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TESTIMONY BY LUIS P. SALAVERIA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
HOUSE BILL NO. 1023

**February 17, 2023**  
**2:00 p.m.**  
**Room 308 and Videoconference**

RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS

The Department of Budget and Finance (B&F) supports this Administration bill.

House Bill No. 1023 is an emergency appropriation bill to transfer funds between programs within a department to meet operating budget shortfalls and other program requirements in certain identified programs for the fourth quarter of FY 23. This bill is necessary because Act 88, SLH 2021, as amended by Act 248, SLH 2022, deleted a heretofore boilerplate proviso (Section 72) that previously authorized the Governor to transfer funds between programs within a department to address budget shortfalls and other program requirements.

Attached is a spreadsheet that identifies anticipated transfer requirements (with justifications) for the third and fourth quarters of FY 23 as of February 16, 2023. B&F recommends amending the current draft to include the fourth quarter transfers identified in the spreadsheet and passing the bill out. Additional fourth quarter transfers that are identified subsequently can be added to the bill as it proceeds through the legislative process.

Thank you for the opportunity to provide testimony in support of this bill.

Attachment

## FY23 Anticipated Section 72 Transfers

| Dept | Prog ID | Org Code | MOF   | FY 23 Q3     |              | FY 23 Q4     |              | Justification  |
|------|---------|----------|-------|--------------|--------------|--------------|--------------|--|
|      |         |          |       | \$ Out       | \$ In        | \$ Out       | \$ In        |  |
| PSD  | PSD 410 | EL       | A     | \$ -         | \$ -         | \$ 1,000,000 | \$ -         | Payroll Savings  |
| PSD  | PSD 409 | EK       | A     | \$ -         | \$ -         | \$ 2,250,000 | \$ -         | Payroll Savings  |
| PSD  | PSD 405 | EG       | A     | \$ -         | \$ -         | \$ -         | \$ 750,000   | Past due utility bills. Workers' Compensation payments   |
| PSD  | PSD 407 | EC       | A     | \$ -         | \$ -         | \$ -         | \$ 2,500,000 | \$1M for payroll shortage, \$1.5M for past due utility bills, workers' compensation payments   |
| TRN  | TRN102  | BC       | B     | \$ 210,970   |              |              |              | Transfer funds to cover 6 months for positions being transferred to TRN195 for security.   |
| TRN  | TRN195  | BB       | B     |              | \$ 210,970   |              |              | Transfer funds to cover 6 months for positions being transferred from TRN102 for security.   |
| TRN  | TRN131  | BF       | B     |              | \$ 340,374   |              |              | Transfer funds to cover 6 months for ARFF positions transferred in from TRN133 and TRN143.   |
| TRN  | TRN133  | BF       | B     | \$ 295,124   |              |              |              | Transfer funds to cover 6 months for ARFF positions transferred to TRN131 and TRN135.  |
| TRN  | TRN135  | BF       | B     |              | \$ 69,032    |              |              | Transfer funds to cover 6 months for ARFF positions transferred in from TRN133.  |
| TRN  | TRN143  | BF       | B     | \$ 233,769   |              |              |              | Transfer funds to cover 6 months for ARFF positions transferred to TRN131 and TRN151.  |
| TRN  | TRN151  | BF       | B     |              | \$ 119,487   |              |              | Transfer funds to cover 6 months for ARFF positions transferred in from TRN143.  |
| TRN  | TRN102  | BC       | B     | \$ 800,000   |              |              |              | Estimated construction cost to build a by-pass water line to resolve the water leak @ Dillingham.  |
| TRN  | TRN104  | BC       | B     |              | \$ 800,000   |              |              | Estimated construction cost to build a by-pass water line to resolve the water leak @ Dillingham.  |
| TRN  | TRN131  | BF       | B     |              |              | \$ 750,000   |              | Estimated construction cost to rebuild the baseyard building.  |
| TRN  | TRN133  | BF       | B     |              |              |              | \$ 750,000   | Estimated construction cost to rebuild the baseyard building.  |
| TRN  | TRN595  | DB       | B     |              |              | \$ 101,145   |              | Transfer one (1) vacant full time equivalent - Engineer (Electrical) IV, Position Number (PN) 122654, SR-24, from Intelligent Transportation Systems Branch, TRN 595DB to the Motor Vehicle Safety Office, TRN 597AB. PN 122654 will be redescribed to a Highway Safety Specialist, SR-22.   |
| TRN  | TRN597  | AB       | B     |              |              |              | \$ 101,145   | Transfer one (1) vacant full time equivalent - Engineer (Electrical) IV, Position Number (PN) 122654, SR-24, from Intelligent Transportation Systems Branch, TRN 595DB to the Motor Vehicle Safety Office, TRN 597AB. PN 122654 will be redescribed to a Highway Safety Specialist, SR-22.   |
| HMS  | HMS301  |          | A     | \$ 581,642   |              |              |              | Transfer funds to cover payroll shortfalls partially caused by the transfer of 11.00 positions from HMS 301 to HMS 901 in FY 23 (HMS 301 received funding in FY 23 to address lower-than-budgeted federal fund salary reimbursements; however, the simultaneous transfer of the positions did not account for adjusting the salaries of the positions in HMS 901). |
| HMS  | HMS601  |          | A     |              | \$ 249,514   |              |              | See above.   |
| HMS  | HMS901  |          | A     |              | \$ 332,128   |              |              | See above.   |
|      |         |          | Total | \$ 2,121,505 | \$ 2,121,505 | \$ 4,101,145 | \$ 4,101,145 |  |
|      |         |          | A     | \$ 581,642   | \$ 581,642   | \$ 3,250,000 | \$ 3,250,000 |  |
|      |         |          | B     | \$ 1,539,863 | \$ 1,539,863 | \$ 851,145   | \$ 851,145   |  |