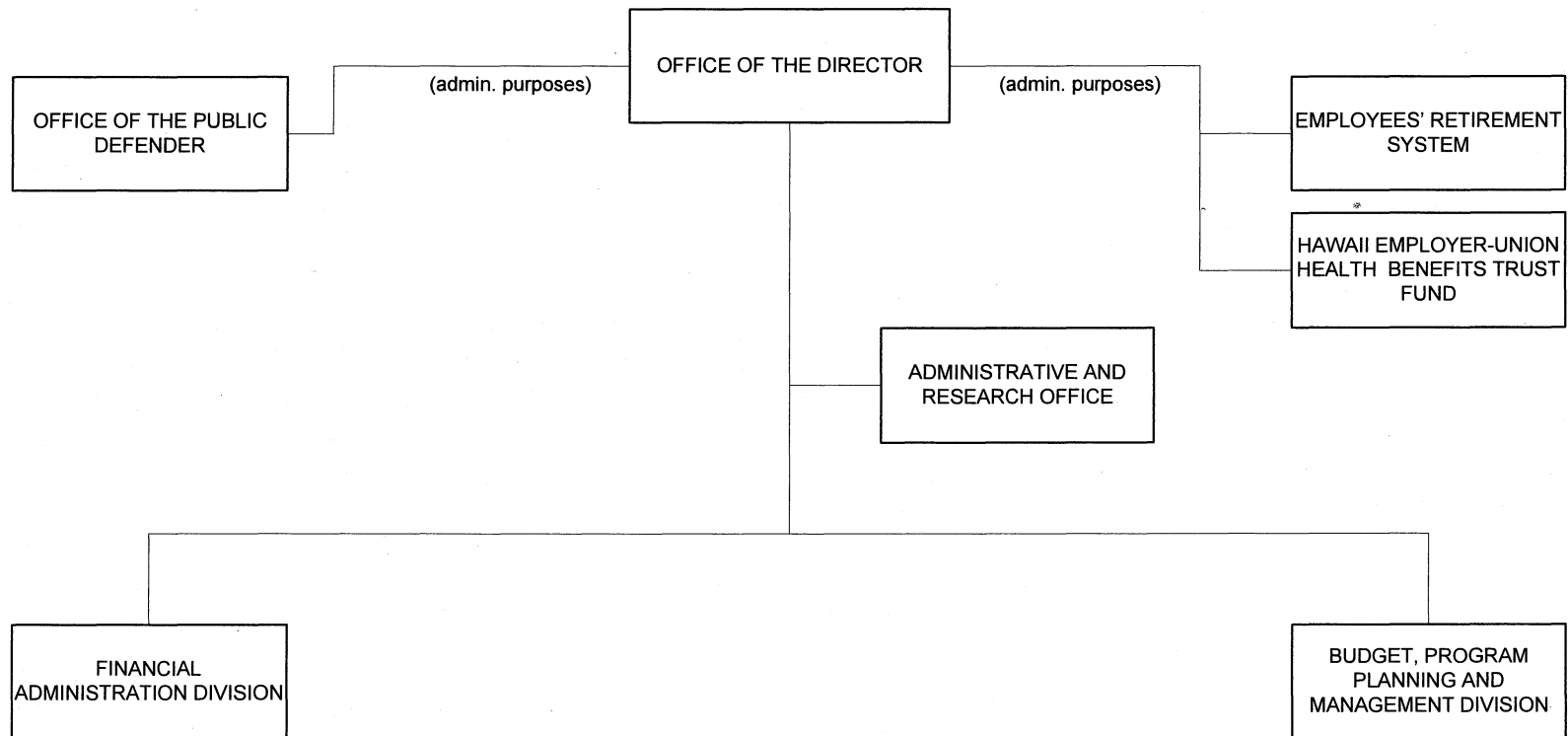




Department of Budget and Finance

**STATE OF HAWAII
DEPARTMENT OF BUDGET AND
FINANCE
ORGANIZATION CHART**



DEPARTMENT OF BUDGET AND FINANCE

Department Summary

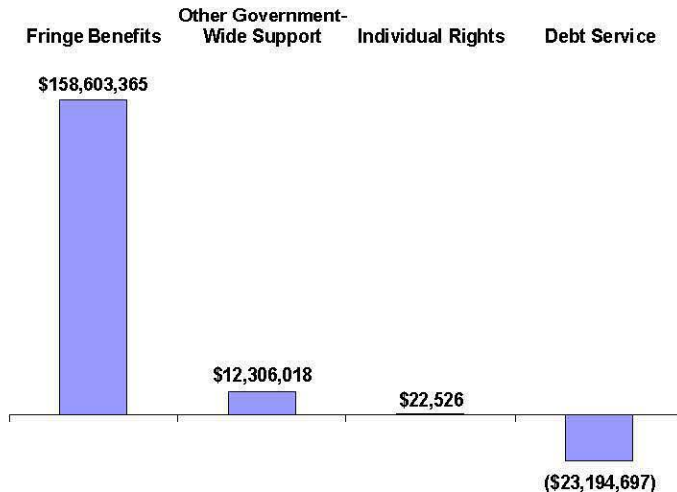
Mission Statement

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.

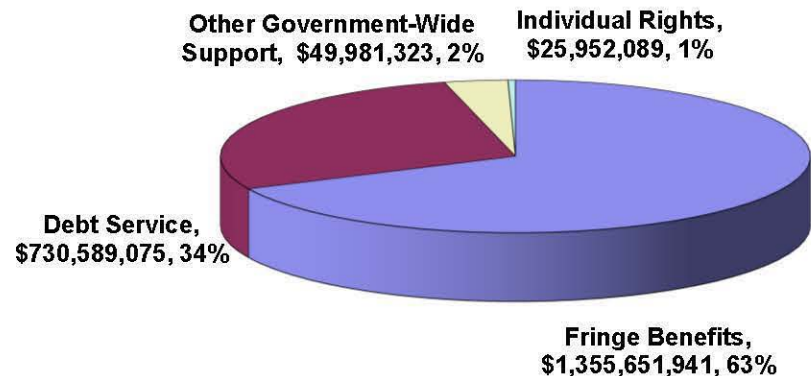
Department Goals

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 entitles and effective legal representation.

**FY 2017 Supplemental
Operating Budget**



**FY 2017 Supplemental
Operating Budget**



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 115	Financial Administration
BUF 141	Employees' Retirement System
BUF 143	Employer Union Trust Fund
BUF 721	Debt Service Payments – State
BUF 725	Debt Service Payments – DOE
BUF 728	Debt Service Payments – UH
BUF 741	Retirement Benefits – State

BUF 745	Retirement Benefits – DOE
BUF 748	Retirement Benefits – UH
BUF 761	Health Premium Payments – State
BUF 765	Health Premium Payments – DOE
BUF 768	Health Premium Payments - UH

Individual Rights

BUF 151	Office of the Public Defender
---------	-------------------------------

Department of Budget and Finance
Operating Budget

