



JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
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EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
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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. 2377

**February 21, 2024**  
**2:00 p.m.**  
**Room 308 and Videoconference**

RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS

The Department of Budget and Finance supports this Administration bill.

House Bill No. 2377 is a placeholder 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. Any fourth quarter transfers that become necessary 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.

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



TESTIMONY BY:  
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DIRECTOR  
KA LUNA HO'OKELE  
  
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Nā Hope Luna Ho'okele  
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DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU  
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February 21, 2024  
2:00 p.m.  
State Capitol, Room 308

**H. B. 2377**  
**RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS**

House Committee on Finance

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

HDOT provides additional **comments** and respectfully requests consideration of budget provisos for budget execution. HDOT has responsibly utilized the discretion and flexibility that the Legislature has authorized by proviso sections under previous budgets. HDOT respectfully requests that provisos that facilitate efficient and reasonable budget execution be included to expedite project delivery and provide improvements to benefit the public. These significant provisos include the following:

Operating & CIP: Increase Federal Fund Ceiling

SECTION XX. The governor may approve the expenditure of all federal funds that are in excess of levels authorized by the legislature; provided that the governor may allow for an increase in the appropriate federal fund authorization ceiling for the program to accommodate the expenditure of the funds.

Operating: Transfer Funds

SECTION XX. Unless otherwise provided in this Act, the governor is authorized to transfer operating funds between appropriations within the same fund, within an expending agency, for operating purposes; provided that the governor shall submit a report to the legislature within five days of each use of this authority; provided further that the report shall include the date of transfer, the amount of the transfer, the program ID from which funds were transferred, the program ID to which funds were transferred, the impact to the program ID funds are transferred from, and a detailed explanation of the public purposes served by the transfer of resources.

Operating: Transfer Positions

SECTION XX. Except as otherwise provided in this Act, each department or agency is authorized to transfer positions within its respective authorized position ceiling for the purpose of maximizing the utilization of personnel resources and staff productivity; provided that all such actions shall be with the prior approval of the governor and shall be consistent with appropriations provided in this Act and with provisions of part II of chapter 37, Hawaii Revised Statutes; provided further that the governor shall submit a report to the legislature within five days of each use of this authority; provided further that the report shall include the date of the transfer, the position transferred, the program from which the position was transferred, the program to which the position was transferred, responsibilities of the position prior to transfer, the responsibilities of the position after the transfer, and the manner in which the transfer maximizes the utilization of personnel resources and staff productivity.

CIP: Supplemental Funds for Cost Element Transfers

SECTION XX. The governor may supplement funds for any cost element for capital improvement projects authorized under this Act by transferring sums as may be needed from the funds appropriated for other cost elements of the same project by this Act or any other prior or future act that has not lapsed; provided that the total expenditure of funds for all cost elements shall not exceed the total appropriations for that project.

CIP: Supplement Allotments & Transfer Unrequired Balances

SECTION XX. If the authorized appropriations specified for capital improvement projects listed in this Act are insufficient and where the source of funding is designated as special funds, general obligation bond fund with debt service cost to be paid from special funds, revenue bond funds, or revolving funds, the governor may make supplemental allotments from the special fund or revolving fund responsible for cash or debt service payments for the projects or transfer unrequired balances from other unlapsed projects in this Act or prior appropriation acts that authorized the use of special funds, general obligation bond fund with debt service costs to be paid from special funds, revenue bond funds, or revolving funds; provided that the supplemental allotments shall not be used to increase the scope of the project; provided further that the supplemental allotments shall not impair the ability of the fund to meet the purposes for which it was established.

CIP: Supplement Allotments & Transfer Unrequired Balances; Airport Passenger Facility Charge

SECTION XX. If the authorized appropriations specified for capital improvement project listed in this Act are insufficient and where the source of funding is designated as airport passenger facility charge funds, the governor may make supplemental allotments from the airport revenue fund or airport revenue bond funds, or transfer unrequired balances from other unlapsed projects in this Act or prior appropriation acts that authorized the use of airport passenger facility charge funds; provided further that the supplemental allotments shall not be used to increase the scope of the project; provided further that the supplemental allotments shall not impair the ability of the fund to meet the purposes for which it

was established; and provided further that the governor, at the governor's discretion, may increase the passenger facility charge fund authorization ceiling for the program to accommodate the expenditure of the funds.

Thank you for the opportunity to provide testimony.

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I  
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and  
Programs

No. \_\_\_\_\_

TESTIMONY ON HOUSE BILL 2377  
RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS  
by  
Tommy Johnson, Director  
Department of Corrections and Rehabilitation

House Committee on Finance  
Representative Kyle T. Yamashita, Chair  
Representative Lisa Kitagawa, Vice Chair

Wednesday, February 21, 2024; 2:00 p.m.  
State Capitol, Conference Room 308 & via Videoconference

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

The Department of Corrections and Rehabilitation (DCR) **supports** the passage of House Bill (HB) 2377.

DCR will be working with the Department of Budget and Finance to include emergency appropriations for fiscal year 2023-2024 for operating shortfalls in quarter 4 funding for existing DCR programs and to adjust funding for various DCR programs to be commensurate with their anticipated levels of activity. Adjustments requested will be budget neutral.

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

**HB-2377**

Submitted on: 2/18/2024 3:53:17 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Greg Misakian	Individual	Oppose	Written Testimony Only

Comments:

I oppose HB2377.

Budgets are made and budgetes should be followed.

Greg Misakian