu.

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DEPARTMENT OF THE ATTORNEY GENERAL

Department Summary

Mission Statement

To provide legal and other services to the State, including the agencies, officers, and employees of the executive, legislative, and judicial branches of the Hawaii government.

Department Goals

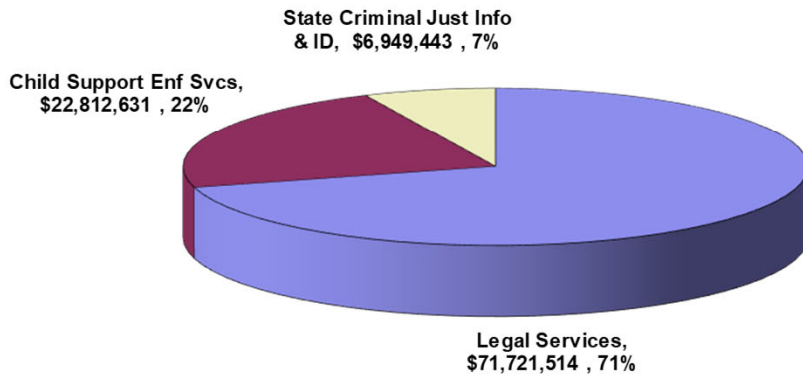
To safeguard the rights and interests of the people of the State of Hawaii by being the defender of and advocate for the people and undertaking appropriate legal and other actions on their behalf; to protect the State’s interest in legal matters by providing timely legal advice and representation to the executive, legislative, and judicial branches; to preserve, protect, and defend the constitution and laws of the State of Hawaii and the United States; to enforce the State’s constitution and laws, and to facilitate the enforcement of federal law; and to assist and coordinate statewide programs and activities that improve the criminal justice system and law enforcement.

Significant Measures of Effectiveness

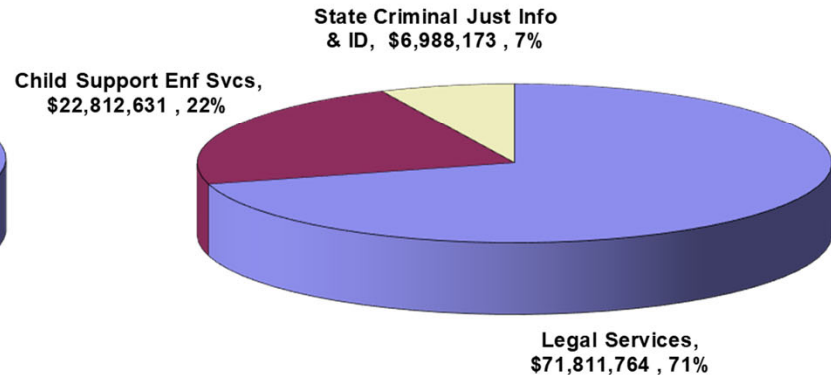
	FY 2022	FY 2023
1. Number of investigations completed	5,000	5,000
2. Percentage of complete dispositions on CJIS-Hawaii	95	95
3. Efficiency rating: Dollars collected per dollar expended	5	5

FB 2021-2023 Operating Budget by Major Program Area

FY 2022



FY 2023



DEPARTMENT OF THE ATTORNEY GENERAL MAJOR FUNCTIONS

- Provides legal services to State agencies and employees; represents the State in all civil litigation in which the State is a party; conducts civil and criminal investigations; drafts and approves as to form the legality of various documents.
- Prosecutes criminal offenses, such as Medicaid fraud, welfare fraud, tax fraud, unemployment fraud, organized crime, and other crime against the public order; and initiates, develops and performs or coordinates programs, projects and activities on the subject of crime and crime prevention.
- Oversees the actions of the trustees of charitable trusts and brings any abuse or deviation by the trustees to the attention of the probate court for possible correction.
- Enforces the federal and State antitrust laws.
- Responsible for the enforcement of the Master Settlement Agreement pursuant to the Hawaii Revised Statutes Chapter 675 (HRS Chapter 675, State's Tobacco Liability Act); and the Cigarette Tax Stamp requirements and prohibition against the sale of Gray Market cigarettes.
- Maintains the automated statewide information system that collects, maintains, and disseminates individual criminal history record information for those arrested and fingerprinted.
- Administers the Child Support Enforcement Program, which involves initiating legal or administrative actions required to secure financial support for children.
- Provides a fair and impartial administrative forum for the expeditious resolution of child support disputes through the Office of Child Support hearings.

MAJOR PROGRAM AREAS

The Department of the Attorney General has programs in the following major program areas:

Social Services

ATG 500 Child Support Enforcement Services

Public Safety

ATG 231 State Criminal Justice Information and Identification

Government-Wide Support

ATG 100 Legal Services

**Department of the Attorney General
(Operating Budget)**

		Budget Base FY 2022	Budget Base FY 2023	FY 2022	FY 2023
Funding Sources:	Perm Positions	355.14	355.14	348.80	348.80
	Temp Positions	23.36	23.36	22.54	22.54
General Funds	\$	35,791,466	35,791,466	31,471,466	31,449,466
	Perm Positions	24.60	24.60	28.40	28.40
	Temp Positions	-	-	0.22	0.22
Special Funds	\$	4,113,296	4,113,296	4,535,188	4,647,438
	Perm Positions	5.20	5.20	-	-
	Temp Positions	7.70	7.70	5.70	5.70
Federal Funds	\$	11,628,390	11,628,390	11,880,146	11,880,146
	Perm Positions	155.88	155.88	157.38	157.38
	Temp Positions	4.16	4.16	2.66	2.66
Other Federal Funds	\$	21,217,755	21,217,755	21,243,508	21,243,508
	Perm Positions	-	-	0.50	0.50
	Temp Positions	-	-	-	-
Trust Funds	\$	6,174,732	6,174,732	6,271,359	6,271,359
	Perm Positions	106.56	106.56	117.60	117.60
	Temp Positions	27.50	27.50	30.60	30.60
Interdepartmental Transfers	\$	17,842,230	17,842,230	18,957,676	18,957,676
	Perm Positions	27.40	27.40	32.10	32.10
	Temp Positions	1.00	1.00	1.00	1.00
Revolving Funds	\$	6,910,595	6,910,595	7,124,245	7,162,975
		674.78	674.78	684.78	684.78
		63.72	63.72	62.72	62.72
Total Requirements		103,678,464	103,678,464	101,483,588	101,612,568

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Adds 9.00 permanent FTEs and trades off \$870,000 in FY22 and FY23 for Complex Litigation, Fraud and Compliance Unit.
2. Reduces \$1,000,000 in FY22 and FY23 for the litigation fund.
3. Reduces \$1,800,000 in FY22 and FY23 for Career Criminal and Victim Witness Programs.
4. Reduces \$714,000 in FY22 and FY23 for Statewide Sexual Assault Services.

**Department of the Attorney General
(Capital Improvements Budget)**

	<u>FY 2022</u>	<u>FY 2023</u>
Funding Sources:		
General Obligation Bonds	-	-
Federal Funds	-	-
Total Requirements	-	-

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. None

DEPARTMENT OF BUDGET AND FINANCE

Department Summary

Mission Statement

To enhance long-term productivity and efficiency in government operations by providing quality budget and financial services that prudently allocate and effectively manage available resources.

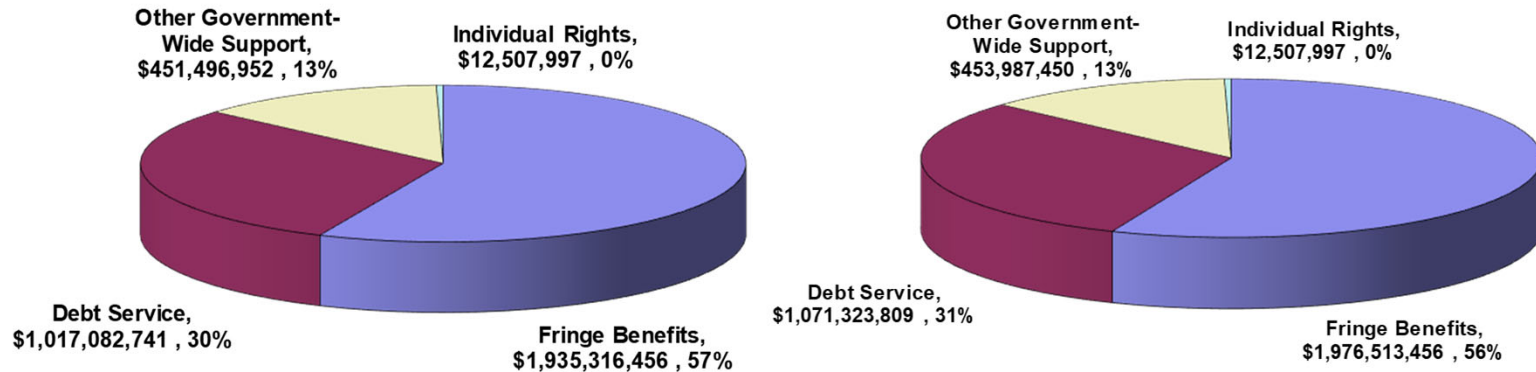
Department Goals

Improve the executive resource allocation process through the following: planning, analysis and recommendation on all phases of program scope and funding; maximizing the value, investment, and use of State funds through planning, policy development, timely scheduling of State bond financing and establishment of appropriate cash management controls and procedures; administering retirement and survivor benefits for State and County members and prudently managing the return on investments; administering health and life insurance benefits for eligible active and retired State and County public employees and their dependents by providing quality services and complying with federal and State legal requirements; and safeguarding the rights of indigent individuals in need of assistance in criminal and related cases by providing statutorily entitled and effective legal representation.

Significant Measures of Effectiveness

	<u>FY 2022</u>	<u>FY 2023</u>
1. Average annual rate of return on State treasury investments	1.50%	1.50%
2. Percentage of treasury transactions unreconciled after 30 days	10%	10%

FB 2021-2023 Operating Budget by Major Program Area
FY 2022 FY 2023



DEPARTMENT OF BUDGET AND FINANCE MAJOR FUNCTIONS

- Administers the multi-year program and financial plan and executive budget, management improvement, and financial management programs of the State under the general direction of the Governor.
- Coordinates State budget services and prepares the Governor's budget for submission to the legislature; administers the financial affairs of the State.
- Plans, directs and coordinates the State's investments and financing programs.
- Directs and coordinates a statewide retirement benefits program for State and county government employees.
- Administers health and life insurance benefits for eligible State and county active and retired public employees and dependents.
- Provides comprehensive legal and related services to persons who are financially unable to obtain legal and related services.

MAJOR PROGRAM AREAS

The Department of Budget and Finance has programs in the following major program areas:

Government-Wide Support

BUF 101	Departmental Administration and Budget Division
BUF 102	Collective Bargaining – Statewide
BUF 103	Vacation Payout – Statewide
BUF 115	Financial Administration
BUF 141	Employees' Retirement System
BUF 143	Hawaii Employer Union Trust Fund
BUF 721	Debt Service Payments – State
BUF 741	Retirement Benefits Payments – State
BUF 761	Health Premium Payments – State
BUF 762	Health Premium Payments – ARC

Formal Education

BUF 725	Debt Service Payments – DOE
BUF 728	Debt Service Payments – UH
BUF 745	Retirement Benefits Payments – DOE
BUF 748	Retirement Benefits Payments – UH
BUF 765	Health Premium Payments – DOE
BUF 768	Health Premium Payments – UH

Individual Rights

BUF 151	Office of the Public Defender
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**Department of Budget and Finance
(Operating Budget)**

		Budget Base FY 2022	Budget Base FY 2023	FY 2022	FY 2023
Funding Sources:	Perm Positions	201.50	201.50	190.50	190.50
	Temp Positions	-	-	-	-
General Funds	\$	3,143,622,877	3,143,622,877	2,995,280,339	3,093,144,905
Special Funds	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
	\$	377,575,000	377,575,000	377,575,000	377,575,000
Trust Funds	Perm Positions	69.00	69.00	69.00	69.00
	Temp Positions	3.00	3.00	-	-
	\$	20,524,868	20,524,868	20,724,868	20,724,868
Interdepartmental Transfers	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
	\$	4,000,000	4,000,000	4,000,000	4,000,000
Other Funds	Perm Positions	111.00	111.00	111.00	111.00
	Temp Positions	2.00	2.00	2.00	2.00
	\$	18,823,939	18,887,939	18,823,939	18,887,939
		381.50	381.50	370.50	370.50
		5.00	5.00	2.00	2.00
Total Requirements		3,564,546,684	3,564,610,684	3,416,404,146	3,514,332,712

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Increases debt service payments by \$172,171,836 in FY 22 and \$226,412,904 in FY 23.
2. Decreases retirement benefits payments by \$9,076,579 in FY 22 and FY 23.
3. Decreases health premium payments by \$322,254,936 in FY 22 and \$281,057,936 in FY 23.
4. Adds \$16,950,645 in FY 22 and \$19,377,143 in FY 23 for the Budget, Program Planning and Management Division to make interest payments on the unemployment insurance loan.
5. Adds \$200,000 in trust funds in FY 22 and FY 23 for the Hawaii Employer-Union Health Benefits Trust Fund to contract for a pharmacy benefit consultant.
6. Adds 137,436 in FY 22 and FY 23 to restore funding for two unfunded positions to be reassigned to oversee general obligation (G.O.) bond post-issuance compliance and training, statewide.
7. Reduces 11.00 permanent general-funded positions, 3.00 temporary trust-funded positions, and \$6,270,940 in general funds in various programs in FY 22 and FY 23.

Department of Budget and Finance
(Capital Improvements Budget)

	<u>FY 2022</u>	<u>FY 2023</u>
Funding Sources:		
General Obligation Bonds	-	-
Federal Funds	-	-
Total Requirements	-	-

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. None

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

Department Summary

Mission Statement

Achieve a Hawai'i economy that embraces innovation and is globally competitive, dynamic, and productive, providing opportunities of all Hawai'i's citizens to prosper within an affordable cost of living and sustainable environment.

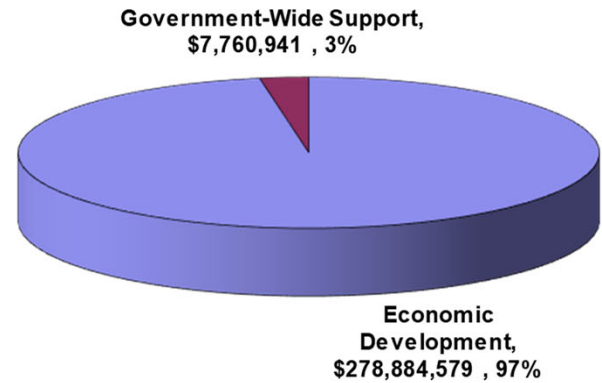
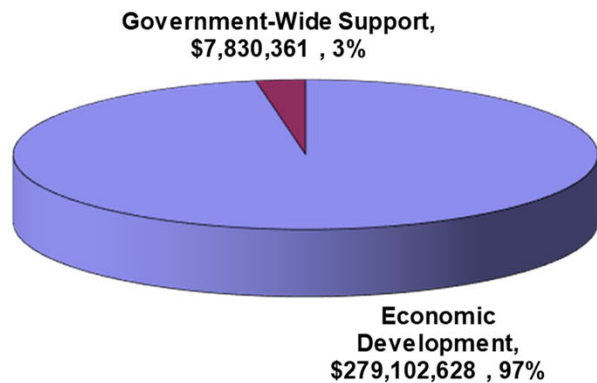
Department Goals

Through its divisions and attached agencies, foster planned community development, create affordable workforce housing units in high-quality living environments, and promote innovation sector job growth.

Significant Measures of Effectiveness

	<u>FY 2022</u>	<u>FY 2023</u>
1. Total Visitor Expenditures (\$ billions)	20.02	20.02
2. \$ Value of Total/Proj Sales-Trade & Export Promo	19,000	19,000
3. # of Companies Assisted by the Hawaii Technology Development Corporation	300	300
4. # of New Affordable Rental Units	430	250

FB 2021-2023 Operating Budget by Major Program Area



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM MAJOR FUNCTIONS

- Facilitating the diversification and rebalancing of Hawai'i's economy by supporting the strategic growth of economic activity.
- Providing economic data and research which contributes to economic development in Hawai'i. Providing economic forecasts for long-term statewide planning, conduct research, and publish the findings through a statewide statistical reporting system.
- Facilitating the growth and development of the commercial high technology industry of Hawai'i.
- Improving Hawai'i's business environment by supporting existing and emerging industries, attracting new investment and businesses to create more skilled, quality jobs in the state.
- Planning and developing live-work-play communities to attract and retain a workforce with the skills required for an innovation-driven and globally competitive economy.
- Sustaining the visitor industry by managing the strategic growth of Hawai'i's visitor industry consistent with the State's economic goals, cultural values, preservation of natural resources, and community interests.
- Meeting the demand for housing by creating low- and moderate-income homes for Hawai'i's residents.
- Supporting statewide economic efficiency, productivity, development, and diversification through the Hawai'i Clean Energy Initiative.

MAJOR PROGRAM AREAS

The Department of Business, Economic Development and Tourism has programs in the following major program areas:

Economic Development

BED 100 Strategic Marketing & Support
 BED 105 Creative Industries Division
 BED 107 Foreign Trade Zone
 BED 113 Tourism
 BED 120 Hawai'i State Energy Office
 BED 128 Office of Aerospace
 BED 138 Hawai'i Green Infrastructure Authority
 BED 142 General Support for Economic Development

BED 143 Hawai'i Technology Development Corporation
 BED 146 Natural Energy Laboratory of Hawai'i Authority
 BED 150 Hawai'i Community Development Authority
 BED 160 Hawai'i Housing Finance and Development Corporation

Government-Wide Support

BED 103 Statewide Land Use Management
 BED 130 Economic Planning and Research
 BED 144 Statewide Planning and Coordination

**Department of Business, Economic Development and Tourism
(Operating Budget)**

		Budget Base FY 2022	Budget Base FY 2023	FY 2022	FY 2023
Funding Sources:	Perm Positions	105.00	105.00	86.00	86.00
	Temp Positions	36.00	36.00	24.00	24.00
General Funds	\$	15,931,926	15,931,926	12,532,910	12,325,441
Special Funds	Perm Positions	19.00	19.00	21.00	21.00
	Temp Positions	56.00	56.00	64.00	64.00
Special Funds	\$	240,934,484	240,934,484	242,546,116	242,466,116
Federal Funds	Perm Positions	5.00	5.00	5.00	5.00
	Temp Positions	5.00	5.00	5.00	5.00
Federal Funds	\$	5,464,265	5,464,265	5,964,265	5,964,265
Other Federal Funds	Perm Positions	-	-	-	-
	Temp Positions	9.00	9.00	9.00	9.00
Other Federal Funds	\$	4,695,214	4,695,214	4,695,214	4,695,214
Private Contributions	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
Private Contributions	\$	1,000	1,000	-	-
Trust Funds	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
Trust Funds	\$	241,000	241,000	241,000	241,000
Revolving Funds	Perm Positions	39.00	39.00	42.00	42.00
	Temp Positions	41.00	41.00	42.00	42.00
Revolving Funds	\$	19,754,484	19,754,484	20,953,484	20,953,484
		168.00	168.00	154.00	154.00
		147.00	147.00	144.00	144.00
Total Requirements		287,022,373	287,022,373	286,932,989	286,645,520

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Reduces \$1,050,000 in both FY 22 and FY 23 for the Business Development and Support Division.
2. Adds \$350,000 in special funds for both FY 22 and FY 23 to continue the Electric Vehicle Rebate Program for the Hawai'i State Energy Office (HSEO).
3. Reduces \$550,000 in both FY 22 and FY 23 to abolish the Pacific International Space Center for Exploration Systems (PISCES) program.
4. Reduces \$733,531; 2.00 permanent FTE; and 8.00 temporary FTE positions in both FY 22 and FY 23 and increases \$1,107,632; 2.00 permanent FTE; and 8.00 temporary FTE in special funds to convert positions from general to special funds for the HSEO.
5. Increases \$800,000 in revolving funds in both FY 22 and FY 23 to convert 3.00 unfunded permanent FTE and 1.00 temporary FTE positions from general funds to revolving funds for the Hawai'i Community Development Authority.

