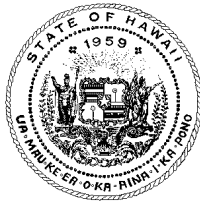


JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII
**DEPARTMENT OF CORRECTIONS
AND REHABILITATION**
*Ka 'Oihana Ho'omalu Kalaima
a Ho'oponopono Ola*
1177 Alakea Street
Honolulu, Hawaii 96813

TOMMY JOHNSON
DIRECTOR

Melanie Martin
Deputy Director
Administration

Pamela J. Sturz
Deputy Director
Correctional Institutions

Sanna Muñoz
Deputy Director
Rehabilitation Services
and
Programs

No. _____

TESTIMONY ON HOUSE BILL 2377, HOUSE DRAFT 1
RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS

by
Tommy Johnson, Director
Department of Corrections and Rehabilitation

Senate Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

Thursday, March 28, 2024; 9:50 a.m.
State Capitol, Conference Room 211 & via Videoconference

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

The Department of Corrections and Rehabilitation (DCR) supports House Bill (HB) 2377, HOUSE DRAFT (HD) 1, which proposes to appropriate general funds to various programs for anticipated operating shortfalls due to the limited ability of departments to transfer funds between programs.

DCR requests the inclusion of the following transfers as approved by the Department of Budget and Finance (B&F) on March 6, 2024 (see attached approval) to the emergency appropriations for the fiscal year 2023-2024 for operating shortfalls in quarter 4 funding for PSD 407 – Oahu Community Correctional Center (OCCC) and PSD 900 – General Administration, and to adjust funding for the various programs that will result for the adjustments to be budget neutral.

The following are the transfer requests:

<u>Transfer From:</u>	<u>Amount</u>
PSD 402 – Halawa Correctional Facility	\$1,000,000
PSD 405 – Hawaii Community Correctional Center	\$500,000
PSD 406 – Maui Community Correctional Center	\$500,000
PSD 409 – Women’s Community Correctional Center	\$1,000,000
PSD 410 – Intake Service Centers	\$1,000,000
PSD 420 – Corrections Program Services	\$500,000
PSD 421 – Health Care	\$2,500,000
PSD 808 – Non-State Facilities	\$17,000,000

<u>Transfer To:</u>	
PSD 407 – Oahu Community Correctional Center	\$3,500,000
PSD 900 – General Administration	\$20,500,000

Thank you for the opportunity to provide testimony in **support** of HB 2377.HD1.

Enclosure

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



TOMMY JOHNSON
DIRECTOR

Melanie Martin
Deputy Director
Administration

Pamela Sturz
Deputy Director
Correctional Institutions

Sanna Muñoz
Deputy Director
Rehabilitation Services
and
Programs

STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
**DEPARTMENT OF CORRECTIONS
AND REHABILITATION**
Ka 'Oihana Ho'omalua Kalaima a
Ho'oponopono Ola
1177 Alakea Street
Honolulu, Hawaii 96813

No. 2024-0205

February 22, 2024

TO: The Honorable Luis P. Salaveria, Director
Department of Budget & Finance

FROM: Tommy Johnson, Director *TJ*

SUBJECT: REQUEST FOR TRANSFER OF FUNDS TO BE INCLUDED IN HB2377
AND SB3066 RELATING TO FUNDING ADJUSTMENTS FOR STATE
PROGRAMS

The Department of Corrections and Rehabilitation (DCR) requests the following additional general funds as emergency appropriations for Fiscal Year 2023-2024 for operating shortfalls in quarter 4 funding for PSD407 - Oahu Community Correctional Center (OCCC) and PSD900 - General Administration. We request that funding adjustments be made to the various DCR programs identified below to fund the emergency appropriation to make the funding adjustments budget neutral. DCR respectfully requests that these adjustments be identified in HB2377 and SB3066 Relating to Funding Adjustments for State Programs.

Program ID	From	To
PSD402	(1,000,000)	
PSD405	(500,000)	
PSD406	(500,000)	
PSD407		3,500,000
PSD409	(1,000,000)	
PSD410	(1,000,000)	
PSD420	(500,000)	
PSD421	(2,500,000)	
PSD808	(17,000,000)	
PSD900		20,500,000
Total	(24,000,000)	24,000,000

PSD407 - OCCC is the State's largest jail. The emergency appropriation will ensure that we have sufficient funds to pay payroll shortfall and higher operational costs in quarter 4. As of February 12, 2024, OCCC housed a total of 1,064 inmates which is 11.5% over its operational capacity of 954.

The Administrative Services Office, Information Technology Unit under PSD900 - General Administration manages DCR's Offender Management System. The current system's end of life is June 30, 2025. In anticipation of this date, DCR put out a Request for Proposal last year and is in the last phase of awarding to a vendor that meets the requirements of its solicitation. The transfer of funds into PSD900 will fund the implementation cost of the project and the first-year cost of maintenance.

The funding for the above will come from the programs identified that are realizing savings due to operational changes and delays in the opening of new facilities that are currently under construction.

Your favorable support of this request is greatly appreciated. Should you or your staff have any questions, please contact Teresita V. Fernandez, Business Management Officer, at (808) 587-1235 or via email at teresita.v.fernandez@hawaii.gov or Lester Lau, Operating Budget Supervisor, at (808) 587-1238 or via email at lester.g.lau@hawaii.gov.