			Act 119/2015 FY 2016	Act 119/2015 FY 2017	FY 2016 Adjustments	FY 2017 Adjustments	Total FY 2016	Total FY 2017
Funding Sources:	Positions	Perm	137.75	137.75	-	7.00	137.75	144.75
		Temp	62.00	62.00	-	-	62.00	62.00
General Funds		\$	2,283,242,313	2,518,245,209	-	136,287,212	2,283,242,313	2,654,532,421
		Perm	-	-	-	-	-	-
Special Funds		Temp	-	-	-	-	-	-
		\$	1,547,739	2,854,560	-	-	1,547,739	2,854,560
		Perm	-	-	-	-	-	-
		Temp	-	-	-	-	-	-
Federal Funds		\$	478,486	841,250	-	-	478,486	841,250
		Perm	-	-	-	-	-	-
		Temp	-	-	-	-	-	-
		\$	5,675	12,196	-	-	5,675	12,196
Other Federal Funds		Perm	65.00	65.00	-	-	65.00	65.00
		Temp	-	-	-	-	-	-
Trust Funds		\$	14,051,335	14,229,580	-	4,500,000	14,051,335	18,729,580
		Perm	1.75	1.75	-	-	1.75	1.75
		Temp	-	-	-	-	-	-
		\$	4,140,882	4,147,627	-	-	4,140,882	4,147,627
		Perm	-	-	-	-	-	-
		Temp	-	-	-	-	-	-
Revolving Funds		\$	102,919	213,261	-	-	102,919	213,261
		Perm	105.00	105.00	-	1.00	105.00	106.00
		Temp	1.00	1.00	-	(1.00)	1.00	-
		\$	13,014,314	13,468,249	-	6,950,000	13,014,314	20,418,249
Other Funds		Perm	309.50	309.50	-	8.00	309.50	317.50
		Temp	63.00	63.00	-	(1.00)	63.00	62.00
Total Requirements		\$	2,316,583,663	2,554,011,932	-	147,737,212	2,316,583,663	2,701,749,144