**Department of Business, Economic Development and Tourism
(Capital Improvements Budget)**

	<u>FY 2022</u>	<u>FY 2023</u>
Funding Sources:		
General Obligation Bonds	80,000,000	85,000,000
Federal Funds	-	-
Total Requirements	80,000,000	85,000,000

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. Adds \$2,000,000 in both FY 22 and FY 23 for Planning for Transit-Oriented Development, Statewide.
2. Adds \$20,000,000 in FY 23 for a Cash Infusion for the Dwelling Unit Revolving Fund, Statewide.
3. Adds \$25,000,000 in FY 23 for a Cash Infusion for the Rental Housing Revolving Fund, Statewide.
4. Adds \$38,000,000 in both FY 22 and FY 23 for a Cash Infusion to Replace the Conveyance Tax Distribution to the Rental Housing Revolving Fund due to COVID-19 Emergency Proclamation, Statewide.
5. Adds \$40,000,000 in FY 22 for a Cash Infusion for the Rental Housing Revolving Fund for the Hawai'i Public Housing Authority School Street Senior Affordable Housing Project, O'ahu.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

Department Summary

Mission Statement

To promote a strong and healthy business environment by upholding fairness and public confidence in the marketplace, and by increasing knowledge and opportunity for our businesses and citizens.

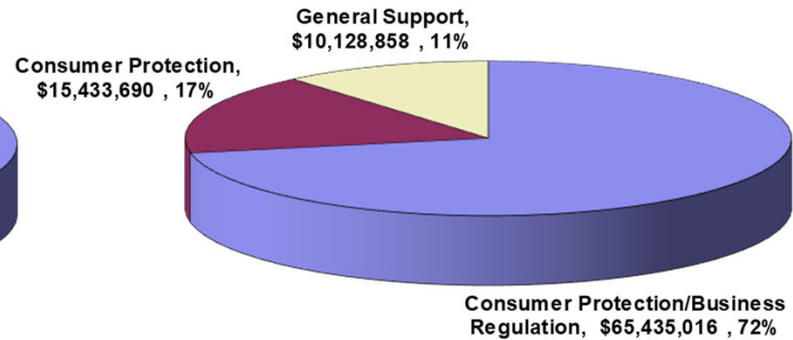
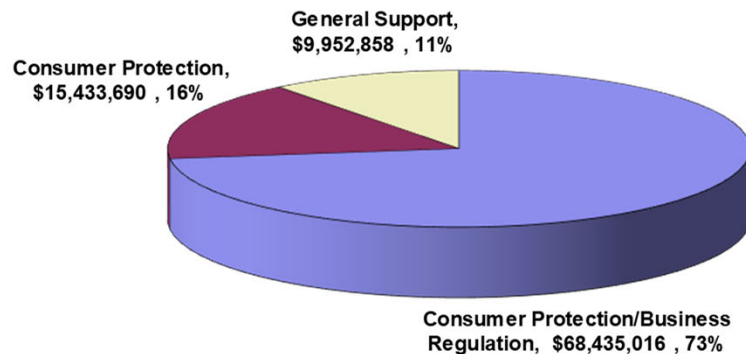
Department Goals

To develop rational business regulation; to achieve fairness and public confidence in the marketplace; and to foster sound consumer practices.

Significant Measures of Effectiveness

	<u>FY 2022</u>	<u>FY 2023</u>
1. Percent of homes where cable TV service is available in the state	99	99
2. Percent of alternate energy sources used by electric utilities	34	36
3. Average number of days to process corporation, partnership, LLC, tradenames with regular handling	3	3

FB 2021-2023 Operating Budget by Major Program Area
FY 2022 FY 2023



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS MAJOR FUNCTIONS

- Develops standards relating to the licensing of and general supervision over the conduct of the financial services industry, the securities industry, professions, businesses, trades, and insurance companies.
- Coordinates consumer protection activities in the State; conducts investigations, research, and enforces laws, rules, and regulations in the area of consumer protection; provides consumer education services and programs.
- Represents, protects, and advances the interest of consumers of utility and interisland water carrier services; conducts investigations; assists and cooperates with Federal, State, and local agencies to protect the consumer's interests.
- Regulates public utilities to ensure regulated companies efficiently and safely provide customers with adequate and reliable services at just and reasonable rates while providing regulated companies with a fair opportunity to earn a reasonable rate of return.
- Grants or denies the issuance of financial services industry, professional, business and trade licenses and registrations; directs investigations or examinations, holds hearings, and suspends, revokes or reinstates licenses and registrations; adopts, amends or repeals such rules as deemed necessary to fully effectuate the provisions of the laws within the Department's scope and jurisdiction.
- Administers the laws of the State relating to corporations; partnerships; companies; trademarks, tradenames; miscellaneous business registrations; the financial services industry; the securities industry; the insurance industry; and provides advice on business formation.
- Ensures that cable subscribers are provided with services that meet acceptable standards of quality, dependability and fair rates; monitors the operations and management of cable television operators; administers the public access television entities' contracts; and promotes the adoption and deployment of broadband services throughout the State.

MAJOR PROGRAM AREAS

The Department of Commerce and Consumer Affairs has programs in the following major program areas:

Individual Rights

CCA 102	Cable Television	CCA 107	Post-Secondary Education Authorization
CCA 103	Consumer Advocate for Communication, Utilities, and Transportation Services	CCA 110	Office of Consumer Protection
CCA 104	Financial Services Regulation	CCA 111	Business Registration and Securities Regulation
CCA 105	Professional and Vocational Licensing	CCA 112	Regulated Industries Complaints Office
CCA 106	Insurance Regulatory Services	CCA 191	General Support
		CCA 901	Public Utilities Commission

**Department of Commerce and Consumer Affairs
(Operating Budget)**

		Budget Base FY 2022	Budget Base FY 2023	FY 2022	FY 2023
Funding Sources:	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
General Funds	\$	-	-	-	-
	Perm Positions	513.00	513.00	514.00	514.00
	Temp Positions	15.00	15.00	14.00	14.00
Special Funds	\$	85,690,637	85,690,637	90,365,637	87,541,637
	Perm Positions	-	-	-	-
	Temp Positions	6.00	6.00	-	-
Other Federal Funds	\$	251,000	251,000	-	-
	Perm Positions	8.00	8.00	8.00	8.00
	Temp Positions	5.00	5.00	5.00	5.00
Trust Funds	\$	3,455,927	3,455,927	3,455,927	3,455,927
		521.00	521.00	522.00	522.00
		26.00	26.00	19.00	19.00
Total Requirements		89,397,564	89,397,564	93,821,564	90,997,564

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Adds special funds of \$3,500,000 in FY 22 and \$500,000 in FY 23 for new business registration transactions and documents system.
2. Adds special funds of \$175,000 in FY 22 and \$46,000 in FY 23 for network core equipment and firewall server hardware.
3. Adds special funds of \$700,000 in FY 22 and \$1,050,000 in FY 23 for King Kalakaua Building repairs and emergency preparedness grant.

**Department of Commerce and Consumer Affairs
(Capital Improvements Budget)**

	<u>FY 2022</u>	<u>FY 2023</u>
Funding Sources:		
General Obligation Bonds	-	-
Federal Funds	-	-
Total Requirements	-	-

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. None

DEPARTMENT OF DEFENSE

Department Summary

Mission Statement

To assist authorities in providing for the safety, welfare, and defense of the people of Hawaii.

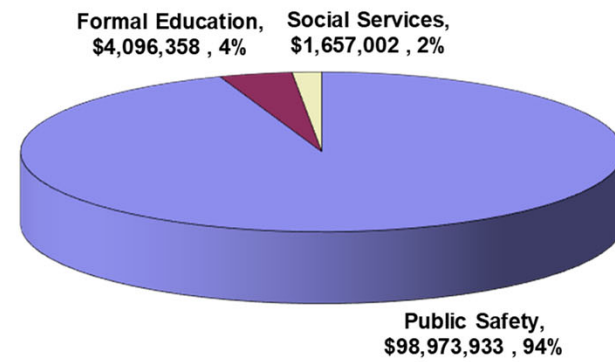
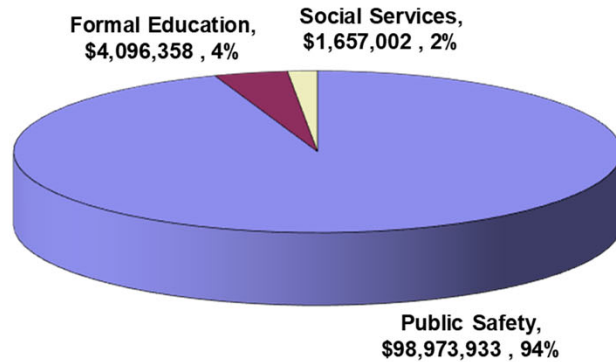
Department Goals

To maintain readiness to respond to the needs of the people in the event of disaster, either natural or human-caused; to administer policies and programs related to veterans and their families and improve our State Veterans Cemeteries; and to provide at-risk youth with opportunity to obtain their high school diplomas and become productive citizens.

Significant Measures of Effectiveness

	<u>FY 2022</u>	<u>FY 2023</u>
1. Percent of veterans' services plan achieved	90	90
2. Percent of corps members finding employment within one year of graduation	50	50

FB 2021-2023 Operating Budget by Major Program Area
FY 2022 FY 2023



DEPARTMENT OF DEFENSE MAJOR FUNCTIONS

- Provides for the defense, safety and welfare of the people of Hawaii.
- Maintains its readiness to respond to the needs of the people in the event of war or devastation originating from either natural or human-caused disasters.
- To meet its federal mission as part of the military reserve component, the Hawaii National Guard, consisting of the Army and Air National Guard divisions, is manned, trained, equipped and ready for call to active duty by the President in times of national emergency. To meet its State mission, the Hawaii National Guard responds when necessary to protect life and property, preserve peace, order and public safety as directed by competent State authority.
- Coordinates the emergency management planning of all public and private organizations within the islands, minimizes the loss of life and property damage, restores essential public services, and expedites the recovery of individuals in the event of natural or human-caused mass casualty situations.
- Administers the Youth Challenge Academy, which serves youth at risk by providing life-transforming experience through training under military-like conditions.
- Office of Veterans Services – Responsible for the statewide administration, conduct, and coordination of all functions and activities prescribed under Chapter 363, Veterans Rights and Benefits, HRS, for veterans and their dependents.
- Office of Homeland Security – Provides a comprehensive program, to protect our people, infrastructure, and government from terrorism and threats of attack as prescribed under Chapter 26, Executive and Administrative Departments, Section 21, Department of Defense.

MAJOR PROGRAM AREAS

The Department of Defense has programs in the following major program areas:

Social Services

DEF 112 Services to Veterans

Formal Education

DEF 114 Hawaii National Guard Youth Challenge Academy

Public Safety

DEF 110 Amelioration of Physical Disasters

**Department of Defense
(Operating Budget)**

		Budget Base FY 2022	Budget Base FY 2023	FY 2022	FY 2023
Funding Sources:	Perm Positions	163.00	163.00	156.00	156.00
	Temp Positions	79.75	79.75	53.25	53.25
General Funds	\$	23,501,254	23,501,254	23,225,501	23,225,501
Federal Funds	Perm Positions	9.50	9.50	8.00	8.00
	Temp Positions	14.00	14.00	12.00	12.00
	\$	10,759,428	10,759,428	10,559,430	10,559,430
Other Federal Funds	Perm Positions	94.50	94.50	94.00	94.00
	Temp Positions	117.25	117.25	87.25	87.25
	\$	73,304,230	73,304,230	70,942,362	70,942,362
		267.00	267.00	258.00	258.00
		211.00	211.00	152.50	152.50
Total Requirements		107,564,912	107,564,912	104,727,293	104,727,293

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Adds \$1,000,000 in both FY 22 and FY 23 for airport thermal device maintenance.
2. Adds 2.00 permanent Federal-funded positions and 4.00 temporary other federal-funded positions in both FY 22 and FY 23; and reduces \$891,706 (\$226,125 in Federal funds and \$665,581 in other federal funds) in other operating costs in FY 22 and \$991,122 (\$226,125 in Federal funds and \$764,997 in other federal funds) in other operating costs in FY 23 to fund the payroll costs of positions for various programs.
3. Adds 2.50 permanent positions and \$399,996 in both FY 22 and FY 23 to provide full State funding for certain leadership positions under the Hawai'i Emergency Management Agency.
4. Reduces 41.75 temporary positions (10.25 in general funds and 31.50 in other federal funds) and \$2,974,665 (\$612,797 in general funds and \$2,361,868 in other federal funds) in both FY 22 and FY 23 for the Hawai'i Youth Challenge Academy - Hilo program.
5. Reduces \$1,022,952 in non-critical operating expenditures in both FY 22 and FY 23 from various programs.
6. Reduces 14.00 permanent positions (11.50 in general funds, 1.00 in Federal funds and 1.50 in other federal funds) and 16.75 temporary positions (13.25 in general funds, 2.00 in Federal funds and 1.50 in other federal funds) from various programs in both FY 22 and FY 23.

**Department of Defense
(Capital Improvements Budget)**

	<u>FY 2022</u>	<u>FY 2023</u>
Funding Sources:		
General Obligation Bonds	6,000,000	5,500,000
Other Federal Funds	1,200,000	3,210,000
Total Requirements	7,200,000	8,710,000

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. Adds \$3,000,000 in FY 22 and FY 23 to Retrofit Public Buildings with Hurricane Protective Measures, Statewide.
2. Adds \$2,500,000 in FY 22 and FY 23 for Disaster Warning and Communications Devices, Statewide.
3. Adds \$1,700,000 (\$500,000 in general obligation bonds and \$1,200,000 in other federal funds) in FY 22 and \$3,210,000 in other federal funds in FY 23 for West Hawai'i Veterans Cemetery Expansion and Improvements, Hawai'i.

DEPARTMENT OF EDUCATION

Department Summary

Mission Statement

- Public Education System – To serve our community by developing the academic achievement, character, and social-emotional well-being of our students to the fullest potential. To work with partners, families, and communities to ensure that all students reach their aspirations from early learning through college, career, and citizenship.
- Public Charter School Commission – To authorize high-quality public charter schools throughout the State.
- Hawaii State Public Library System – To provide Hawaii’s residents, in all walks of life, and at each stage of their lives, with access to education, information, programs and services, and to teach and nurture the love of reading and the habit of life-long learning.
- Executive Office on Early Learning – Through collaboration and partnerships, we work to establish a system that ensures a solid foundation of early childhood development and learning for Hawaii’s young children (prenatal to age five), meaningful engagement and supports for their families, and a stable, competent, and supported early childhood workforce.

Department Goals

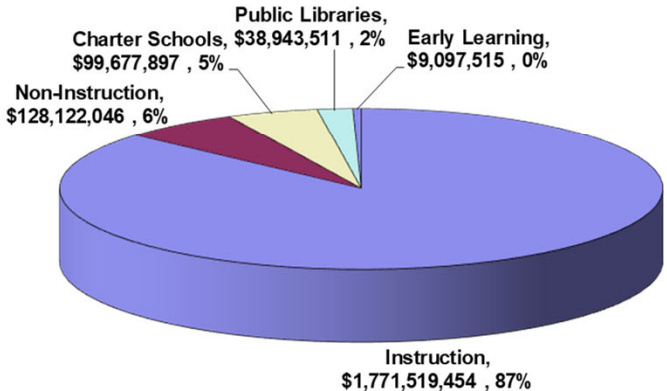
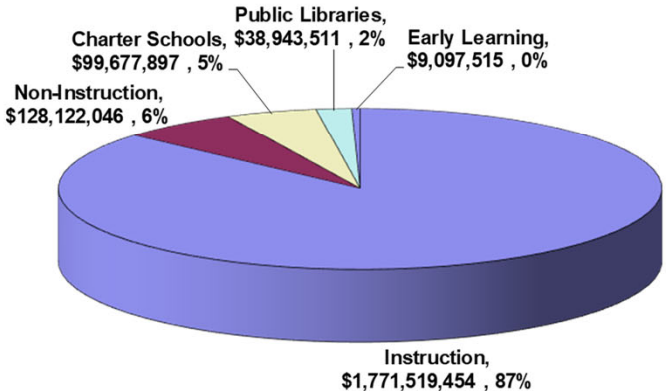
- Public Education System – Student Success: All students demonstrate they are on a path toward success in college, career, and citizenship; Staff Success: Public schools have a high-performing culture where employees have the training, support, and professional development to contribute effectively to student success; and Successful Systems of Support: The system and culture of public schools work to effectively organize financial, human, and community resources in support of student success.
- Hawaii State Public Library System – Increase access to public library services and collections through innovative and effective methods and technologies; seek additional revenue sources and partnerships and make the best use of existing resources.
- Executive Office on Early Learning – Increase access while maintaining high quality in early childhood development and learning programs; Assist schools in building continuity and coherence as children transition from early care and education into elementary settings; and Develop the currently limited workforce of early childhood educators.

Significant Measures of Effectiveness

1. Percentage of freshmen graduating in four years
2. Attendance Rate

<u>FY 2022</u>	<u>FY 2023</u>
82.7	82.7
94	94

FB 2021-2023 Operating Budget by Major Program Area



DEPARTMENT OF EDUCATION MAJOR FUNCTIONS

- Under the direction of the Board of Education, the Department of Education manages the statewide system of public schools.
- The scope of educational programs and services of the public schools regularly encompasses grades kindergarten through twelve, and such pre-school programs and community/adult education programs as may be established by law.
- In addition to regular programs of instruction and support services, public schools offer special programs and services for qualified students with disabilities, gifted and talented students, students with limited English language proficiency, and students who are economically and culturally disadvantaged, school-alienated, or institutionally confined.
- The Board of Education also oversees the Hawaii State Public Library System. The Hawaii State Public Library System operates the Hawaii State Library, the Library for the Blind and Physically Handicapped, public libraries, community public and school libraries, and bookmobile services.
- The State Public Charter School Commission is placed within the Department of Education for administrative purposes. The Commission has statewide chartering authority and provides oversight of the public charter schools.
- The Executive Office on Early Learning (EOEL) is established within the Department of Education for administrative purposes only. Under the direction of the Early Learning Board, the Office is statutorily responsible for coordination and development of the early learning system (prenatal to age five) and administration of the EOEL Public Prekindergarten Program.

MAJOR PROGRAM AREAS

The Department of Education has programs in the following major program areas:

Formal Education

EDN 100	School-Based Budgeting	EDN 407	Public Libraries
EDN 150	Special Education and Student Support Services	EDN 500	School Community Services
EDN 200	Instructional Support	EDN 600	Charter Schools
EDN 300	State Administration	EDN 612	Charter Schools Commission and Administration
EDN 400	School Support	EDN 700	Early Learning

**Department of Education
(Operating Budget)**

		Budget Base FY 2022	Budget Base FY 2023	FY 2022	FY 2023
Funding Sources:	Perm Positions	19,410.75	19,410.75	19,350.25	19,350.25
	Temp Positions	2,005.50	2,005.50	1,997.50	1,997.50
General Funds	\$	1,700,873,653	1,700,873,653	1,535,543,965	1,535,543,965
	Perm Positions	23.00	23.00	23.00	23.00
	Temp Positions	-	-	-	-
Special Funds	\$	53,779,567	53,779,567	53,779,567	53,779,567
	Perm Positions	720.50	720.50	720.50	720.50
	Temp Positions	136.50	136.50	136.50	136.50
Federal Funds	\$	260,825,003	260,825,003	260,825,003	260,825,003
	Perm Positions	-	-	-	-
	Temp Positions	1.00	1.00	1.00	1.00
Other Federal Funds	\$	9,553,793	9,553,793	9,553,793	9,553,793
	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
Private Contributions	\$	150,000	150,000	150,000	150,000
	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
Trust Funds	\$	15,650,000	15,650,000	15,650,000	15,650,000
	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
Interdepartmental Transfers	\$	7,495,605	7,495,605	7,495,605	7,495,605
	Perm Positions	10.00	10.00	10.00	10.00
	Temp Positions	2.00	2.00	2.00	2.00
Revolving Funds	\$	25,741,082	25,741,082	25,741,082	25,741,082
		20,164.25	20,164.25	20,103.75	20,103.75
		2,145.00	2,145.00	2,137.00	2,137.00
Total Requirements		2,074,068,703	2,074,068,703	1,908,739,015	1,908,739,015

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Adds 2.00 permanent positions and \$249,239 in both FY 22 and FY 23 to support the early learning classrooms that are administered by the Executive Office on Early Learning.
2. Reduces 62.50 permanent positions, 8.00 temporary position and \$165,578,927 in both FY 22 and FY 23 for various programs.