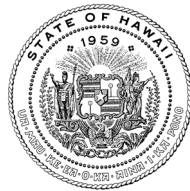
APPROVE / DISAPPROVE



Mar 6, 2024

Luis P. Salaveria
Director of Finance

Date



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
HOUSE BILL NO. 2377, H.D. 1

March 28, 2024
9:50 a.m.
Room 211 and Videoconference

RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS

The Department of Budget and Finance supports this Administration bill.

House Bill No. 2377, H.D. 1, is an emergency appropriation bill to transfer funds within a department to meet operating budget shortfalls and other program requirements for the fourth quarter of FY 24. This bill is necessary because Act 164, SLH 2023, did not contain boilerplate provisions that previously authorized the Governor to transfer funds between programs within a department to address budget shortfalls and other program requirements.

We respectfully request an amendment to add fourth quarter budget-neutral funding adjustments for the Department of Corrections and Rehabilitation (DCR). DCR's Administrative Services Office, Information Technology Unit, under Program ID PSD900 – General Administration, manages DCR's Offender Management System. The current system's end of life is June 30, 2025. The transfer of funds into PSD900 will fund the implementation costs of the replacement system and first-year cost of maintenance. The transferred funds come from programs identified as realizing

savings due to operational changes and delays in the opening of new facilities that are currently under construction.

The proposed language would amend Section 3 of this bill to read as follows:

SECTION 3. Act 164, Session Laws of Hawaii 2023, is amended by amending section 3 as follows:

(1) By amending item I-1 to read as follows:

"1. PSD402 - HALAWA CORRECTIONAL FACILITY

		411.00*	411.00*
OPERATING	PSD	[35,994,959A <u>34,994,959A</u> "]	37,723,924A

(2) By amending item I-4 to read as follows:

"4. PSD405 - HAWAII COMMUNITY CORRECTIONAL CENTER

		193.00*	193.00*
OPERATING	PSD	[14,730,758A <u>14,230,758A</u> "]	15,220,198A

(3) By amending item I-5 to read as follows:

"5. PSD406 - MAUI COMMUNITY CORRECTIONAL CENTER

		205.00*	205.00*
OPERATING	PSD	[14,872,239A <u>14,372,239A</u> "]	16,116,875A
		3.00#	3.00#
	PSD	209,721S	209,721S"

(4) By amending item I-6 to read as follows:

"6. PSD407 - OAHU COMMUNITY CORRECTIONAL CENTER

		501.00*	501.00*
OPERATING	PSD	[40,621,493A <u>44,121,493A</u> "]	41,805,659A

(5) By amending item I-8 to read as follows:

"8. PSD409 - WOMEN'S COMMUNITY CORRECTIONAL CENTER

		270.00*	270.00*
OPERATING	PSD	[15,860,044A <u>14,860,044A</u> "]	20,762,306A

(6) By amending item I-9 to read as follows:

"9. PSD410 - INTAKE SERVICE CENTERS			
OPERATING	PSD	73.00* [5,601,773A 4,601,773A"]	73.00* 5,860,680A

(7) By amending item I-10 to read as follows:

"10. PSD420 - CORRECTIONS PROGRAM SERVICES			
OPERATING	PSD	185.00* [25,418,326A 24,918,326A]	185.00* 26,098,010A
	PSD	1,045,989N	1,045,989N"

(8) By amending item I-11 to read as follows:

"11. PSD421 - HEALTH CARE			
OPERATING	PSD	266.60* [36,590,487A 34,090,487A"]	266.60* 38,920,323A

(9) By amending item I-13 to read as follows:

"13. PSD808 - NON-STATE FACILITIES			
OPERATING	PSD	9.00* [46,289,307A 29,289,307A"]	9.00* 46,312,753A

and

(10) By amending item I-25 to read as follows:

"25. PSD900 - GENERAL ADMINISTRATION			
OPERATING	PSD	159.00* [25,049,233A 45,549,233A]	145.00* 25,041,312A
	PSD	4.00* 1,310,363B	4.00* 1,330,312B
	PSD	75,065T	75,065T
INVESTMENT CAPITAL	AGS	15,000,000A	7,500,000A
	PSD	3,000,000A	3,000,000A
	AGS	C	10,000,000C
	PSD	11,000,000C	16,000,000C"

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

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



TESTIMONY BY:
EDWIN H. SNIFFEN
DIRECTOR
KA LUNA HO'OKELE

Deputy Directors
Nā Hope Luna Ho'okele
DREANALEE K. KALILI
TAMMY L. LEE
ROBIN K. SHISHIDO

STATE OF HAWAI'I | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097



March 28, 2024
9:50 a.m.

State Capitol, Room 211 & Videoconference

H. B. 2377, H.D. 1
RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS

Senate Committee on Ways and Means

The Hawaii Department of Transportation (HDOT) **supports** H.B. 2377, H.D. 1, which appropriates general funds to various programs for anticipated operating shortfalls due to the limited ability for departments to transfer funds between programs.

DOT has responsibly utilized the discretion and flexibility that the Legislature has authorized by proviso sections under previous budgets.

Thank you for the opportunity to provide testimony.