Highlights: (general funds and FY 17 unless otherwise noted)

1. Reduces \$23,194,697 from debt service payments.
2. Reduces \$13,711,276 from retirement benefits payments.
3. Increases health premium payments by \$8,439,641.
4. Increases Other Post-Employment Benefits (OPEB) pre-funding by \$163,875,000 to fully fund OPEB in FY17.
5. Adds \$600,000 for a new budget report writing system.
6. Adds 2.00 permanent Program Budget Analyst V positions and \$60,716 for the Budget, Programming Planning and Management Division.

**Department of Budget and Finance
Capital Improvements Budget**

	Act 119/2015 FY 2016	Act 119/2015 FY 2017	FY 2016 Adjustments	FY 2017 Adjustments	Total FY 2016	Total FY 2017
Funding Sources:						
General Funds	-	-	-	-	-	-
General Obligation Bonds	38,113,000	-	-	125,396,000	38,113,000	125,396,000
Federal Funds	-	-	-	-	-	-
Total Requirements	38,113,000	-	-	125,396,000	38,113,000	125,396,000

Highlights: (general obligation bonds and FY 17 unless otherwise noted)

1. Reauthorizes \$125,396,000 for transfers to the State Educational Facilities Improvement Special Fund.



Operating Budget Details

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 110

PROGRAM ID: **BUF-**
PROGRAM STRUCTURE NO: **07**
PROGRAM TITLE: **FORMAL EDUCATION**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OTH CURRENT EXPENSES	1,187,095,932		1,187,095,932	1,263,884,213	18,101,103-	1,245,783,110	2,450,980,145	2,432,879,042	
TOTAL OPERATING COST	1,187,095,932		1,187,095,932	1,263,884,213	18,101,103-	1,245,783,110	2,450,980,145	2,432,879,042	.74-
BY MEANS OF FINANCING GENERAL FUND	1,187,095,932		1,187,095,932	1,263,884,213	18,101,103-	1,245,783,110	2,450,980,145	2,432,879,042	
TOTAL POSITIONS	*	*	*	*	*	*			
TOTAL PROGRAM COST	1,187,095,932		1,187,095,932	1,263,884,213	18,101,103-	1,245,783,110	2,450,980,145	2,432,879,042	.74-

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 111

PROGRAM ID: **BUF-**
PROGRAM STRUCTURE NO: **0701**
PROGRAM TITLE: **LOWER EDUCATION**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING									
OTH CURRENT EXPENSES	846,095,922		846,095,922	906,074,728	9,430,774-	896,643,954	1,752,170,650	1,742,739,876	
TOTAL OPERATING COST	846,095,922		846,095,922	906,074,728	9,430,774-	896,643,954	1,752,170,650	1,742,739,876	.54-
BY MEANS OF FINANCING									
GENERAL FUND	846,095,922		846,095,922	906,074,728	9,430,774-	896,643,954	1,752,170,650	1,742,739,876	
TOTAL POSITIONS	*	*	*	*	*	*			
TOTAL PROGRAM COST	846,095,922		846,095,922	906,074,728	9,430,774-	896,643,954	1,752,170,650	1,742,739,876	.54-

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 112

PROGRAM ID: **BUF-**
PROGRAM STRUCTURE NO: **070101**
PROGRAM TITLE: **DEPARTMENT OF EDUCATION**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING									
OTH CURRENT EXPENSES	846,095,922		846,095,922	906,074,728	9,430,774-	896,643,954	1,752,170,650	1,742,739,876	
TOTAL OPERATING COST	846,095,922		846,095,922	906,074,728	9,430,774-	896,643,954	1,752,170,650	1,742,739,876	.54-
BY MEANS OF FINANCING									
GENERAL FUND	846,095,922		846,095,922	906,074,728	9,430,774-	896,643,954	1,752,170,650	1,742,739,876	
TOTAL POSITIONS	*	*	*	*	*	*			
TOTAL PROGRAM COST	846,095,922		846,095,922	906,074,728	9,430,774-	896,643,954	1,752,170,650	1,742,739,876	.54-