**Department of Education
(Capital Improvements Budget)**

	<u>FY 2022</u>	<u>FY 2023</u>
Funding Sources:		
General Obligation Bonds	150,000,000	150,000,000
Federal Funds	-	-
	150,000,000	150,000,000
Total Requirements	150,000,000	150,000,000

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. Adds \$81,500,000 in FY 22 and \$103,150,000 for FY 23 for Lump Sum - Deferred Maintenance Projects, Statewide.
2. Adds \$25,000,000 in FY 22 and FY 23 for Lump Sum - Project Completion, Statewide.
3. Adds \$13,500,000 in FY 22 for Lump Sum - Support, Statewide.
4. Adds \$10,000,000 in FY 22 and FY 23 for Lump Sum - Health and Safety, Statewide.
5. Adds \$8,200,000 in FY 22 for Lump Sum - Compliance, Statewide.
6. Adds \$6,800,000 in FY 22 and \$2,850,000 for FY 23 for Lump Sum - Instructional, Statewide.
7. Adds \$5,000,000 in FY 22 and FY 23 for Lump Sum - Office of Information Technology Services, Statewide.
8. Adds \$4,000,000 in FY 23 for Lump Sum - Capacity, Statewide.

**Department of Education - Charter Schools
(Operating Budget)**

		Budget Base FY 2022	Budget Base FY 2023	FY 2022	FY 2023
Funding Sources:	Perm Positions	17.12	17.12	21.12	21.12
	Temp Positions	-	-	-	-
General Funds	\$	104,584,636	104,584,636	92,835,897	92,835,897
	Perm Positions	6.88	6.88	6.88	6.88
	Temp Positions	-	-	-	-
Federal Funds	\$	6,842,000	6,842,000	6,842,000	6,842,000
		24.00	24.00	28.00	28.00
		-	-	-	-
Total Requirements		<u>111,426,636</u>	<u>111,426,636</u>	<u>99,677,897</u>	<u>99,677,897</u>

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Adds 6.00 permanent positions and \$2,901,925 in both FY 22 and FY 23 to support the Public Charter School Early Education and Preschool program.
2. Reduces \$14,417,334 in both FY 22 and FY 23 for Charter Schools (EDN 600) to equalize the per pupil funding based on the Department of Education's FB 21-23 operating budget and projected enrollment.
3. Reduces 2.00 permanent positions and \$233,330 in both FY 22 and FY 23 in the Charter School Commission program.

**Department of Education - Charter Schools
(Capital Improvements Budget)**

	<u>FY 2022</u>	<u>FY 2023</u>
Funding Sources:		
General Obligation Bonds	-	-
Federal Funds	-	-
Total Requirements	-	-

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. None

**Department of Education - Public Libraries
(Operating Budget)**

Funding Sources:		Budget Base	Budget Base	FY 2022	FY 2023
		FY 2022	FY 2023		
General Funds	Perm Positions	561.50	561.50	561.50	561.50
	Temp Positions	1.00	1.00	1.00	1.00
	\$	37,124,076	37,124,076	33,578,267	33,558,267
Special Funds	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
	\$	4,000,000	4,000,000	4,000,000	4,000,000
Federal Funds	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
	\$	1,365,244	1,365,244	1,365,244	1,365,244
		561.50	561.50	561.50	561.50
		1.00	1.00	1.00	1.00
Total Requirements		42,489,320	42,489,320	38,943,511	38,923,511

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Reduces \$870,000 in both FY22 and FY23 for student helpers at various libraries.
2. Reduces \$709,000 in both FY22 and FY23 for library books and materials.
3. Reduces \$661,000 in both FY22 and FY23 for security services at various libraries.
4. Reduces \$500,000 in both FY22 and FY23 for repair and maintenance services at various libraries.

**Department of Education - Public Libraries
(Capital Improvements Budget)**

	<u>FY 2022</u>	<u>FY 2023</u>
Funding Sources:		
General Obligation Bonds	5,000,000	5,000,000
Federal Funds	-	-
	<hr/>	<hr/>
Total Requirements	<u><u>5,000,000</u></u>	<u><u>5,000,000</u></u>

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. Adds \$5,000,000 in FY 22 and FY 23 for Health and Safety, Statewide.

OFFICE OF THE GOVERNOR

Department Summary

Mission Statement

To enhance the effectiveness and efficiency of State programs by providing Executive direction, policy development, program coordination, and planning and budgeting.

Department Goals

Improving the economic and social well-being of the citizens of Hawaii as measured by standard benchmarks; lead departments in working cooperatively across departmental divisions to deliver public services at the lowest possible costs; and lead the Executive Branch to successfully shepherd bills through the Legislature that reflect priorities of the Governor's administration.

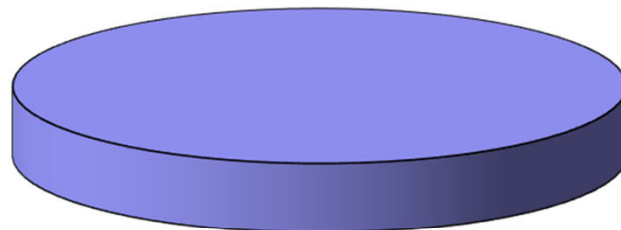
Significant Measures of Effectiveness

No applicable data.

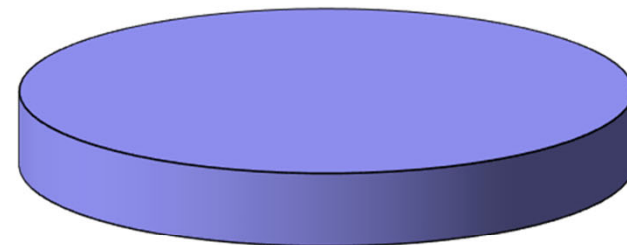
FY 2022

FY 2023

FB 2021-2023 Operating Budget by Major Program Area
FY 2022 FY 2023



Office of the Governor,
\$4,249,002 , 100%



Office of the Governor,
\$4,196,002 , 100%

OFFICE OF THE GOVERNOR MAJOR FUNCTIONS

- Restore the public's trust in State government by committing to reforms that increase efficiency, reduce waste, and improve transparency and accountability.
- Communicate the Governor's policies and actions through diverse media.
- Ensure State departments work cooperatively to deliver needed public services to Hawai'i's most vulnerable communities.
- Maximize efforts to expend and pursue additional federal funds to support statewide infrastructure improvements, education, health, and human services programs.
- Develop and maintain intergovernmental relationships by hosting dignitaries and representing Hawai'i at events that advance our State's global reach.
- Recruit outstanding public servants and retain a quality public workforce.
- Settle collective bargaining issues in ways that advance the interests of the people of Hawai'i.
- Ensuring the responsible management of the State's six-year financial plan to maintain the State's financial health.

MAJOR PROGRAM AREAS

The Office of the Governor has a program in the following major program area:

Government-Wide Support

GOV 100 Office of the Governor

**Office of the Governor
(Operating Budget)**

		Budget Base FY 2022	Budget Base FY 2023	FY 2022	FY 2023
Funding Sources:	Perm Positions	23.00	23.00	23.00	23.00
	Temp Positions	23.00	23.00	23.00	23.00
General Funds	\$	4,183,002	4,183,002	4,249,002	4,196,002
		23.00	23.00	23.00	23.00
		23.00	23.00	23.00	23.00
Total Requirements		4,183,002	4,183,002	4,249,002	4,196,002

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Adds \$53,000 in operating costs in FY 22 for the celebration and commemoration of the 175th Anniversary of Washington Place.
2. Adds \$13,000 in protocol funds in FY 22 and FY 23 to support the Office of the Governor's functions relating to developing and maintaining intergovernmental relationships by hosting dignitaries and representing Hawai'i at events that advance our State.

**Office of the Governor
(Capital Improvements Budget)**

	<u>FY 2022</u>	<u>FY 2023</u>
Funding Sources:		
General Obligation Bonds		
Federal Funds		
Total Requirements	-	-

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. None

DEPARTMENT OF HAWAIIAN HOME LANDS

Department Summary

Mission Statement

To manage the Hawaiian Home Lands Trust effectively and to develop and deliver Hawaiian home lands to native Hawaiians. We will partner with others toward developing self-sufficient and healthy communities.

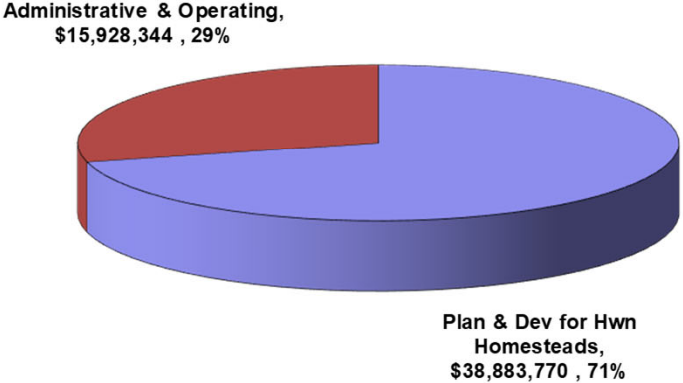
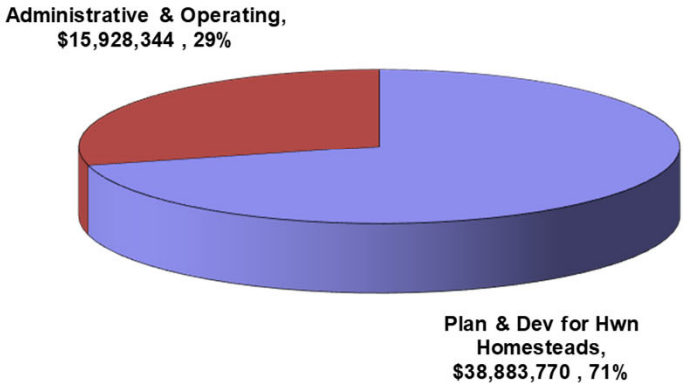
Department Goals

To effectively manage the Hawaiian Home Lands Trust (HHLT) lands, water, and related resources; to develop and deliver lands for award to beneficiaries on an on-going basis; to develop and deliver program services that meet the housing needs of native Hawaiians; to effectively manage the HHLT financial resources; to effectively manage the department's human resources and to establish better relationships with the native Hawaiian community, governmental agencies, homestead communities, and the community at large.

Significant Measures of Effectiveness

	<u>FY 2022</u>	<u>FY 2023</u>
1. Lot development as a % of lots planned	100	100

FB 2021-2023 Operating Budget by Major Program Area



DEPARTMENT OF HAWAIIAN HOME LANDS MAJOR FUNCTIONS

- Identifying and assessing the needs of beneficiaries of the Hawaiian Homes Commission Act through research and planning; compiling data needed for the development and utilization of Hawaiian home lands and other physical resources of the Hawaiian Home Lands Trust; identifying Hawaiian home lands by physical characteristics, land use, and planned use of the lands; and developing and updating regional master plans for designated areas.
- 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.
- Developing Hawaiian home lands for homesteading and income-producing purposes by designing and constructing off-site and on-site improvements.
- 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, Kauai and Lanai; and providing for the maintenance, repair, and operation of water systems, roads, and facilities.

MAJOR PROGRAM AREAS

The Department of Hawaiian Home Lands has programs in the following major program areas:

Social Services

- HHL 602 Planning and Development for Hawaiian Homesteads
- HHL 625 Administration and Operating Support

**Department of Hawaiian Home Lands
(Operating Budget)**

		Budget Base FY 2022	Budget Base FY 2023	FY 2022	FY 2023
Funding Sources:	Perm Positions	200.00	200.00	181.00	181.00
	Temp Positions	-	-	-	-
General Funds	\$	15,928,344	15,928,344	15,928,344	15,928,344
Special Funds	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
	\$	4,824,709	4,824,709	4,824,709	4,824,709
Federal Funds	Perm Positions	4.00	4.00	4.00	4.00
	Temp Positions	2.00	2.00	2.00	2.00
	\$	23,318,527	23,318,527	23,318,527	23,318,527
Trust Funds	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
	\$	3,740,534	3,740,534	3,740,534	3,740,534
Revolving Funds	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
	\$	-	-	7,000,000	7,000,000
		204.00	204.00	185.00	185.00
		2.00	2.00	2.00	2.00
Total Requirements		47,812,114	47,812,114	54,812,114	54,812,114

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Adds \$7,000,000 in revolving funds in both FY 22 and FY 23 for NAHASDA loans to beneficiaries.
2. Eliminates 19.00 unfunded permanent positions in both FY 22 and FY 23.

**Department of Hawaiian Home Lands
(Capital Improvements Budget)**

	<u>FY 2022</u>	<u>FY 2023</u>
Funding Sources:		
General Obligation Bonds	25,000,000	25,000,000
Federal Funds	-	-
Total Requirements	25,000,000	25,000,000

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. Adds \$20,000,000 in both FY 22 and FY 23 for lot development projects, Statewide.
2. Adds \$5,000,000 in both FY 22 and FY 23 for repairs and maintenance to infrastructure within Department of Hawaiian Home Lands subdivisions, Statewide.

DEPARTMENT OF HEALTH MAJOR FUNCTIONS

- Plans, directs and administers statewide programs to protect, preserve and improve the physical, mental and environmental health of Hawaii's residents.
- Administers programs for the prevention, control and treatment of infectious and communicable diseases; coordinates bioterrorism preparedness planning activities and integrating these activities with surveillance and response mechanisms.
- Administers community based programs that provide and coordinate health intervention services and support for at-risk families, populations and communities who are most likely to experience unhealthy outcomes.
- Provides public health nursing intervention services in the areas of communicable disease, disaster outbreaks care coordination, follow-up and monitoring for at-risk populations and nursing supervision, oversight and intervention in the public schools.
- Plans, coordinates and provides statewide mental health services which include treatment, consultative and preventive components for individuals; also plans, coordinates and implements statewide services relative to alcohol and drug abuse.
- Provides services and support to individuals with developmental disabilities or intellectual disabilities and their families to attain quality of life.
- Plans, provides and promotes health services to mothers, children and youth and family planning services. Also provides basic dental treatment services for the control of oral diseases and abnormalities to institutionalized patients at Hawaii State Hospital, Hale Mohalu, Kalaupapa Settlement and through the four Oahu health centers.
- Implements and maintains the statewide programs for air, water, noise, radiation and indoor air pollution control; noise, safe drinking water, solid waste and wastewater management, and programs which protect consumers from unsafe foods, drugs, cosmetics, and medical devices.
- Administers the statewide emergency medical services system.
- Administers a statewide laboratories program which conducts analysis in support of environmental health and communicable disease monitoring and control activities.
- Implements and administers the medical cannabis dispensary and patient registry systems.

MAJOR PROGRAM AREAS

The Department of Health has programs in the following major program areas:

Environmental Protection

HTH 840 Environmental Management
HTH 849 Environmental Health Administration
HTH 850 Office of Environmental Quality Control

Health

HTH 100 Communicable Disease and Public Health
Nursing
HTH 131 Disease Outbreak Control
HTH 210 Hawaii Health Systems Corporation –
Corporate Office
HTH 211 Kahuku Hospital
HTH 212 Hawaii Health Systems Corporation –
Regions
HTH 213 Alii Community Care
HTH 214 Maui Health System, a KFH, LLC
HTH 420 Adult Mental Health – Outpatient
HTH 430 Adult Mental Health – Inpatient
HTH 440 Alcohol and Drug Abuse Division
HTH 460 Child and Adolescent Mental Health
HTH 495 Behavioral Health Administration
HTH 501 Developmental Disabilities
HTH 560 Family Health Services
HTH 590 Chronic Disease Prevention and Health
Promotion
HTH 595 Health Resources Administration
HTH 610 Environmental Health Services

HTH 710 State Laboratory Services
HTH 720 Health Care Assurance

HTH 730 Emergency Medical Services and Injury
Prevention System
HTH 760 Health Status Monitoring
HTH 905 Developmental Disabilities Council
HTH 907 General Administration

Social Services

HTH 520 Disability and Communications Access
Board
HTH 904 Executive Office on Aging

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**Department of Health
(Operating Budget)**

		Budget Base FY 2022	Budget Base FY 2023	FY 2022	FY 2023
Funding Sources:	Perm Positions	2,264.06	2,264.06	2,089.22	2,089.22
	Temp Positions	173.00	173.00	162.00	162.00
General Funds	\$	495,678,195	495,678,195	482,395,205	487,233,421
Special Funds	Perm Positions	144.50	144.50	175.45	175.45
	Temp Positions	26.00	26.00	25.00	25.00
	\$	205,753,028	205,753,028	211,733,567	212,295,091
Federal Funds	Perm Positions	198.76	198.76	199.45	199.45
	Temp Positions	82.90	82.90	82.90	82.90
	\$	84,122,744	84,122,744	86,086,875	83,605,864
Other Federal Funds	Perm Positions	81.95	81.95	86.85	86.85
	Temp Positions	115.85	115.85	119.85	119.85
	\$	46,468,681	46,468,681	55,075,516	50,769,965
Interdepartmental Transfers	Perm Positions	10.00	10.00	11.00	11.00
	Temp Positions	3.00	3.00	4.00	4.00
	\$	5,045,836	5,045,836	5,163,172	5,163,172
Revolving Funds	Perm Positions	48.00	48.00	55.00	55.00
	Temp Positions	-	-	-	-
	\$	211,839,270	211,839,270	262,362,556	262,509,201
		2,747.27	2,747.27	2,616.97	2,616.97
		400.75	400.75	393.75	393.75
Total Requirements		1,048,907,754	1,048,907,754	1,102,816,891	1,101,576,714

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Adds \$4,305,833 in both FY 22 and FY 23 for full year salary for the new positions to support the new Hawai'i State Hospital forensic building.
2. Adds \$2,655,133 in both FY 22 and FY 23 for additional operating funds for new Hawai'i State Hospital forensic building.
3. Adds \$3,200,000 in special funds for both FY 22 and FY 23 to establish a recurring expenditure ceiling for the Intellectual and Developmental Disabilities Medicaid Waiver Administrative Claiming Special Fund.
4. Adds \$50,000,000 in revolving funds for both FY 22 and FY 23 to increase the appropriation ceiling of the Clean Water State Revolving Fund to expand capacity to provide loans for water pollution control infrastructure.
5. Adds \$6,000,000 in FY 23 to increase the state match for the Medicaid 1915(c) Waiver for Individuals with Intellectual and Developmental Disabilities to accommodate new enrollments and increasing provider rates.
6. Reduces \$1,987,692 for contract for services with AIDS Services Organizations in both FY 22 and FY 23.
7. Reduces 0.50 permanent FTE, 12.50 temporary FTE, and \$1,205,302 in Adult Mental Health Division Administration in both FY 22 and FY 23.
8. Reduces \$1,292,018 for Early Intervention purchase of service contracts in both FY 22 and FY 23.

9. Reduces \$1,881,477 for the Kupuna Care program in both FY 22 and FY 23.
10. Reduces 6.00 permanent FTE, \$475,769 in general funds, and \$114,000 in special funds for the elimination of the State Health Planning and Development Agency and adds 3.00 permanent FTE, \$237,264 in general funds, and \$114,000 in special funds to HTH 907/AP to continue the Certificate of Need program in both FY 22 and FY 23.
11. Reduces 5.00 permanent FTE and \$469,292 for the elimination of Office of Language Access and adds 3.00 permanent FTE and \$169,668 to HTH 907/AP for federal language access requirements in both FY 22 and FY 23.