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 113

PROGRAM ID: **BUF-745**
PROGRAM STRUCTURE NO: **07010192**
PROGRAM TITLE: **RETIREMENT BENEFITS PAYMENTS - DOE**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING									
OTH CURRENT EXPENSES	311,975,236		311,975,236	327,495,734	5,626,292-	321,869,442	639,470,970	633,844,678	
TOTAL OPERATING COST	311,975,236		311,975,236	327,495,734	5,626,292-	321,869,442	639,470,970	633,844,678	.88-
<hr/>									
BY MEANS OF FINANCING									
GENERAL FUND	311,975,236		311,975,236	327,495,734	5,626,292-	321,869,442	639,470,970	633,844,678	
<hr/>									
TOTAL POSITIONS	*	*	*	*	*	*			
TOTAL PROGRAM COST	311,975,236		311,975,236	327,495,734	5,626,292-	321,869,442	639,470,970	633,844,678	.88-

REPORT: OBBBXXR1
PROGRAM ID: BUF745

**EXECUTIVE SUPPLEMENTAL BUDGET
POSITION CEILING SUMMARY**

RUN DATE: DECEMBER 17, 2015

	----- FY 2015 - 16 -----			----- FY 2016 - 17 -----		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN
BY MEANS OF FINANCING						
PERMANENT						
TOTAL PERMANENT POSITIONS	*	*	*	*	*	*
TEMPORARY						
TOTAL TEMPORARY POSITIONS	*	*	*	*	*	*
PERMANENT AND TEMPORARY						
TOTAL POSITION CEILING	*	*	*	*	*	*

Narrative for Supplemental Budget Requests
FY 17

Program ID: BUF 745

Program Structure Level: 07 01 01 92

Program Title: Retirement Benefits Payments - DOE

A. Program Objective

To provide funds for retirement benefits payments to support Department of Education personnel.

B. Description of Request

Request a reduction of \$5,626,292 in general funds to adjust funding for retirement benefits payments based on projections from October 15, 2015.

C. Reasons for Request

To provide funding for retirement benefits payments for the Department of Education. Assumptions are as follows: 1) annual growth of 2% assumed; 2) adjustment for true-up at the end of FY 15 is estimate prepared by ERS; 3) Pension Accumulation (PA) rates per Act 163, SLH 2011; 4) PA increased by 2.6% to estimate PA total; 5) increased Social Security/Medicare by 4.8% to approximately match FY 15 total actually paid; and 6) data source does not include Charter Schools paid through Ceridian.

D. Significant Changes to Measures of Effectiveness and Program Size

None.

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 114

PROGRAM ID: **BUF-765**
PROGRAM STRUCTURE NO: **07010194**
PROGRAM TITLE: **HEALTH PREMIUM PAYMENTS - DOE**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING									
OTH CURRENT EXPENSES	245,577,984		245,577,984	268,641,012	5,364,381	274,005,393	514,218,996	519,583,377	
TOTAL OPERATING COST	245,577,984		245,577,984	268,641,012	5,364,381	274,005,393	514,218,996	519,583,377	1.04
BY MEANS OF FINANCING									
GENERAL FUND	245,577,984		245,577,984	268,641,012	5,364,381	274,005,393	514,218,996	519,583,377	
TOTAL POSITIONS	*	*	*	*	*	*			
TOTAL PROGRAM COST	245,577,984		245,577,984	268,641,012	5,364,381	274,005,393	514,218,996	519,583,377	1.04

REPORT: OBBBXXR1
PROGRAM ID: BUF765

EXECUTIVE SUPPLEMENTAL BUDGET
POSITION CEILING SUMMARY

RUN DATE: DECEMBER 17, 2015

	----- FY 2015 - 16 -----			----- FY 2016 - 17 -----		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN
BY MEANS OF FINANCING						
PERMANENT						
TOTAL PERMANENT POSITIONS	*	*	*	*	*	*
TEMPORARY						
TOTAL TEMPORARY POSITIONS	*	*	*	*	*	*
PERMANENT AND TEMPORARY						
TOTAL POSITION CEILING	*	*	*	*	*	*

Narrative for Supplemental Budget Requests
FY 17

Program ID: BUF 765
Program Structure Level: 07 01 01 94
Program Title: Health Premium Payments - DOE

A. Program Objective

To provide funds for health premium payments to support Department of Education personnel.

B. Description of Request

Request \$5,364,381 in general funds to adjust funding for health premium payments based on projections from October 12, 2015.