**Department of Health
(Capital Improvements Budget)**

	<u>FY 2022</u>	<u>FY 2023</u>
Funding Sources:		
General Obligation Bonds	21,186,000	4,964,000
Federal Funds	23,319,000	23,319,000
Total Requirements	44,505,000	28,283,000

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. Adds \$2,462,000 and \$12,308,000 in federal funds in FY 22 and FY 23 for Wastewater Treatment Revolving Fund for Pollution Control, Statewide.
2. Adds \$2,202,000 and \$11,011,000 in federal funds in FY 22 and FY 23 for Safe Drinking Water Revolving Fund, Statewide.
3. Adds \$860,000 in FY 22 for Kalaupapa Settlement Improvements, Moloka'i.
4. Adds \$3,500,000 in FY 22 for Hawai'i State Hospital - Bldg Q, Replace Chillers and Related Improvements, O'ahu.
5. Adds \$7,090,000 in FY 22 for Kalaupapa Settlement, Close Landfills, Moloka'i.
6. Adds \$772,000 in FY 22 for State Laboratories Division, Air Handlers and Other Improvements, O'ahu.
7. Adds \$4,000,000 in FY 22 for Department of Health, Health and Safety, Statewide.

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**Department of Health - Hawaii Health Systems Corporation
(Operating Budget)**

		Budget Base FY 2022	Budget Base FY 2023	FY 2022	FY 2023
Funding Sources:	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
General Funds	\$	119,086,003	116,424,003	154,992,003	152,330,003
	Perm Positions	2,835.25	2,835.25	2,835.25	2,835.25
	Temp Positions	-	-	-	-
Special Funds	\$	614,557,268	614,557,268	614,557,268	614,557,268
		2,835.25	2,835.25	2,835.25	2,835.25
		-	-	-	-
Total Requirements		733,643,271	730,981,271	769,549,271	766,887,271

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Adds \$35,906,000 in both FY 22 and FY 23 for operational costs for the Hawai'i Health Systems Corporation - Regions.

**Department of Health - Hawaii Health Systems Corporation
(Capital Improvements Budget)**

	<u>FY 2022</u>	<u>FY 2023</u>
Funding Sources:		
General Obligation Bonds	21,000,000	23,000,000
Federal Funds	-	-
Total Requirements	21,000,000	23,000,000

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. Adds \$1,500,000 in FY 22 and \$1,000,000 in FY 23 for lump sum facility improvements and renovations to Kahuku Medical Center, O'ahu.
2. Adds \$2,500,000 in FY 22 and \$3,000,000 in FY 23 for lump sum facility improvements and renovations to Hawai'i Health Systems Corporation - Regions, O'ahu.
3. Adds \$3,000,000 in FY 22 and \$5,000,000 in FY 23 for lump sum facility improvements and renovations to Hawai'i Health Systems Corporation - Regions, Kaua'i.
4. Adds \$8,000,000 in FY 22 and \$8,000,000 in FY 23 for lump sum facility improvements and renovations to Hawai'i Health Systems Corporation - Regions, Hawai'i.
5. Adds \$6,000,000 in FY 22 and \$6,000,000 in FY 23 for lump sum facility improvements and renovations to Maui Health System, Maui and Lāna'i.

DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT MAJOR FUNCTIONS

- Administers the State human resources program, provides administrative support services to statutorily and executively assigned commissions and boards, and represents the State on other commissions and committees.
- Plans, organizes, directs and coordinates the various activities of the State human resources program in employee training and development, recruitment, examination, position classification, pay administration, workers' compensation payments, and labor relations within the scope of laws, rules and established policies.
- Develops and administers classification and compensation system(s) for civil service positions including the establishment and maintenance of classes and their experience and training requirements; the pricing of classes; and the assignment of positions to classes, bargaining units and other administrative units.
- Establishes and maintains statewide policies, procedures, programs, and services that provide guidance and support to the line departments of the Executive Branch with regard to employee relations, employee benefits programs; reports on the workforce composition and employment trends; and statewide employee development programs.
- Plans and administers statewide (except for DOE, UH and HHSC) workers' compensation program, claims management, Return to Work Priority Program, and a safety and accident prevention program.
- Conducts statewide staffing and consultative advisory services, including human resources research and development projects to forecast, plan for and effectuate effective staffing strategies before staffing issues become acute or impact public services; implements strategies to attract and retain employees by competitively filling positions, and develops and administers a statewide recruitment program.

MAJOR PROGRAM AREAS

The Department of Human Resources Development has a program in the following major program area:

Government-Wide Support

HRD 102 Work Force Attraction, Selection, Classification, and Effectiveness

HRD 191 Supporting Services-Human Resources Development

**Department of Human Resources Development
(Operating Budget)**

		Budget Base FY 2022	Budget Base FY 2023	FY 2022	FY 2023
Funding Sources:	Perm Positions	103.00	103.00	86.00	86.00
	Temp Positions	-	-	-	-
General Funds	\$	20,181,003	20,181,003	20,499,778	20,552,353
Special Funds	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
	\$	700,000	700,000	700,000	700,000
Interdepartmental Transfers	Perm Positions	2.00	2.00	2.00	2.00
	Temp Positions	-	-	-	-
	\$	5,166,134	5,166,134	5,166,134	5,166,134
		105.00	105.00	88.00	88.00
		-	-	-	-
Total Requirements		26,047,137	26,047,137	26,365,912	26,418,487

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Adds \$307,775 in FY 22 and \$635,350 in FY 23 for statutorily-mandated Worker's Compensation Claims.
2. Adds \$275,000 in FY 22 for Unemployment Insurance Benefits for former State Executive Branch employees.
3. Reduces 14.00 unfunded permanent positions in FY 22 and FY 23 for the Work Force Attraction, Selection, Classification, and Effectiveness Program.
4. Reduces 3.00 vacant permanent positions and \$264,000 in FY 22 and FY 23 for the Work Force Attraction, Selection, Classification, and Effectiveness Program.

**Department of Human Resources Development
(Capital Improvements Budget)**

	<u>FY 2022</u>	<u>FY 2023</u>
Funding Sources:		
General Obligation Bonds	-	-
Federal Funds	-	-
Total Requirements	-	-

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. None

DEPARTMENT OF HUMAN SERVICES MAJOR FUNCTIONS

- Provides employment related services, childcare services, and economic assistance to eligible families and individuals.
 - Provides medical assistance programs to eligible families and individuals.
 - Provides child welfare and adult protective and community services to eligible families and individuals.
- Administers programs of vocational rehabilitation, independent living rehabilitation, services for the blind, and disability determination.
 - Provides a continuum of prevention, rehabilitation and treatment services and programs for at risk youth.
 - Serves as a catalyst to provide Hawaii residents with affordable housing and shelter.

MAJOR PROGRAM AREAS

The Department of Human Services has programs in the following major program areas:

<p>Employment</p> <p>HMS 802 Vocational Rehabilitation</p>	<p>HMS 236</p>	<p>Case Management for Self-Sufficiency</p>	<p>HMS 605</p>	<p>Community-Based Residential Support</p>
<p>Social Services</p> <p>HMS 202 Aged, Blind and Disabled Payments</p> <p>HMS 204 General Assistance Payments</p> <p>HMS 206 Federal Assistance Payments</p> <p>HMS 211 Cash Support for Families-Self-Sufficiency</p> <p>HMS 220 Rental Housing Services</p> <p>HMS 222 Rental Assistance Services</p> <p>HMS 224 Homeless Services</p> <p>HMS 229 Hawaii Public Housing Authority Administration</p>	<p>HMS 237</p> <p>HMS 238</p> <p>HMS 301</p> <p>HMS 302</p> <p>HMS 303</p> <p>HMS 305</p> <p>HMS 401</p> <p>HMS 501</p> <p>HMS 503</p> <p>HMS 601</p>	<p>Employment and Training</p> <p>Disability Determination</p> <p>Child Protective Services</p> <p>General Support for Child Care</p> <p>Child Protective Services Payments</p> <p>Cash Support for Child Care</p> <p>Health Care Payments</p> <p>In-Community Youth Programs</p> <p>Hawaii Youth Correctional Facility (HYCF)</p> <p>Adult Protective and Community Services</p>	<p>HMS 901</p> <p>HMS 902</p> <p>HMS 903</p> <p>HMS 904</p>	<p>General Support for Social Services</p> <p>General Support for Health Care Payments</p> <p>General Support for Self-Sufficiency Services</p> <p>General Administration (DHS)</p>
				<p>Individual Rights</p> <p>HMS 888 Hawaii State Commission on the Status of Women</p>

**Department of Human Services
(Operating Budget)**

		Budget Base FY 2022	Budget Base FY 2023	FY 2022	FY 2023
Funding Sources:	Perm Positions	1,140.82	1,140.82	1,073.40	1,073.40
	Temp Positions	20.60	20.60	19.00	19.00
General Funds	\$	1,308,171,100	1,307,168,100	1,331,785,593	1,350,561,862
	Perm Positions	0.56	0.56	21.21	21.21
	Temp Positions	-	-	2.00	2.00
Special Funds	\$	6,931,039	6,931,039	14,286,139	14,311,507
	Perm Positions	1,068.37	1,068.37	1,047.14	1,047.14
	Temp Positions	75.40	75.40	68.00	68.00
Federal Funds	\$	2,308,130,563	2,308,130,563	2,563,183,817	2,495,550,151
	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
Other Federal Funds	\$	17,889,212	17,889,212	18,203,986	18,203,986
	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
Private Contributions	\$	10,000	10,000	10,000	10,000
	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
Interdepartmental Transfers	\$	7,169,481	7,169,481	7,169,481	7,169,481
	Perm Positions	66.00	66.00	66.00	66.00
	Temp Positions	19.00	19.00	19.00	19.00
Revolving Funds	\$	12,505,047	12,505,047	12,505,047	12,505,047
		2,275.75	2,275.75	2,207.75	2,207.75
		115.00	115.00	108.00	108.00
Total Requirements		3,660,806,442	3,659,803,442	3,947,144,063	3,898,312,034

Major Adjustments in the Executive Budget Request: (general funds unless noted)

- Increases Medicaid health care payments by \$34,685,255 in general funds and \$216,337,913 in federal funds in FY 22 and by \$54,964,524 in general funds and \$148,460,463 in federal funds in FY 23.
- Increases General Assistance payments by \$5,400,000 in FY 22 and FY 23 to meet projected enrollment increases.
- Increases the Spouse and Child Abuse Special Fund ceiling by \$5,000,000 in special funds in FY 22 and FY 23 for Child Protective Services to fund operations and services necessary to comply with the Family First Prevention Services Act.
- Changes the means of financing of 24.00 permanent positions from 17.50 general-funded and 6.50 federal-funded to 17.55 special-funded and 6.45 federal-funded; changes the means of financing for 1.00 temporary position from general-funded to special-funded; reduces \$31,200 in general funds; and adds 4.00 permanent positions (2.60 special-funded and 1.40 federal-funded), 1.00 temporary special-funded position, \$2,329,732 in special funds and \$141,751 in federal funds in FY 22 and FY 23 to fund information technology support and other administrative support positions in General Administration (DHS).

5. Increases State Rent Supplement Program funding by \$500,000 in FY 22 for Rental Assistance Services.
6. Adds 5.00 permanent federal-funded positions and \$183,069 in federal funds in FY 22 and \$346,817 in federal funds in FY 23 for Rental Assistance Services to support the administration of additional Section 8 funding.
7. Reduces 78.00 permanent positions (49.92 general-funded and 28.08 federal-funded), 4.00 temporary positions (0.40 general-funded and 3.60 federal-funded), \$16,932,562 in general funds, and \$4,320,609 in federal funds in various programs in FY 22 and FY 23.
8. Increases federal fund ceilings in various programs by \$43,122,955 in federal funds and \$314,774 in other federal funds in FY 22 and by \$43,118,955 in federal funds and \$314,774 in other federal funds in FY 23 to better align them with anticipated federal award amounts.

**Department of Human Services
(Capital Improvements Budget)**

	<u>FY 2022</u>	<u>FY 2023</u>
Funding Sources:		
General Obligation Bonds	10,380,000	10,380,000
Federal Funds	-	-
Total Requirements	10,380,000	10,380,000

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. Adds \$10,000,000 in FY 22 and FY 23 for public housing development, improvements, and renovations, Statewide.
2. Adds \$380,000 in FY 22 and FY 23 for Hawai'i Public Housing Authority capital improvement project staff costs, Statewide.

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DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

Department Summary

Mission Statement

To increase the economic security, physical and economic well-being and productivity of workers and ensure the growth and development of industry.

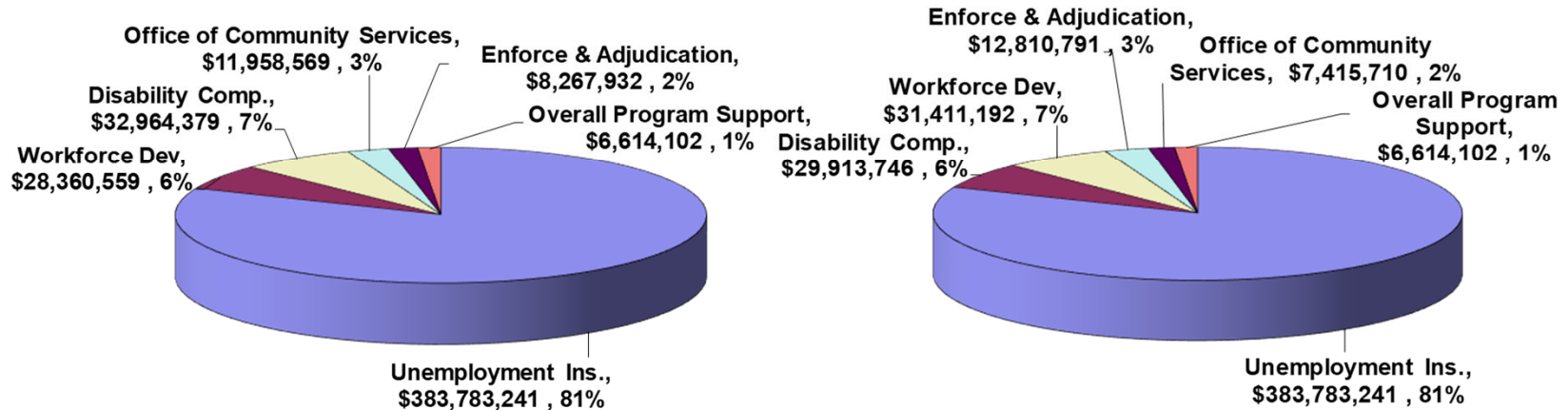
Department Goals

To promote access to employment and assess the needs and skills of the workforce; to alleviate the economic hardship of workers during periods of disability or temporary unemployment; to protect the employment rights of workers and assure a safe and healthy workplace; to develop, deliver and coordinate information to meet labor market supply and demand; and to promote the harmonious working relationship between business, labor, educators, and government agencies.

Significant Measures of Effectiveness

	<u>FY 2022</u>	<u>FY 2023</u>
1. Percentage of job applicants who found jobs	60	60
2. Number of insured employees as a percentage of the total labor force	94	94
3. Percentage of federally mandated statistical reports that meet deadlines	100	100

FB 2021-2023 Operating Budget by Major Program Area
FY 2022 FY 2023



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS MAJOR FUNCTIONS

- Administers federal and State programs designed to improve the economic security, occupational safety and health, working conditions, and productivity of workers, and maintain favorable labor-management relationships throughout the State.
- Administers comprehensive employment and training services to both job seekers and employers through a system of employment offices located statewide.
- Administers the State Unemployment Insurance program. Ensures that fair hearings before impartial appeals referees are provided to employers and claimants with respect to determinations made by the department regarding unemployment insurance benefits, disaster unemployment insurance, and other security decisions.
- Administers and enforces the State's occupational safety and health laws.
- Administers all activities pertinent to the management of the Workers' Compensation, Temporary Disability Insurance, and Prepaid Health Care laws and programs.
- Administers and enforces State labor laws dealing with wages and other compensation, hours, child labor, family leave, and related rules and regulations.
- Conducts program, labor market, and economic research to augment and enhance management decisions and policy making capabilities.

MAJOR PROGRAM AREAS

The Department of Labor and Industrial Relations has programs in the following major program area:

Employment

LBR 111	Workforce Development	LBR 183	Disability Compensation Program
LBR 135	Workforce Development Council	LBR 812	Labor and Industrial Relations Appeals Board
LBR 143	Hawaii Occupational Safety and Health Program	LBR 901	Research and Statistics
LBR 152	Wage Standards Program	LBR 902	General Administration
LBR 153	Hawaii Civil Rights Commission	LBR 903	Office of Community Services
LBR 161	Hawaii Labor Relations Board		
LBR 171	Unemployment Insurance Program		

**Department of Labor and Industrial Relations
(Operating Budget)**

		Budget Base FY 2022	Budget Base FY 2023	FY 2022	FY 2023
Funding Sources:	Perm Positions	191.11	191.11	165.11	165.11
	Temp Positions	14.12	14.12	10.12	10.12
General Funds	\$	17,034,897	17,034,897	14,863,348	14,863,348
Special Funds	Perm Positions	-	-	-	-
	Temp Positions	16.00	16.00	16.00	16.00
	\$	8,921,172	8,921,172	8,921,172	8,921,172
Federal Funds	Perm Positions	219.87	219.87	219.87	219.87
	Temp Positions	17.00	17.00	15.00	15.00
	\$	39,793,052	39,793,052	45,877,559	45,877,559
Other Federal Funds	Perm Positions	73.57	73.57	73.57	73.57
	Temp Positions	7.88	7.88	7.88	7.88
	\$	11,147,474	11,147,474	12,221,941	12,221,941
County Funds	Perm Positions	20.00	20.00	20.00	20.00
	Temp Positions	-	-	-	-
	\$	2,000,000	2,000,000	2,000,000	2,000,000
Trust Funds	Perm Positions	11.00	11.00	11.00	11.00
	Temp Positions	5.00	5.00	5.00	5.00
	\$	382,050,965	382,050,965	382,050,965	382,050,965
Interdepartmental Transfers	Perm Positions	12.00	12.00	12.00	12.00
	Temp Positions	20.00	20.00	20.00	20.00
	\$	2,891,173	2,891,173	2,891,173	2,891,173
Revolving Funds	Perm Positions	22.00	22.00	22.00	22.00
	Temp Positions	0.50	0.50	0.50	0.50
	\$	3,122,624	3,122,624	3,122,624	3,122,624
		549.55	549.55	523.55	523.55
		80.50	80.50	74.50	74.50
Total Requirements		466,961,357	466,961,357	471,948,782	471,948,782

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Trade-Off/Transfers (TO/TRs) in both FY 22 and FY 23 to fund select defunded positions (per Act 9, SLH 2020) in Wage Standards, Hawai'i Civil Rights Commission (HCRC), Disability Compensation Division (DCD); Labor and Industrial Relations Appeals Board, and Research and Statistics (R&S) programs. Also a TO/TR to fold Employment Security Appeals Referees' Office into Unemployment Insurance program.
2. Adds \$6,084,507 in federal funds and \$1,074,467 in other federal funds in FY 22 and FY 23 to align appropriation ceilings with actual federal grants projected to be awarded.

3. Adds \$431,937 in FY 22 and FY 23 to cover on-going information technology (IT) maintenance costs of completed DCD IT modernization project.
4. Reduces 19.00 permanent unfunded FTEs in FY 22 and FY 23 in various programs.
5. Reduces, under Program Review budget adjustments, for general funds a total of 7.00 permanent and 4.00 temporary FTEs and \$2,603,486; and for federal funds a total of 2.00 temporary FTEs, in FY 22 and FY 23.

**Department of Labor and Industrial Relations
(Capital Improvements Budget)**

	<u>FY 2022</u>	<u>FY 2023</u>
Funding Sources:		
General Obligation Bonds	-	-
Federal Funds	-	-
Total Requirements	-	-

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. None

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DEPARTMENT OF LAND AND NATURAL RESOURCES

Department Summary

Mission Statement

To enhance, protect, conserve, and manage Hawaii's unique and limited natural, cultural and historic resources held in public trust for current and future generations for the people of Hawaii nei, and its visitors, in partnership with others in the public and private sectors.