C. Reasons for Request

To provide funding for health premium payments for the Department of Education. Assumptions are as follows: 1) includes projected premium increases from the EUTF benefits consultant at 2% annual enrollment growth; 2) fixed dollar contributions amounts + enrollment growth allowance only carried beyond contracts for actives; and 3) administrative fees fixed at FY 14 rates for FY 17 - FY 21. Retiree increase due to larger than previous projected increase in prescription drug and dental premiums (includes higher than anticipated impact of Act 225, SLH 2013, and EUTF Board approved increase in dental benefits). Active increases for FY 18 and onward due to continuation of collective bargaining for new contracts.

D. Significant Changes to Measures of Effectiveness and Program Size

None.

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 115

PROGRAM ID: **BUF-725**
PROGRAM STRUCTURE NO: **07010196**
PROGRAM TITLE: **DEBT SERVICE PAYMENTS - DOE**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING									
OTH CURRENT EXPENSES	288,542,702		288,542,702	309,937,982	9,168,863-	300,769,119	598,480,684	589,311,821	
TOTAL OPERATING COST	288,542,702		288,542,702	309,937,982	9,168,863-	300,769,119	598,480,684	589,311,821	1.53-
<hr/>									
BY MEANS OF FINANCING									
GENERAL FUND	288,542,702		288,542,702	309,937,982	9,168,863-	300,769,119	598,480,684	589,311,821	
<hr/>									
TOTAL POSITIONS	*	*	*	*	*	*			
TOTAL PROGRAM COST	288,542,702		288,542,702	309,937,982	9,168,863-	300,769,119	598,480,684	589,311,821	1.53-

EXECUTIVE SUPPLEMENTAL BUDGET
POSITION CEILING SUMMARY

	----- FY 2015 - 16 -----			----- FY 2016 - 17 -----		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN
BY MEANS OF FINANCING						
PERMANENT						
TOTAL PERMANENT POSITIONS	*	*	*	*	*	*
TEMPORARY						
TOTAL TEMPORARY POSITIONS	*	*	*	*	*	*
PERMANENT AND TEMPORARY						
TOTAL POSITION CEILING	*	*	*	*	*	*

Narrative for Supplemental Budget Requests
FY 17

Program ID: BUF 725
Program Structure Level: 07 01 01 96
Program Title: Debt Service Payments - DOE

A. Program Objective

To provide funds for debt service to support the Department of Education's capital improvement program.

B. Description of Request

Request a reduction of \$9,168,863 in general funds for FY 17 to adjust funding for debt service based on projections from December 1, 2015.

C. Reasons for Request

To provide debt service funding for the DOE. Assumptions are as follows:
1) proposed bond issuances of \$1.2 billion in each of FY 17 - FY 19, and \$600 million in FY 20; 2) projected interest rate of 6%; and 3) principal deferral of three years.

D. Significant Changes to Measures of Effectiveness and Program Size

None.

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 116

PROGRAM ID: **BUF-**
PROGRAM STRUCTURE NO: **0703**
PROGRAM TITLE: **HIGHER EDUCATION**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING									
OTH CURRENT EXPENSES	341,000,010		341,000,010	357,809,485	8,670,329-	349,139,156	698,809,495	690,139,166	
TOTAL OPERATING COST	341,000,010		341,000,010	357,809,485	8,670,329-	349,139,156	698,809,495	690,139,166	1.24-
<hr/>									
BY MEANS OF FINANCING									
GENERAL FUND	341,000,010		341,000,010	357,809,485	8,670,329-	349,139,156	698,809,495	690,139,166	
TOTAL POSITIONS	*	*	*	*	*	*			
TOTAL PROGRAM COST	341,000,010		341,000,010	357,809,485	8,670,329-	349,139,156	698,809,495	690,139,166	1.24-

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 117

PROGRAM ID: **BUF-**
PROGRAM STRUCTURE NO: **070308**
PROGRAM TITLE: **UNIVERSITY OF HAWAII, PAYMENTS**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING									
OTH CURRENT EXPENSES	341,000,010		341,000,010	357,809,485	8,670,329-	349,139,156	698,809,495	690,139,166	
TOTAL OPERATING COST	341,000,010		341,000,010	357,809,485	8,670,329-	349,139,156	698,809,495	690,139,166	1.24-
<hr/>									
BY MEANS OF FINANCING									
GENERAL FUND	341,000,010		341,000,010	357,809,485	8,670,329-	349,139,156	698,809,495	690,139,166	
<hr/>									
TOTAL POSITIONS	*	*	*	*	*	*			
TOTAL PROGRAM COST	341,000,010		341,000,010	357,809,485	8,670,329-	349,139,156	698,809,495	690,139,166	1.24-