Department Goals

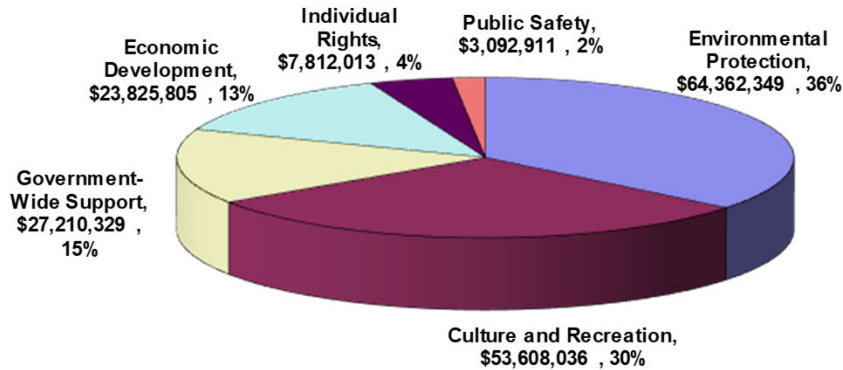
To seek, develop and implement cost-effective strategies for the long-term sustainable management, maintenance, protection and utilization of existing and potential ocean, land, natural and cultural resources of the State of Hawaii in an integrated manner and in partnership with others from the public and private sectors. Additionally, prevent the establishment of invasive species detrimental to native habitats, while promoting responsible use, understanding, and respect for Hawaii's resources.

Significant Measures of Effectiveness

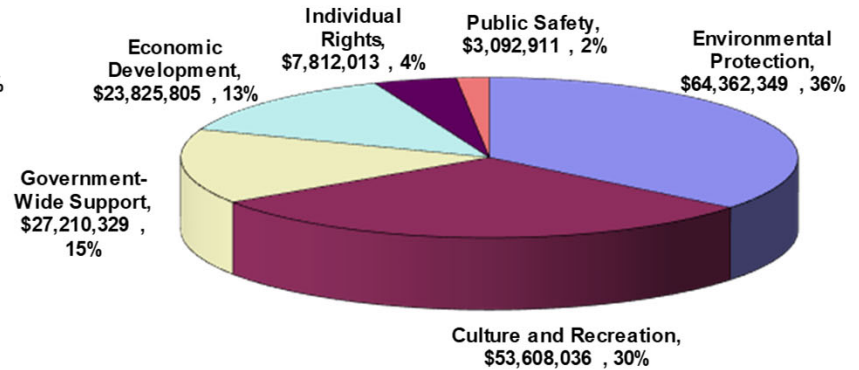
	<u>FY 2022</u>	<u>FY 2023</u>
1. Dollar amount of revenues transferred to OHA (\$000)	2,900	2,900
2. No. of permits (camping and cabin) issued statewide	17,500	22,000
3. Marine protected areas and artificial reefs newly created (acres)	85,000	90,000
4. No. of acres enrolled in watershed partnerships as % of plan	15,000	15,000

FB 2021-2023 Operating Budget by Major Program Area

FY 2022



FY 2023



DEPARTMENT OF LAND AND NATURAL RESOURCES MAJOR FUNCTIONS

- Implement programs to conserve, protect, develop and utilize the State's natural and cultural resources.
- Preserve and enhance native and indigenous fish and other aquatic species and their habitats for residents and visitors.
- Promote the safe and responsible use of Hawaii's natural resources through firm, fair and effective law enforcement.
- Provide accurate, timely and permanent system of registering and recording land title and related documents and maps.
- Manage the conservation, protection, planning, and utilization of the State's water resources for social, economic and environmental requirements.
- Provide safe and enjoyable recreation opportunities.
- Develop and maintain a comprehensive program of historic preservation to promote the use and conservation of historical and cultural sites.
- Collect and disseminate data relating to natural resources. Partner with public and private agencies to maximize funding leverage.

MAJOR PROGRAM AREAS

The Department of Land and Natural Resources has programs in the following major program areas:

Economic Development

- LNR 141 Water and Land Development
- LNR 153 Fisheries Management
- LNR 172 Forestry-Resource Management and Development

Environmental Protection

- LNR 401 Ecosystem Protection and Restoration
- LNR 402 Native Resources and Fire Protection Program
- LNR 404 Water Resources
- LNR 405 Conservation and Resources Enforcement
- LNR 407 Natural Area Reserves and Watershed Management
- LNR 906 LNR-Natural and Physical Environment

Culture and Recreation

- LNR 801 Ocean-Based Recreation
- LNR 802 Historic Preservation
- LNR 804 Forest and Outdoor Recreation
- LNR 805 District Resource Management
- LNR 806 Parks Administration and Operation

Public Safety

- LNR 810 Prevention of Natural Disasters

Individual Rights

- LNR 111 Conveyances and Recordings

Government Wide Support

- LNR 101 Public Lands Management

**Department of Land and Natural Resources
(Operating Budget)**

Funding Sources:		Budget Base	Budget Base	FY 2022	FY 2023
		FY 2022	FY 2023		
General Funds	Perm Positions	616.00	616.00	536.75	536.75
	Temp Positions	52.00	52.00	14.50	14.50
	\$	66,387,293	66,387,293	54,452,975	54,305,973
Special Funds	Perm Positions	271.00	271.00	305.25	305.25
	Temp Positions	4.25	4.25	4.25	4.25
	\$	65,783,113	65,783,113	79,898,531	79,458,068
Federal Funds	Perm Positions	30.50	30.50	47.50	47.50
	Temp Positions	18.75	18.75	2.75	2.75
	\$	15,351,755	15,351,755	17,916,970	16,296,659
Other Federal Funds	Perm Positions	7.50	7.50	7.00	7.00
	Temp Positions	6.00	6.00	6.50	6.50
	\$	9,529,578	9,529,578	24,734,025	8,031,303
Trust Funds	Perm Positions	-	-	1.00	1.00
	Temp Positions	1.00	1.00	-	-
	\$	393,433	393,433	392,156	392,156
Interdepartmental Transfers	Perm Positions	-	-	-	-
	Temp Positions	7.00	7.00	7.00	7.00
	\$	1,686,056	1,686,056	1,686,056	1,686,056
Revolving Funds	Perm Positions	3.00	3.00	3.00	3.00
	Temp Positions	-	-	-	-
	\$	680,730	680,730	830,730	830,730
		928.00	928.00	900.50	900.50
		89.00	89.00	35.00	35.00
Total Requirements		159,811,958	159,811,958	179,911,443	161,000,945

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Adds \$5,100,000 in special funds in both FY 22 and FY 23 for the Legacy Land Conservation Program.
2. Adds \$2,906,688 in FY 22 and \$2,000,000 in FY 23 in special funds to support State Parks operations.
3. Adds \$2,000,000 in special funds in both FY 22 and FY 23 for Division of Boating and Ocean Recreation activities.
4. Adds \$750,000 in special funds in both FY 22 and FY 23 to preserve records, books, and maps at the Bureau of Conveyances.
5. Adds 12.00 permanent positions and \$1,165,691 in special funds in both FY 22 and FY 23 as part of a tradeoff for unfunded positions at the Division of Conservation and Resources Enforcement.
6. Reduces \$5,414,615 in both FY 22 and FY 23 for the Division of Forestry and Wildlife.
7. Reduces \$1,456,161 in both FY 22 and FY 23 for county contract costs for lifeguard services.
8. Reduces \$927,040 in FY 22 and \$764,007 in FY 23 for Division of Conservation and Resources Enforcement.
9. Reduces 8.50 permanent positions and \$674,974 in both FY 22 and FY 23 in general funds for the Engineering Division as part of a tradeoff for proposed general obligation bond funding for the positions.
10. Abolishes 64.00 permanent positions and 8.00 temporary positions in both FY 22 and FY 23 that were unfunded in the Department.

**Department of Land and Natural Resources
(Capital Improvements Budget)**

	<u>FY 2022</u>	<u>FY 2023</u>
Funding Sources:		
Special Funds	6,400,000	-
General Obligation Bonds	16,275,000	13,200,000
Federal Funds	725,000	2,000,000
Total Requirements	23,400,000	15,200,000

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. Adds \$1,200,000 in both FY 22 and FY 23 for Capital Improvements Program Staff Costs, Statewide.
2. Adds \$4,000,000 in both FY 22 and FY 23 for Watershed Protection and Initiatives, Statewide.
3. Adds \$6,000,000 (\$5,500,000 in general obligation bonds and \$500,000 in federal funds) in both FY 22 and FY 23 for State Parks Infrastructure and Park Improvements, Lump Sum, Statewide.
4. Adds \$2,000,000 in both FY 22 and FY 23 for Rockfall and Flood Mitigation, Statewide.
5. Adds \$300,000 (\$75,000 in general obligation bonds and \$225,000 in federal funds) in FY 22 and \$2,000,000 (\$500,000 in general obligation bonds and \$1,500,000 in federal funds) in FY 23 for Kahana Bay Boat Ramp and Loading Dock, Kāneʻohe, Oahu.
6. Adds \$3,150,000 in FY 22 for Waikiki Master Plan Improvements, Oahu.
7. Adds \$3,000,000 in special funds in FY 22 for Hawaiʻi District Land Office Renovation, Hawaiʻi.
8. Adds \$3,400,000 in special funds in FY 22 for acquisitions of Haloa Aina and Hoomau Forest conservation easements and Hawaiʻi Koa Forest, Hawaiʻi.

OFFICE OF THE LIEUTENANT GOVERNOR

Department Summary

Mission Statement

To enhance the efficiency and effectiveness of State programs by providing leadership and executive management and by developing policies and priorities to give program direction.

Department Goals

To provide effective leadership and executive management, and to protect the public's interest by ensuring that government processes are open.

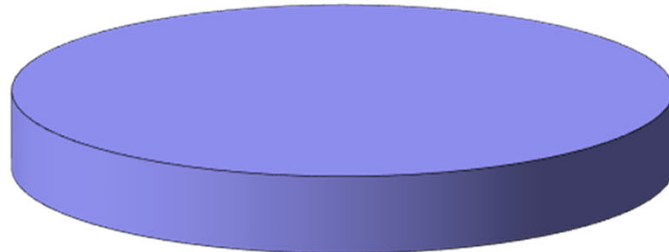
Significant Measures of Effectiveness

1. Total revenue from sales as a percentage of cost of publication

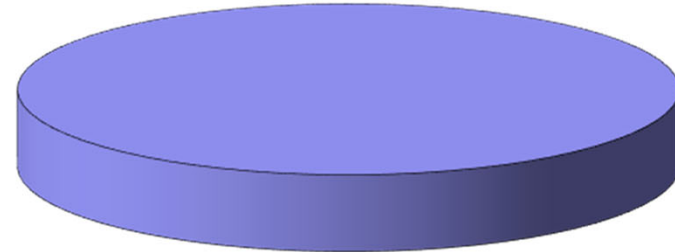
<u>FY 2022</u>	<u>FY 2023</u>
105	105

FB 2021-2023 Operating Budget by Major Program Area

FY 2022 FY 2023



Office of the
Lieutenant Governor,
\$955,793 , 100%



Office of the
Lieutenant Governor,
\$955,793 , 100%

OFFICE OF THE LIEUTENANT GOVERNOR MAJOR FUNCTIONS

- Exercises the executive powers whenever the Governor is absent from the State or is unable to discharge the powers and duties of the office.
- Serves as the Secretary of State for intergovernmental relations.
- Performs duties and undertakes projects assigned by the Governor.
- Delegation of authority by the Governor under HRS 26-1(d) to address chronic homelessness in partnership with the private-sector.
- HRS 574-5 Name Changes.
- HRS 26-1(a) Apostilles.

MAJOR PROGRAM AREAS

The Office of the Lieutenant Governor has a program in the following major program area:

Government-Wide Support

LTG 100 Office of the Lieutenant Governor

**Office of the Lieutenant Governor
(Operating Budget)**

		Budget Base FY 2022	Budget Base FY 2023	FY 2022	FY 2023
Funding Sources:	Perm Positions	3.00	3.00	3.00	3.00
	Temp Positions	10.00	10.00	8.00	8.00
General Funds	\$	955,793	955,793	955,793	955,793
		3.00	3.00	3.00	3.00
		10.00	10.00	8.00	8.00
Total Requirements		955,793	955,793	955,793	955,793

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Reduces 2.00 temporary FTEs in FY22 and FY23.

**Office of the Lieutenant Governor
(Capital Improvements Budget)**

	<u>FY 2022</u>	<u>FY 2023</u>
Funding Sources:		
General Obligation Bonds	-	-
Federal Funds	-	-
Total Requirements	-	-

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. None

DEPARTMENT OF PUBLIC SAFETY MAJOR FUNCTIONS

- Administer various public safety programs that are designed to prevent and deter criminal acts, and to incarcerate and rehabilitate criminal offenders.
- Administer the operations of eight correctional institutions throughout the State for the custody and care of offenders detained or committed by the courts to the department in safe, clean, and humane conditions of confinement.
- Provide a continuum of treatment programs and services to facilitate the reintegration of inmates into the community.
- Administer a correctional industries program which employs inmates in work programs that produce goods and services for government agencies and nonprofit organizations, and affords inmates job training and work experience to enhance their employment prospects when they return to the community.
- Determine minimum terms of imprisonment for convicted felons; grant release of felons from institutions under conditions of parole; and report on petitions for pardon referred by the Governor.
- Administer diversionary programs as well as alternatives to incarceration; conduct bail evaluations; and supervises offenders conditionally released by the courts.
- Administer statewide law enforcement programs that protect the public as well as safeguard State property and facilities; and enforces laws, rules, and regulations to prevent and control crime.
- Regulate the manufacture, distribution, sale, prescription, and dispensing of controlled substances in the State by issuing applications and permits to conduct transactions; and investigates and enforces laws, rules and regulations relative to controlled substances.
- Mitigate the suffering and losses of victims and survivors of certain crimes by providing them with compensation for crime related losses; and, compensate private citizens (Good Samaritans) who suffer personal injury or property damage in the course of preventing a crime or apprehending a criminal.

MAJOR PROGRAM AREAS

The Department of Public Safety has programs in the following major program area:

Public Safety

Corrections

PSD 402 Halawa Correctional Facility
PSD 403 Kulani Correctional Facility
PSD 404 Waiawa Correctional Facility
PSD 405 Hawaii Community Correctional Center
PSD 406 Maui Community Correctional Center
PSD 407 Oahu Community Correctional Center
PSD 408 Kauai Community Correctional Center
PSD 409 Women's Community Correctional Center
PSD 410 Intake Service Centers
PSD 420 Corrections Program Services
PSD 421 Health Care
PSD 422 Hawaii Correctional Industries
PSD 808 Non-State Facilities

Law Enforcement

PSD 502 Narcotics Enforcement
PSD 503 Sheriff

Other

PSD 611 Adult Parole Determinations
PSD 612 Adult Parole Supervision and Counseling
PSD 613 Crime Victim Compensation Commission
PSD 900 General Administration

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**Department of Public Safety
(Operating Budget)**

		Budget Base FY 2022	Budget Base FY 2023	FY 2022	FY 2023
Funding Sources:	Perm Positions	2,684.60	2,684.60	2,644.60	2,644.60
	Temp Positions	-	-	-	-
General Funds	\$	263,246,891	263,246,891	272,076,517	270,738,652
	Perm Positions	8.00	8.00	9.00	9.00
	Temp Positions	-	-	-	-
Special Funds	\$	3,140,372	3,140,372	3,140,372	3,140,372
	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
Federal Funds	\$	1,615,989	1,615,989	1,645,989	1,645,989
	Perm Positions	-	-	-	-
	Temp Positions	1.00	1.00	1.00	1.00
Other Federal Funds	\$	1,059,315	1,059,315	1,059,315	1,059,315
	Perm Positions	-	-	-	-
	Temp Positions	3.00	3.00	3.00	3.00
County Funds	\$	209,721	209,721	209,721	209,721
	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
Trust Funds	\$	75,065	75,065	75,065	75,065
	Perm Positions	80.00	80.00	80.00	80.00
	Temp Positions	-	-	-	-
Interdepartmental Transfers	\$	10,575,933	10,575,933	10,575,933	10,575,933
	Perm Positions	10.00	10.00	10.00	10.00
	Temp Positions	42.00	42.00	42.00	42.00
Revolving Funds	\$	11,422,005	11,422,005	11,422,005	11,422,005
		2,782.60	2,782.60	2,743.60	2,743.60
		46.00	46.00	46.00	46.00
Total Requirements		291,345,291	291,345,291	300,204,917	298,867,052

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Adds \$12,127,438 in both FY 22 and FY 23 to replace reduced payroll funding of 237.50 positions from various programs.
2. Adds \$676,222 in FY 22 for a cash infusion for the payroll and operating expenditures of the Crime Victim Compensation Commission.
3. Reduces non-critical operating expenditures of \$2,817,299 from various programs in both FY 22 and FY 23 to replace the reduced funding of 61.00 permanent positions.
4. Reduces non-critical operating expenditures of \$1,812,325 in FY 22 and \$2,473,968 in FY 23 from various programs, to include costs from motor vehicle replacement (\$181,850), re-entry contract services and lease payments (\$500,000 in FY 22 and \$1,161,643 in FY 23), and other miscellaneous and operating costs (\$1,130,475).

5. Reduces 18.00 permanent Adult Corrections Officer positions and \$1,485,629 in both FY 22 and FY 23 for the additional housing of Ho'okipa Makai Cottage under the Women's Community Correctional Center.
6. Reduces 20.00 permanent positions and \$676,080 in payroll and operating costs from various programs in both FY 22 and FY 23.

**Department of Public Safety
(Capital Improvements Budget)**

	<u>FY 2022</u>	<u>FY 2023</u>
Funding Sources:		
General Obligation Bonds	88,968,000	10,000,000
Federal Funds	-	-
Total Requirements	88,968,000	10,000,000

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. Adds \$35,000,000 in FY 22 for Halawa Correctional Facility, Consolidated Health Care Unit, O'ahu.
2. Adds \$30,000,000 in FY 22 and \$10,000,000 in FY 23 for various lump sum CIP projects to provide major repairs, upgrades, improvements to comply with Americans with Disabilities Act standards, and deferred maintenance to PSD facilities, Statewide.
3. Adds \$6,000,000 in FY 22 for PSD Sheriffs Relocation - Keawe Station to Kalanimoku Building, O'ahu.
4. Adds \$5,000,000 in FY 22 for O'ahu Community Correctional Center - Laumaka Work Furlough Center Infrastructure Repairs, Renovation and Improvements, O'ahu.
5. Re-appropriates lapsed funds of \$12,968,000 in FY 22 to provide additional funding for PSD Medium Security Housing at Hawai'i Community Correctional Center and Maui Community Correctional Center, and Other Housing Improvements, Statewide.

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DEPARTMENT OF TAXATION

Department Summary

Mission Statement

To administer the tax laws of the State of Hawaii in a consistent, uniform and fair manner.

Department Goals

To provide complete customer service; to increase collection capabilities through efficient allocation of resources; to simplify taxpayer filings, provide a more user-friendly interface with the public, and expedite delinquent referrals; to automate tax filings, billings and collections; to expand capacity for research and revenue analysis; and to permit more flexibility in accommodating tax law changes and initiatives to improve tax administration.

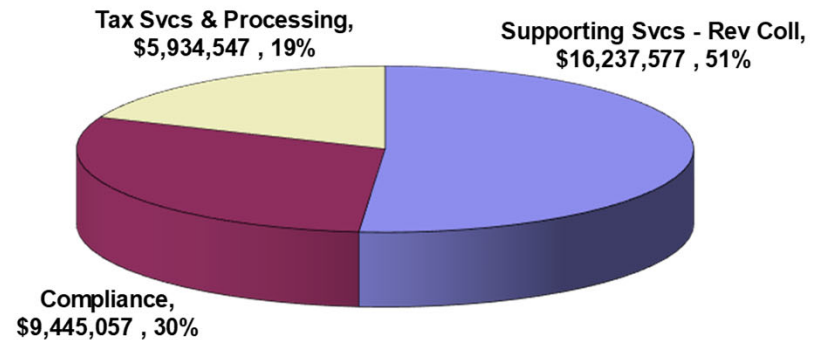
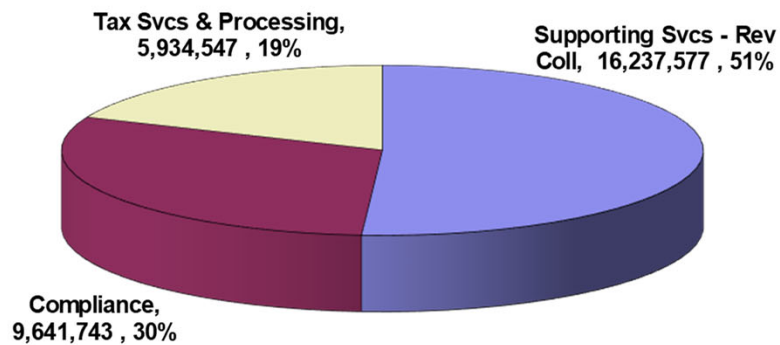
Significant Measures of Effectiveness

	<u>FY 2022</u>	<u>FY 2023</u>
1. Average annual percentage call answer rate	90	90
2. Percent of tax returns audited resulting in adjustments	58	58
3. Average business days to deposit checks received from taxpayers	7	7

FB 2021-2023 Operating Budget by Major Program Area

FY 2022

FY 2023



DEPARTMENT OF TAXATION MAJOR FUNCTIONS

- Administers and enforces the tax laws of Hawaii and the collection of taxes and other payments.
- Coordinates a centralized system for receiving and processing of all tax returns, payments and documents.
- Provides complete customer service, assistance and information on all taxes administered by the department to customers who walk in, call-in, correspond or e-mail.
- Administers a comprehensive and uniform compliance program based on self-assessment and voluntary compliance.
- Conducts audits and investigations of all types of tax returns.
- Conducts and enforces collection of delinquent taxes by appropriate collection procedures.
- Plans, organizes and coordinates a tax research and tax planning program.
- Provides administrative and research support to the Council on Revenues which prepares revenue estimates for the State on a quarterly basis.

MAJOR PROGRAM AREAS

The Department of Taxation has a program in the following major program area:

Government-Wide Support

TAX 100	Compliance
TAX 105	Tax Services and Processing
TAX 107	Supporting Services – Revenue Collection

**Department of Taxation
(Operating Budget)**

		Budget Base FY 2022	Budget Base FY 2023	FY 2022	FY 2023
Funding Sources:	Perm Positions	401.00	401.00	330.00	330.00
	Temp Positions	117.00	117.00	5.00	5.00
General Funds	\$	26,690,196	26,690,196	26,252,446	26,055,760
	Perm Positions	-	-	5.00	5.00
	Temp Positions	13.00	13.00	21.00	21.00
Special Funds	\$	3,567,116	3,567,116	5,561,421	5,561,421
		401.00	401.00	335.00	335.00
		130.00	130.00	26.00	26.00
Total Requirements		30,257,312	30,257,312	31,813,867	31,617,181

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Converts positions from general to special funds by reducing 5.00 permanent positions, 8.00 temporary positions and \$1,320,730 in both FY 22 and FY 23; and adding 5.00 permanent positions, 8.00 temporary positions and \$1,994,305 in special funds from the Tax Administration Special Fund in both FY 22 and FY 23.
2. Adds 6.00 permanent positions in both FY 22 and FY 23 to offset a legislative error in Act 5, SLH 2019, as amended by Act 9, SLH 2020.
3. Adds \$3,033,382 in both FY 22 and FY 23 for maintenance and support for the Tax Modernization System.
4. Reduces 60.00 permanent positions, 104.00 temporary positions and \$2,150,850 in FY 22, and 60.00 permanent positions, 104.00 temporary positions and \$2,347,536 in FY 23, in various programs.

**Department of Taxation
(Capital Improvements Budget)**

	<u>FY 2022</u>	<u>FY 2023</u>
Funding Sources:		
General Obligation Bonds	-	-
Federal Funds	-	-
Total Requirements	-	-

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. None

DEPARTMENT OF TRANSPORTATION

Department Summary

Mission Statement

To provide a safe, efficient, accessible, and sustainable inter-modal transportation system that ensures the mobility of people and goods, and enhances and/or preserves economic prosperity and the quality of life.

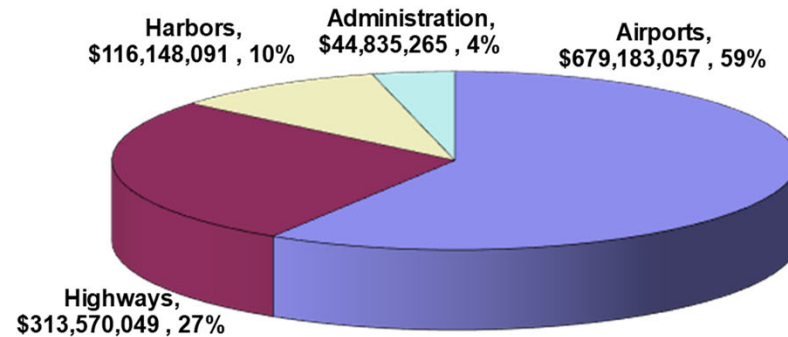
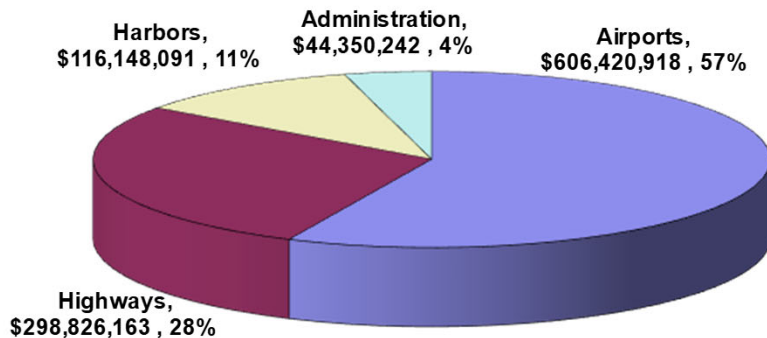
Department Goals

Achieve an integrated multi-modal transportation system through upgrades and expansions to assure mobility and accessibility to support and sustain cargo and passenger operations; ensure the safety and security of the air, land and water transportation systems; advance sustainable transportation system solutions that result in energy efficiency and savings; protect and enhance Hawaii's unique environment and improve the quality of life; support Hawaii's economic vitality; implement a statewide planning process that is comprehensive, cooperative and continuing; and improve the overall financial program through greater efficiency, development, management and oversight of revenue sources.

Significant Measures of Effectiveness

	<u>FY 2022</u>	<u>FY 2023</u>
1. Through-put cost per passenger (Airports Division)	\$17.03	\$15.61
2. Number of containers processed per year expressed in twenty foot equivalent units (Harbors Division)	1,232,499	1,232,499
3. Maintenance cost per 10 lane-miles (Highways Division)	\$499,329	\$504,996

FB 2021-2023 Operating Budget by Major Program Area
FY 2022 FY 2023



DEPARTMENT OF TRANSPORTATION MAJOR FUNCTIONS

- Carries out programs to improve, maintain, and operate transportation facilities of the State.
- Administers the operations of the airports program of the State government by equipping, regulating and protecting the state system of public airports and related facilities. Plans, designs, develops, acquires, and constructs new and expanded airports and facilities as well as reconstructs existing airports and facilities.
- Plans, designs, and supervises the construction and maintenance of the State Highway System. Alters, modifies, or revises such highway system as may be required.
- Administers and maintains the operations of the harbors program of the State government by equipping, regulating, and protecting the State system of harbors and related facilities. Plans, develops, acquires, and constructs new and expanding harbors and facilities as well as maintaining and reconstructing existing harbors and facilities.
- Provides for the determination of statewide transportation needs, the continuous survey and inventory of planned resources, and the creation of statewide, inter and multi modal transportation systems network plans.
- Encourages, fosters and assists in the development of aeronautical, water, and land transportation in the State; and provides for the protection and promotion of safety in aeronautics and water transportation.
- Plans, reviews, and implements a comprehensive uniform state highway safety program to comply with applicable federal and state laws.
- Administers driver's license and civil identification programs.
- Serves on the State Highway Safety Council which advises the governor on highway safety; serves on the Aloha Tower Development Corporation board to undertake the redevelopment of the Aloha Tower complex; and cooperates with the Medical Advisory Board which advises the examiner of drivers on medical criteria and vision standards for motor vehicle drivers.

MAJOR PROGRAM AREAS

The Department of Transportation has programs in the following major program area:

Transportation Facilities and Services

Airports

TRN 102	Daniel K. Inouye Int'l Airport
TRN 104	General Aviation
TRN 111	Hilo International Airport
TRN 114	Ellison Onizuka Kona Int'l Airport at Keahole
TRN 116	Waimea-Kohala Airport
TRN 118	Upolu Airport
TRN 131	Kahului Airport
TRN 133	Hana Airport
TRN 135	Kapalua Airport
TRN 141	Molokai Airport
TRN 143	Kalaupapa Airport
TRN 151	Lanai Airport
TRN 161	Lihue Airport
TRN 163	Port Allen Airport
TRN 195	Airports Administration

Harbors

TRN 301	Hawaii Harbors System
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Highways

TRN 501	Oahu Highways
TRN 511	Hawaii Highways
TRN 531	Maui Highways
TRN 561	Kauai Highways
TRN 595	Highways Administration
TRN 597	Highways Safety

Administration

TRN 695	Aloha Tower Development Corporation
TRN 995	General Administration

**Department of Transportation
(Operating Budget)**

		Budget Base FY 2022	Budget Base FY 2023	FY 2022	FY 2023
Funding Sources:	Perm Positions	2,786.20	2,786.20	2,786.20	2,786.20
	Temp Positions	12.00	12.00	12.00	12.00
Special Funds	\$	1,025,290,100	1,025,290,100	1,023,613,679	1,109,926,104
Federal Funds	Perm Positions	7.00	7.00	7.00	7.00
	Temp Positions	1.00	1.00	1.00	1.00
	\$	39,235,262	39,235,262	40,633,679	42,312,302
Other Federal Funds	Perm Positions	0.80	0.80	0.80	0.80
	Temp Positions	-	-	-	-
	\$	754,989	754,989	754,989	754,989
Private Contributions	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
	\$	743,067	743,067	743,067	743,067
		2,794.00	2,794.00	2,794.00	2,794.00
		13.00	13.00	13.00	13.00
Total Requirements		1,066,023,418	1,066,023,418	1,065,745,414	1,153,736,462

Major Adjustments in the Executive Budget Request: (special funds unless noted)

1. Airports Division- Adds \$15,000,000 in FY 22 and FY 23 for special maintenance projects.
2. Airports Division- Adds \$13,611,408 in FY 22 and FY 23 for routine maintenance at Daniel K. Inouye International Airport (HNL).
3. Airports Division- Adds \$4,634,400 in FY 22 and FY 23 for anticipated increases for security services, Statewide.
4. Harbors Division- Consolidates 136.00 permanent positions, 1.00 temporary position and \$100,271,196 in FY 22 and FY 23 from the various District's Program IDs into one program entitled "Hawaii Harbors System".
5. Highways Division- Trade-off/transfer 1.00 permanent position and \$22,331,887 (\$22,215,777 in special funds and \$116,110 in federal funds) in FY 22 and \$22,153,838 (\$22,037,728 in special funds and \$116,110 in federal funds) in FY 23 for energy savings contract maintenance, lease payments, special maintenance, and various requests.
6. Highways Division- Adds \$5,712,084 in FY 22 and \$13,974,703 in FY 23 for special maintenance projects.
7. Tradeoff/transfer requests to realign the budget for various programs and necessary operating requirements.
8. Various budget adjustments to reflect anticipated federal and other federal fund awards.

**Department of Transportation
(Capital Improvements Budget)**

	<u>FY 2022</u>	<u>FY 2023</u>
Funding Sources:		
Special Funds	18,960,000	6,960,000
General Obligation Bonds	-	-
Revenue Bonds	312,485,000	428,111,000
Federal Funds	135,237,000	135,337,000
Private Contributions	32,000	5,032,000
Other Funds	58,577,000	157,000
Total Requirements	525,291,000	575,597,000

Highlights of the Executive CIP Budget Request: (revenue bonds unless noted)

1. Airports Division- Adds \$15,000,000 in FY 22 and \$100,000,000 in FY 23 for Lihue Airport, Terminal Improvements, Kauai.
2. Airports Division- Adds \$98,441,000 (\$98,440,000 in revenue bond funds and \$1,000 in federal funds) in FY 22 and \$21,208,000 (\$16,207,000 in revenue bond funds, \$1,000 in federal funds, and \$5,000,000 in private contribution funds) in FY 23 for Airfield Improvements, Statewide.
3. Airports Division- Adds \$58,420,000 in other funds (passenger facility charges) in FY 22 and FY 23 for Airport Improvements, Statewide.
4. Airports Division- Adds \$12,000,000 in special funds in FY 22 for Dillingham Airfield, Airport Improvements, Oahu.
5. Harbors Division- Adds \$10,000,000 (\$9,988,000 in revenue bond funds, \$4,000 in special funds, \$4,000 in federal funds, and \$4,000 in private contributions) in FY 22 and \$63,000,000 (\$62,988,000 in revenue bond funds, \$4,000 in special funds, \$4,000 in federal funds, and \$4,000 in private contributions) in FY 23 for Kahului Harbor Improvements, Maui.

6. Harbors Division- Adds \$10,000,000 (\$9,988,000 in revenue bond funds, \$4,000 in special funds, \$4,000 in federal funds, and \$4,000 in private contributions) in FY 22 and \$30,000,000 (\$29,988,000 in revenue bond funds, \$4,000 in special funds, \$4,000 in federal funds, and \$4,000 in private contributions) in FY 23 for Honolulu Harbor Improvements, Oahu.
7. Harbors Division- Adds \$10,000,000 (\$9,988,000 in revenue bond funds, \$4,000 in special funds, \$4,000 in federal funds, and \$4,000 in private contributions) in FY 22 and \$30,000,000 (\$29,988,000 in revenue bond funds, \$4,000 in special funds, \$4,000 in federal funds, and \$4,000 in private contributions) in FY 23 for Kawaihae Harbor Improvements, Hawaii.
8. Highways Division- Adds \$41,500,000 (\$8,300,000 in revenue bond funds and \$33,200,000 federal funds) in FY 22 and \$103,500,000 (\$20,700,000 in revenue bond funds and \$82,800,000 federal funds) in FY 23 for various bridges, Statewide.
9. Highways Division- Adds \$63,700,000 (\$14,800,000 in revenue bond funds and \$48,900,000 in federal funds) in FY 22 and \$14,800,000 (\$3,000,000 in revenue bond funds and \$11,800,000 in federal funds) in FY 23 for Highway Planning, Statewide.
10. Highways Division- Adds \$20,500,000 (\$4,100,000 in revenue bond funds and \$16,400,000 in federal funds) in FY 22 for Vehicle to Everything (V2X) Technology, Statewide.
11. Highways Division- Adds \$15,000,000 (\$3,000,000 in revenue bond funds and \$12,000,000 in federal funds) in FY 22 for Rail Line Highway Improvements, Oahu.

UNIVERSITY OF HAWAII

Department Summary

Mission Statement

To serve the public by creating, preserving, and transmitting knowledge in a multi-cultural environment.

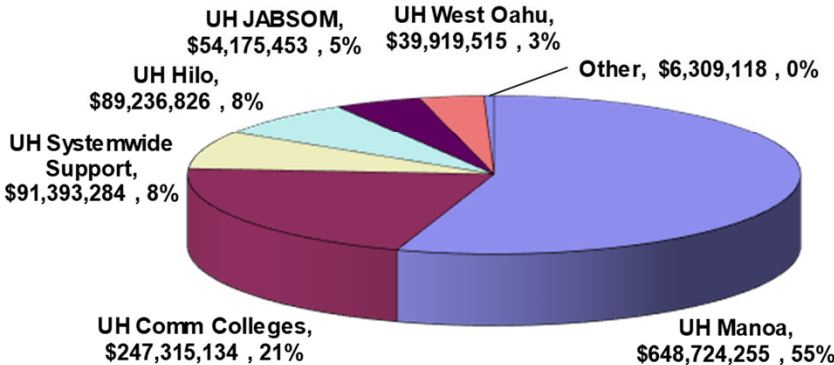
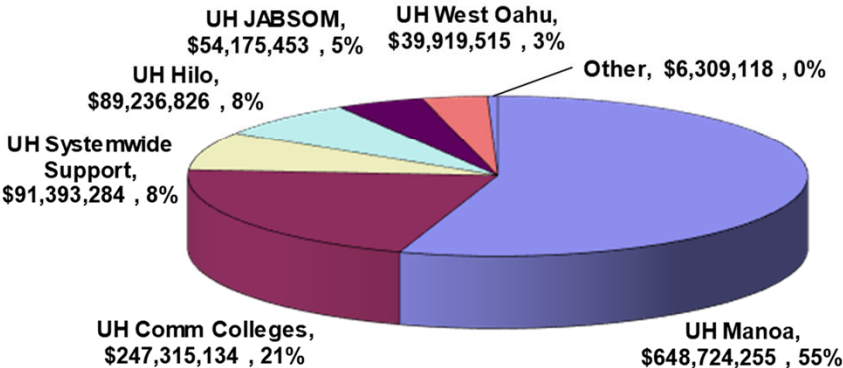
Department Goals

To achieve educational effectiveness and student success; provide a learning, research, and service network; be a model local, regional, and global university; maximize investment in faculty, staff, students, and their environment; and provide resources and stewardship.

Significant Measures of Effectiveness

	<u>FY 2022</u>	<u>FY 2023</u>
1. Number of degrees and certificates of achievement earned	11,348	12,422
2. Extramural fund support (\$ millions)	496.6	521.4
3. Number of degrees in STEM fields	1,936	2,022

FB 2021-2023 Operating Budget by Major Program Area
FY 2022 FY 2023



UNIVERSITY OF HAWAII MAJOR FUNCTIONS

- Provides instruction, research and public service in the fields of the liberal arts and sciences, agriculture, professional education, medicine, law, health sciences, business administration, engineering sciences and such other branches of higher learning as the Board of Regents prescribes.
- Administers and operates a system of community colleges; coordinates academic programs which include college transfer, general education, vocational, technical, semi-professional, and continuing education programs; coordinates community service programs with the various campuses, community agencies and groups; and coordinates student-related programs & services.
- Operates a summer session which gives variety and flexibility to the instructional programs of the University; provides college-level instruction to students who wish to obtain it during the summer; accommodates teaching institutes, workshops, and special courses with schedules of varying lengths; sponsors lecture series and other cultural events during the summer and supervises overseas study tours offered for credit.
- Provides key personnel in the government policy-making process with timely research, analyses and data concerning governmental and related problems to enable them to make informed decisions among alternative courses of action.
- Participates in intercollegiate athletics programs for men and women; contributes toward the availability of non-academic cultural, social, recreational and intellectual programs made available to the students, faculty and community at large; and provides a limited intercollegiate program for a variety of minor sports.

MAJOR PROGRAM AREAS

The University of Hawaii has programs in the following major program areas:

Formal Education

UOH 100 University of Hawaii, Manoa
 UOH 110 University of Hawaii, John A. Burns School of Medicine
 UOH 210 University of Hawaii, Hilo
 UOH 220 Small Business Development

UOH 700 University of Hawaii, West Oahu
 UOH 800 University of Hawaii, Community Colleges
 UOH 900 University of Hawaii, Systemwide Support

Culture and Recreation

UOH 881 Aquaria

**University of Hawaii
(Operating Budget)**

		Budget Base FY 2022	Budget Base FY 2023	FY 2022	FY 2023
Funding Sources:	Perm Positions	6,048.42	6,048.42	6,048.42	6,048.42
	Temp Positions	102.25	102.25	102.25	102.25
General Funds	\$	546,722,715	546,722,715	472,244,635	472,244,635
	Perm Positions	502.25	502.25	502.25	502.25
	Temp Positions	2.00	2.00	2.00	2.00
Special Funds	\$	581,722,693	581,722,693	581,722,693	581,722,693
	Perm Positions	81.56	81.56	81.56	81.56
	Temp Positions	4.00	4.00	4.00	4.00
Federal Funds	\$	13,642,735	13,642,735	13,642,735	13,642,735
	Perm Positions	45.00	45.00	45.00	45.00
	Temp Positions	-	-	-	-
Revolving Funds	\$	107,863,522	107,863,522	109,463,522	109,463,522
		6,677.23	6,677.23	6,677.23	6,677.23
		108.25	108.25	108.25	108.25
Total Requirements		1,249,951,665	1,249,951,665	1,177,073,585	1,177,073,585

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Adds \$3,600,000 in FY22 and FY23 for UH Mānoa Athletics.
2. Reduces \$35,600,000 in FY22 and FY23 for UH Mānoa.
3. Reduces \$23,000,000 in FY22 and FY23 for UH Community Colleges.
4. Reduces \$8,478,080 in FY22 and FY23 for UH Systemwide Support.
5. Reduces \$5,700,000 in FY22 and FY23 for UH Hilo.
6. Reduces \$2,700,000 in FY22 and FY23 for UH West O'ahu.
7. Reduces \$3,000,000 in FY22 and FY23 for John A. Burns School of Medicine

**University of Hawaii
(Capital Improvements Budget)**

	<u>FY 2022</u>	<u>FY 2023</u>
Funding Sources:		
General Obligation Bonds	165,000,000	150,000,000
Federal Funds	-	-
Total Requirements	165,000,000	150,000,000

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. Adds \$48,500,000 in FY22 and \$80,000,000 in FY23 for System, Renew, Improve and Modernize, Statewide.
2. Adds \$60,000,000 in FY22 for Mānoa Mini Master Plan Phase 2, O‘ahu.
3. Adds \$15,000,000 in FY22 and \$25,000,000 in FY23 for Community Colleges, Capital Renewal and Deferred Maintenance, Statewide.
4. Adds \$10,000,000 in FY22 and \$15,000,000 in FY23 for UH Hilo, Renew, Improve and Modernize, Hawai‘i.
5. Adds \$15,000,000 in FY22 for Community Colleges, Honolulu Technology Renovations, O‘ahu.

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Historical Information

General Fund Revenues, Expenditures and Fund Balance
(in \$ millions)

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Revenues Over Exp.</u>	<u>Fund Balance</u>
2012	5,660.6	5,511.3	149.3	275.3 ⁽²⁾
2013	6,234.4	5,665.7	568.8	844.0 ^{(1), (2)}
2014	6,096.2	6,275.4	(179.2)	664.8 ⁽¹⁾
2015	6,576.7	6,413.4	163.3	828.1 ^{(1), (2)}
2016	7,081.9	6,882.2	199.7	1,027.8 ^{(1), (2)}
2017	7,351.6	7,485.6	(134.0)	893.8 ⁽¹⁾
2018	7,660.4	7,803.9	(143.5)	750.3 ⁽¹⁾
2019	7,916.6	7,914.8	1.8	752.1 ⁽¹⁾
2020	8,285.1	8,034.5	250.6	1,002.7 ^{(1), (3)}

Notes:

(1) Fiscal year in which the fund balance exceeded 5% of revenues

(2) Fiscal year in which revenues exceeded the preceding fiscal year's revenues by 5%

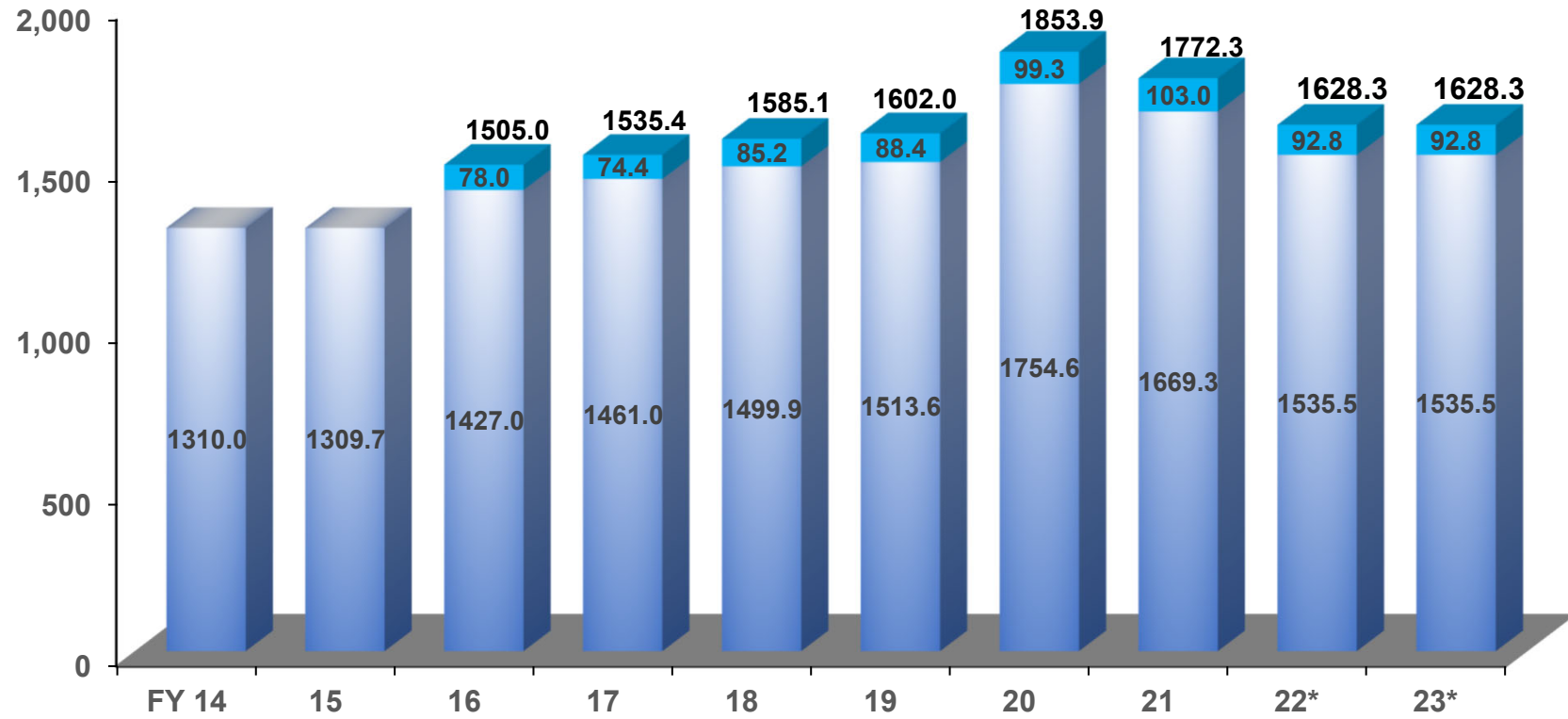
(3) The FY 20 general fund balance was adjusted to include certain transactions that were authorized for FY 20 but processed in FY 21. Due to a combination of timing issues with enactment of various laws and accounting system limitations, certain items were processed in FY 21 but for the purposes of calculating the general fund balance have been reflected as authorized in FY 20.

Department of Education Instruction General Fund Operating Appropriations

(DB&F 12/16/20)

\$ millions

■ Education ■ Ch Schools



Enrollment (Thousands)**

	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22*	FY 23*
Regular	158.6	153.8	153.5	153.7	151.6	151.3	150.3	145.5	145.5	145.5
Special	16.9	16.5	16.4	16.4	16.4	16.6	16.8	17.0	17.0	17.0
Charter	10.3	10.4	10.5	10.5	11.3	11.7	12.0	12.2	12.2	12.2

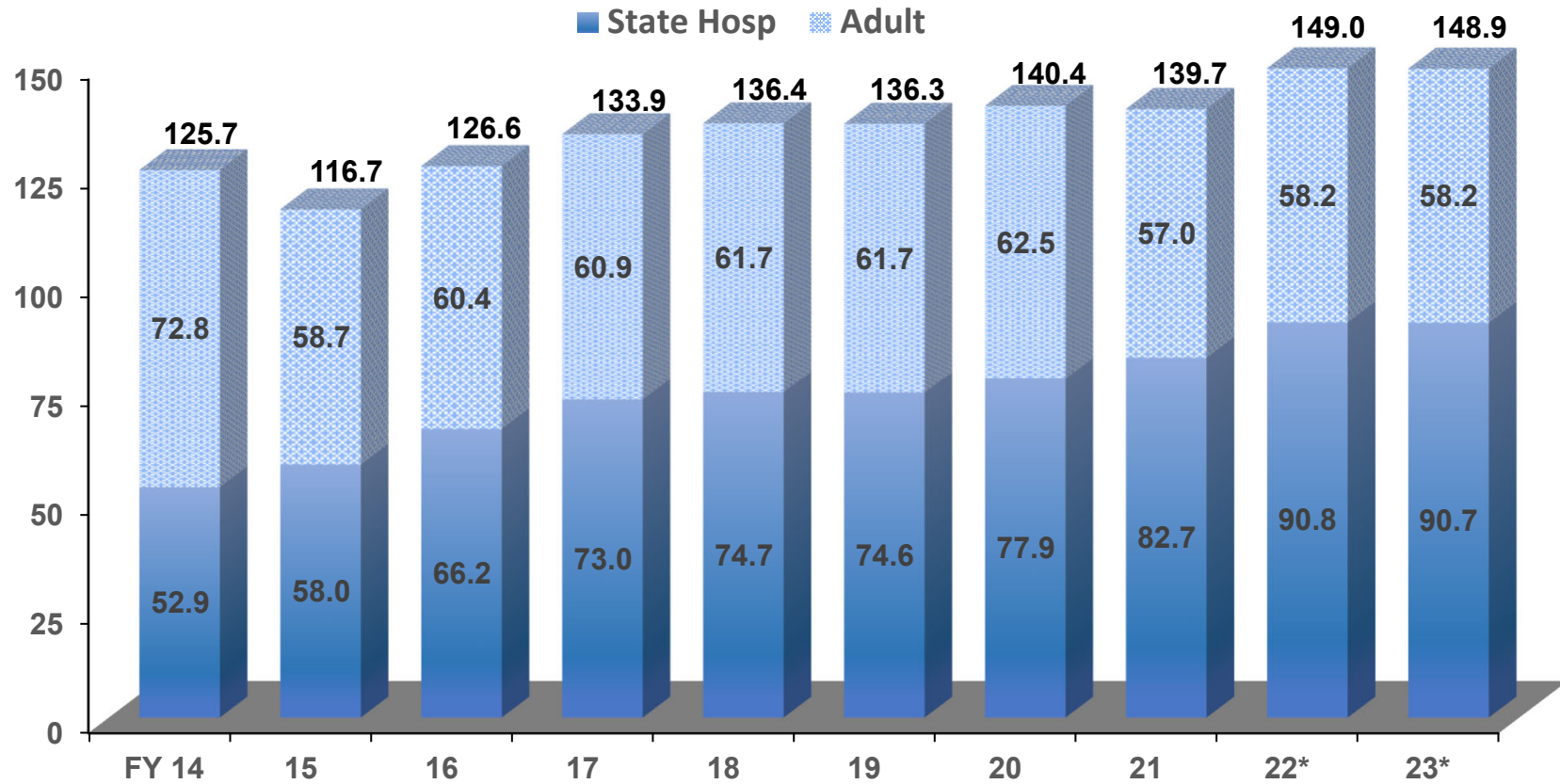
*FY 22 and FY 23 reflect the Executive Budget request

**FY 22 and FY 23 reflect projected enrollment

Adult Mental Health General Fund Appropriations

(DB&F 12/16/20)

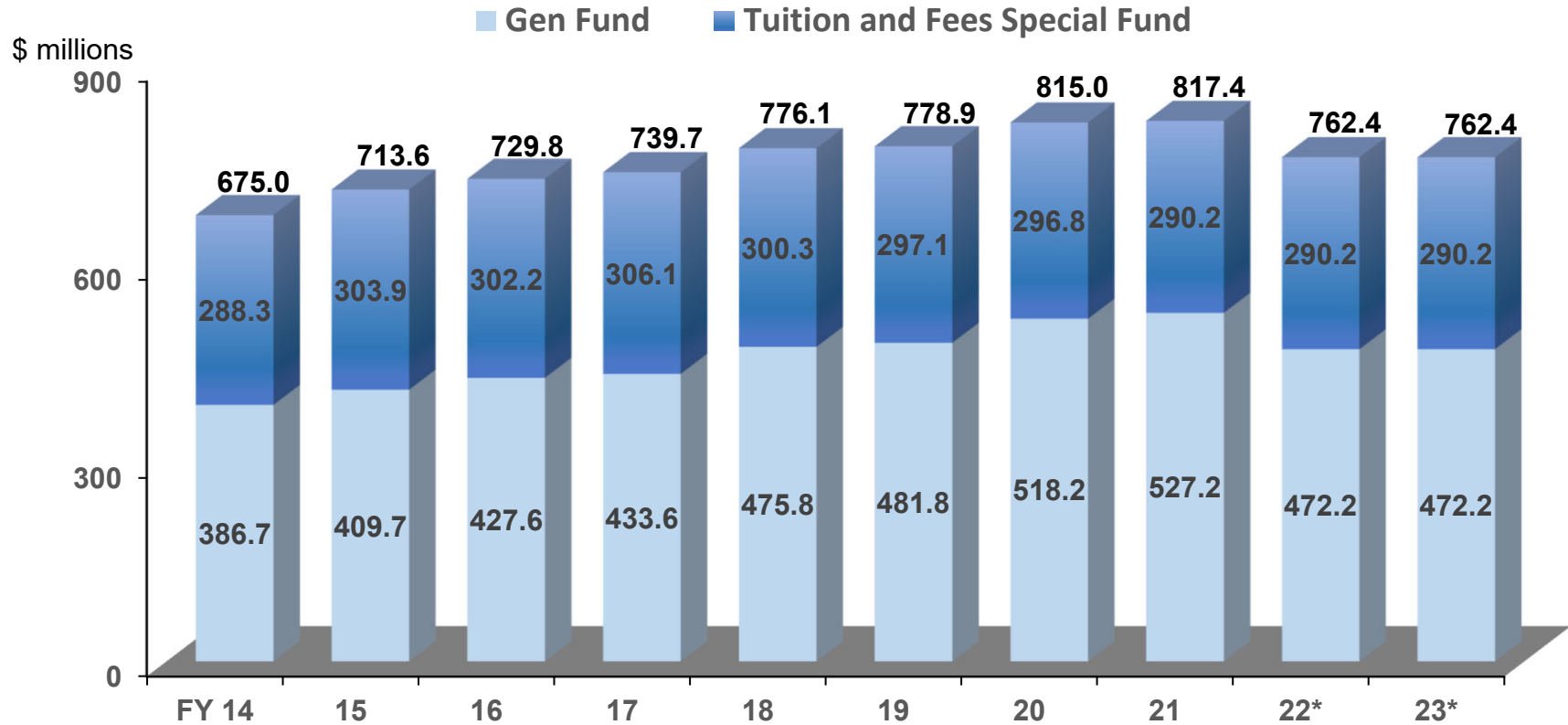
\$ millions



*FY 22 and FY 23 reflect the Executive Budget request

University of Hawaii Operating Appropriations Net of Fringe & Debt Svc

(DB&F 12/16/20)



Enrollment - Full Time Equivalent (Thousands)**

Manoa	16.5	16.2	15.9	15.2	14.8	14.7	15.1	15.2	15.2	15.3
Hilo	3.6	3.5	3.4	3.2	3.1	3.0	2.8	2.7	2.7	2.7
West Oahu	1.5	1.7	1.8	2.0	2.1	2.1	2.2	2.2	2.2	2.2
Comm Coll	18.8	17.8	17.3	16.3	15.8	14.2	13.4	13.1	13.0	13.0
Total	40.4	39.2	38.4	36.7	35.8	34.0	33.5	33.2	33.1	33.2

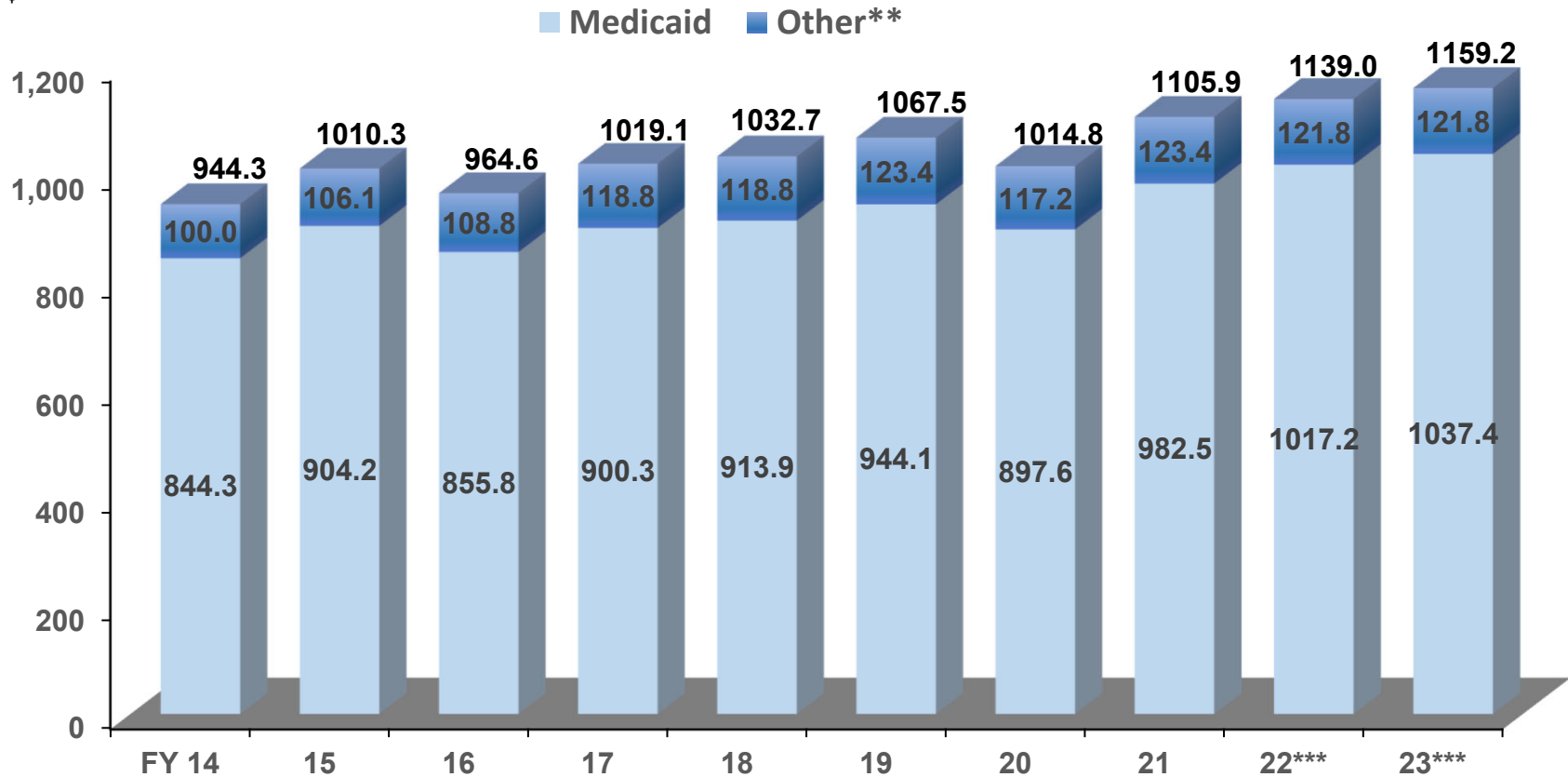
* FY 22 and FY 23 reflect the Executive Budget request

**FY 22 and FY 23 reflect projected enrollment

Medicaid and Welfare Payments General Fund Operating Appropriations*

(DB&F 12/16/20)

\$ millions



*Excludes Housing

**Includes TANF; TAONF; Child Care; General Assistance; Aged, Blind, and Disabled; and Foster Care

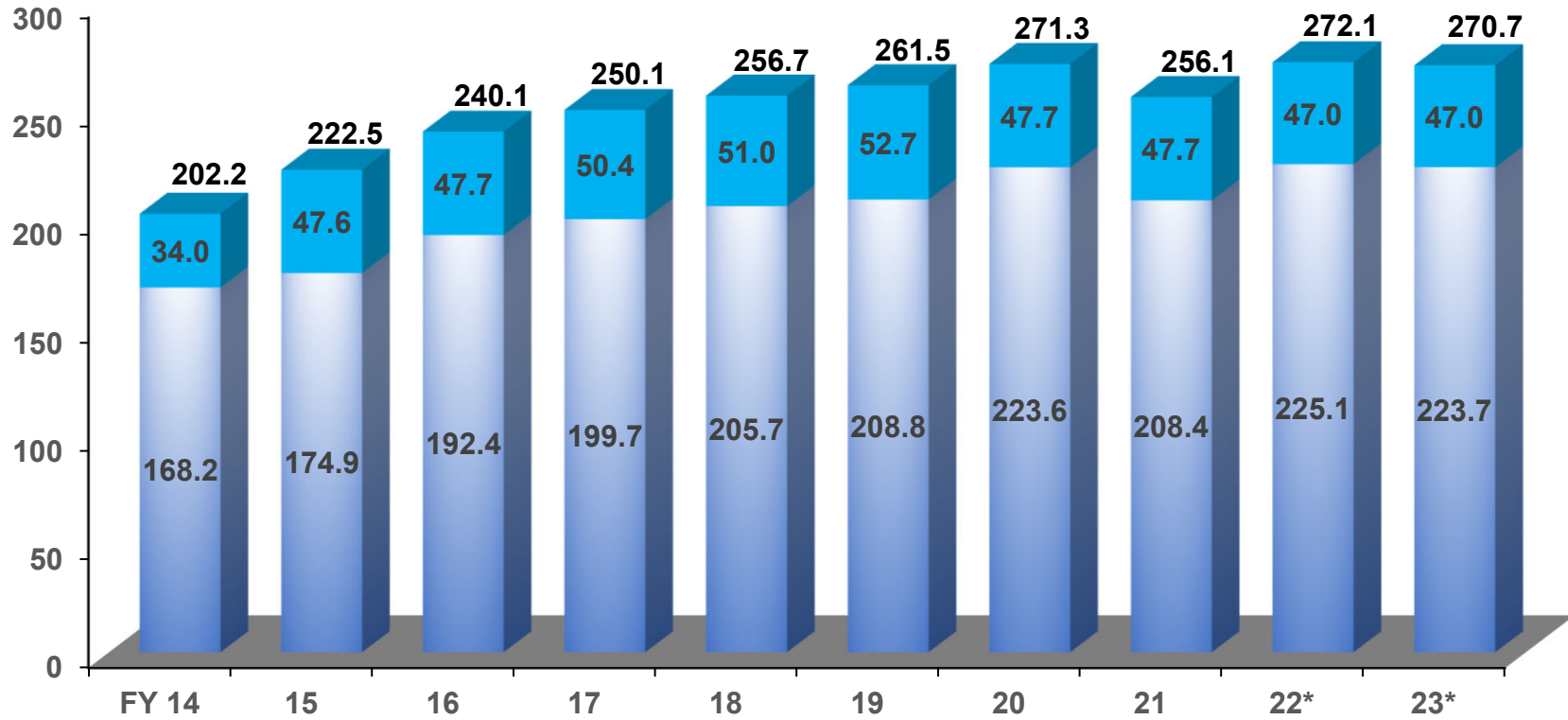
***FY 22 and FY 23 reflect the Executive Budget request

Public Safety General Fund Operating Appropriations

(DB&F 12/16/20)

\$ millions

■ State Facilities, Law Enforcement & Other Costs ■ Non-State Facilities



Inmates (Thousands)**

State	4.4	4.5	4.5	4.1	3.6	3.7	3.6	3.0	3.7	3.7
Non-State	1.5	1.3	1.4	1.4	1.7	1.6	1.5	1.1	1.3	1.3

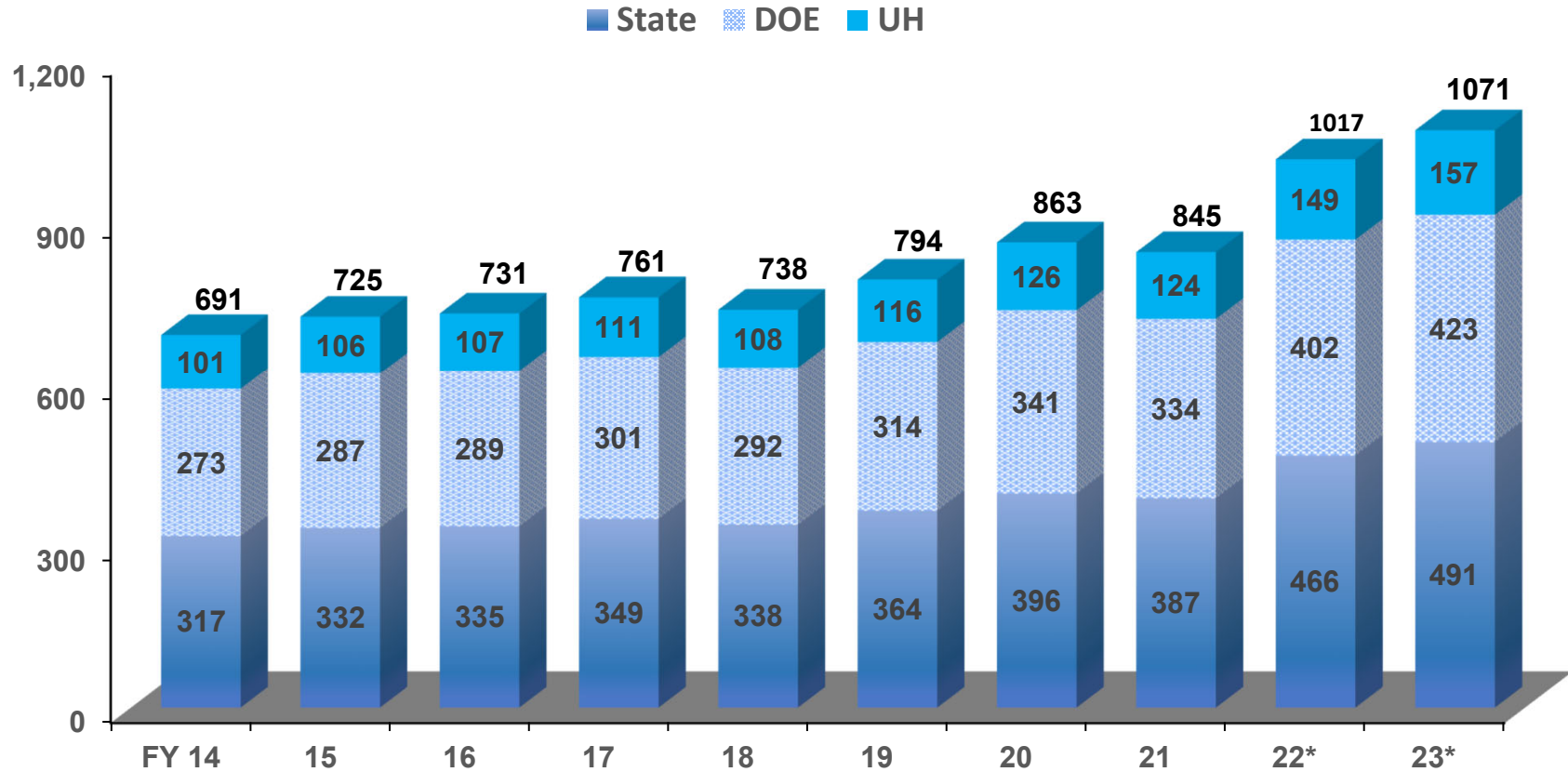
*FY 22 and FY 23 reflect the Executive Budget request

**FY 21 reflects head counts as of November 30, 2020; FY 22 and FY 23 reflect projected assigned counts anticipating return of all operations post-pandemic

Debt Service and Certificates of Participation General Fund Operating Appropriations

\$ millions

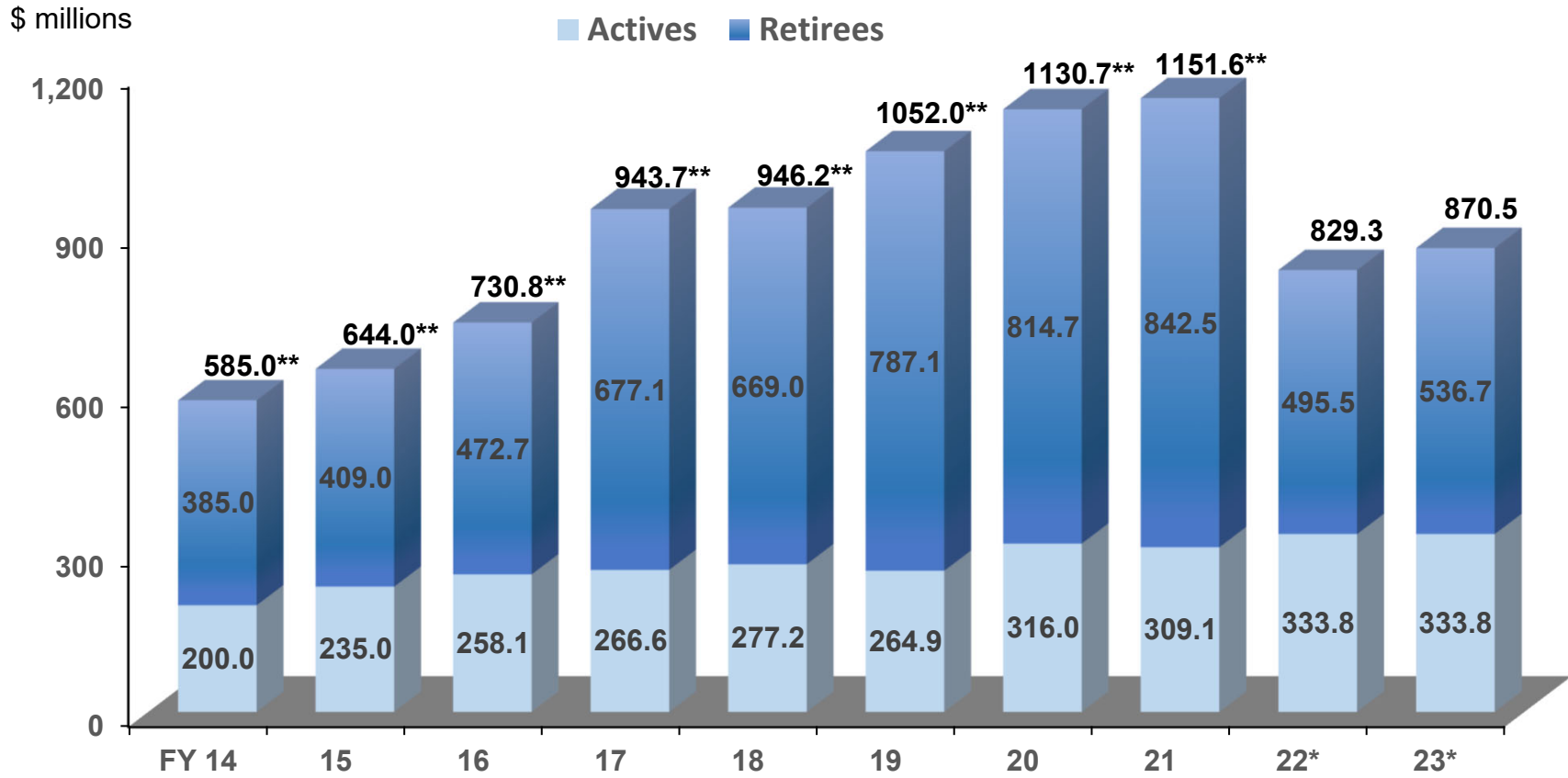
(DB&F 12/16/20)



*FY 22 and FY 23 reflect the Executive Budget request

State Employee and Retiree Health Benefits General Fund Appropriations

(DB&F 12/16/20)



Enrollees (Thousands)

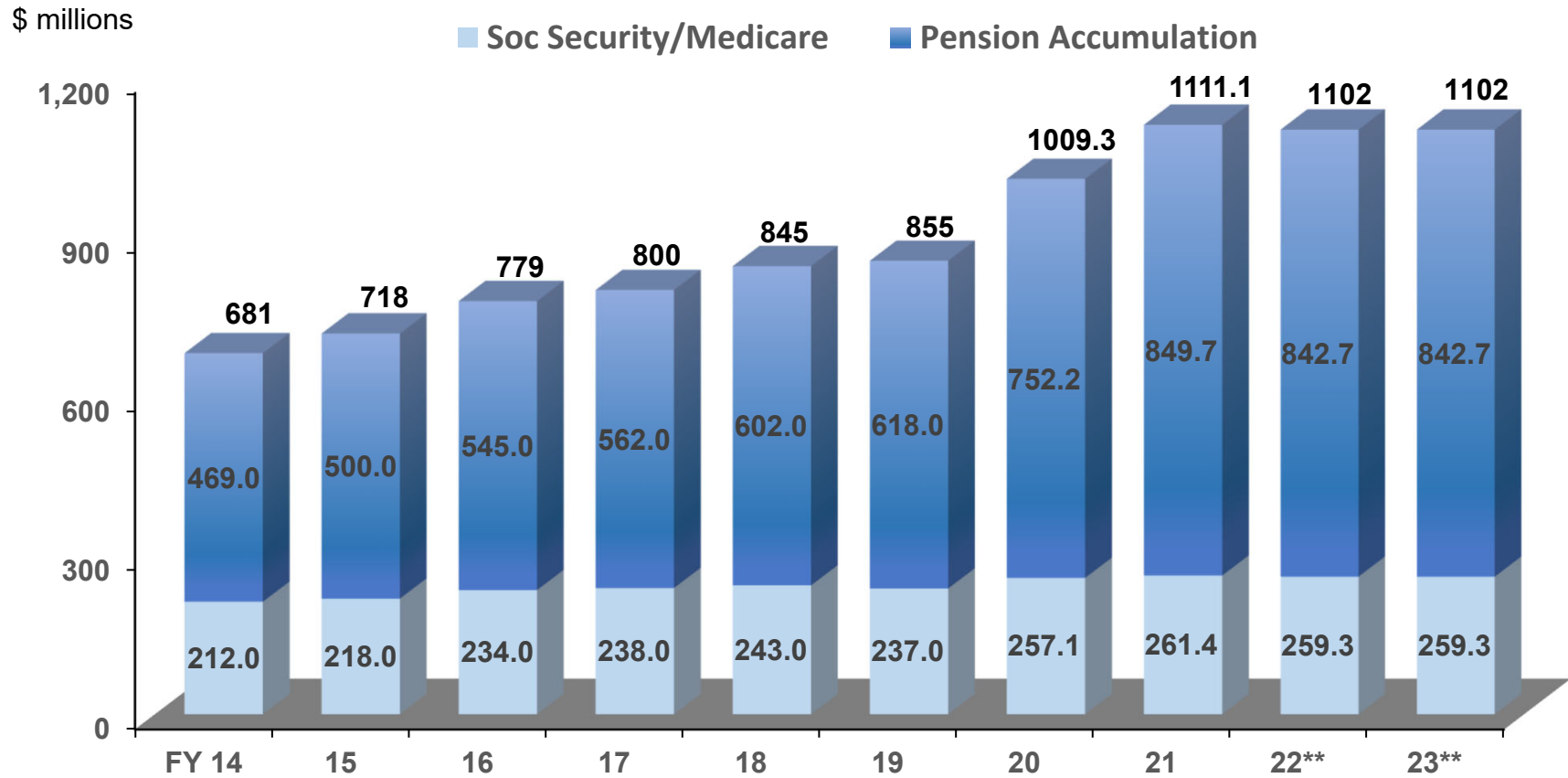
Retirees	43.0	44.8	45.9	46.8	48.3	49.4	50.6	51.3	52.0	52.8
Actives	68.0	68.0	68.6	68.4	68.3	66.3	67.0	67.8	68.5	69.3

*FY 22 and FY 23 reflect the Executive Budget request

**Includes Other Post-Employment Benefits Pre-funding

Public Employees' Retirement System General Fund Appropriations*

(DB&F 12/16/20)



Enrollees (Thousands)

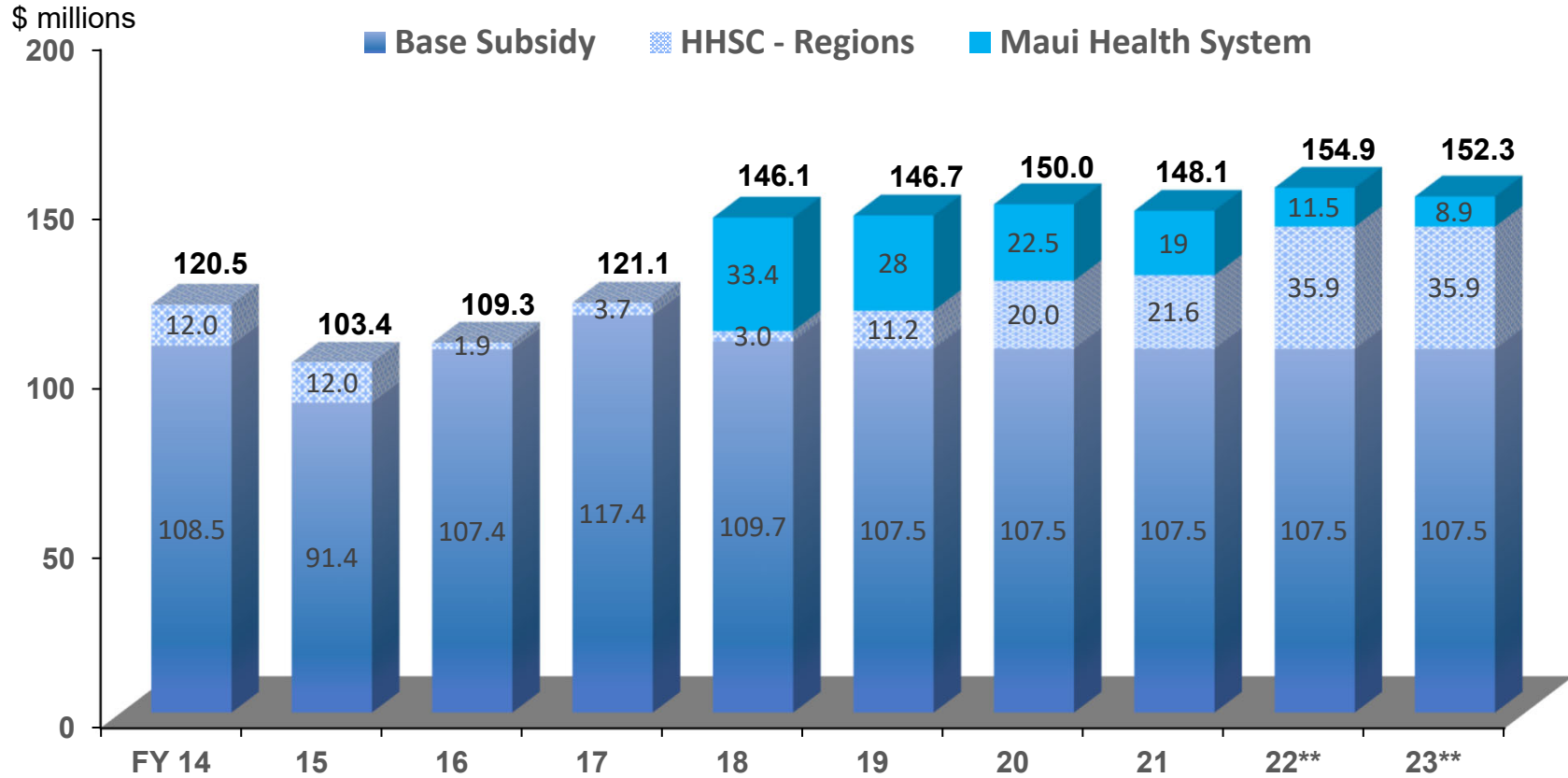
Retirees	42.3	43.5	45.5	46.9	48.7	49.9	51.2	52.5	54.0	55.5
Actives	67.0	67.0	67.3	67.3	66.3	66.4	66.7	66.0	66.0	66.0

*FY 22 and FY 23 exclude Maui Health System

**FY 22 and FY 23 reflect the Executive Budget request

Hawaii Health Systems Corporation and Maui Health System General Fund Operating Appropriations*

(DB&F 12/16/20)



*Includes emergency and specific appropriations, and Maui Health System from FY 18

**FY 22 and FY 23 reflect the Executive Budget request