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 118

PROGRAM ID: **BUF-748**
PROGRAM STRUCTURE NO: **07030892**
PROGRAM TITLE: **RETIREMENT BENEFITS PAYMENTS - UH**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING									
OTH CURRENT EXPENSES	143,117,530		143,117,530	146,188,884	5,374,362-	140,814,522	289,306,414	283,932,052	
TOTAL OPERATING COST	143,117,530		143,117,530	146,188,884	5,374,362-	140,814,522	289,306,414	283,932,052	1.86-
<hr/>									
BY MEANS OF FINANCING									
GENERAL FUND	143,117,530		143,117,530	146,188,884	5,374,362-	140,814,522	289,306,414	283,932,052	
<hr/>									
TOTAL POSITIONS	*	*	*	*	*	*			
TOTAL PROGRAM COST	143,117,530		143,117,530	146,188,884	5,374,362-	140,814,522	289,306,414	283,932,052	1.86-

EXECUTIVE SUPPLEMENTAL BUDGET
POSITION CEILING SUMMARY

	----- FY 2015 - 16 -----			----- FY 2016 - 17 -----		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN
BY MEANS OF FINANCING						
PERMANENT						
TOTAL PERMANENT POSITIONS	*	*	*	*	*	*
TEMPORARY						
TOTAL TEMPORARY POSITIONS	*	*	*	*	*	*
PERMANENT AND TEMPORARY						
TOTAL POSITION CEILING	*	*	*	*	*	*

Narrative for Supplemental Budget Requests
FY 17

Program ID: BUF 748

Program Structure Level: 07 03 08 92

Program Title: Retirement Benefits Payments - UH

A. Program Objective

To provide funds for retirement benefits to support University of Hawaii personnel.

B. Description of Request

Request a reduction of \$5,374,362 in general funds to adjust funding for retirement benefits payments based on projections from October 15, 2015.

C. Reasons for Request

To provide funding for retirement benefits payments for the University of Hawaii. Assumptions are as follows: 1) annual growth of 2% assumed; 2) adjustment for true-up at the end of FY 15 is estimate prepared by ERS; 3) Pension Accumulation (PA) rates per Act 163, SLH 2011; 4) PA reduced by 0.6% to approximately match FY 15 actual; and 5) increased Social Security/Medicare by 0.7% to approximately match FY 15 total actually paid.

D. Significant Changes to Measures of Effectiveness and Program Size

None.

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 119

PROGRAM ID: **BUF-768**
PROGRAM STRUCTURE NO: **07030894**
PROGRAM TITLE: **HEALTH PREMIUM PAYMENTS - UH**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING									
OTH CURRENT EXPENSES	91,093,213		91,093,213	96,912,969	97,417	97,010,386	188,006,182	188,103,599	
TOTAL OPERATING COST	91,093,213		91,093,213	96,912,969	97,417	97,010,386	188,006,182	188,103,599	.05
=====									
BY MEANS OF FINANCING									
GENERAL FUND	91,093,213		91,093,213	96,912,969	97,417	97,010,386	188,006,182	188,103,599	
TOTAL POSITIONS	*	*	*	*	*	*			
TOTAL PROGRAM COST	91,093,213		91,093,213	96,912,969	97,417	97,010,386	188,006,182	188,103,599	.05
=====									

REPORT: OBBBXXR1
PROGRAM ID: BUF768

**EXECUTIVE SUPPLEMENTAL BUDGET
POSITION CEILING SUMMARY**

RUN DATE: DECEMBER 17, 2015

	----- FY 2015 - 16 -----			----- FY 2016 - 17 -----		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN
BY MEANS OF FINANCING						
PERMANENT						
TOTAL PERMANENT POSITIONS	*	*	*	*	*	*
TEMPORARY						
TOTAL TEMPORARY POSITIONS	*	*	*	*	*	*
PERMANENT AND TEMPORARY						
TOTAL POSITION CEILING	*	*	*	*	*	*

Narrative for Supplemental Budget Requests
FY 17

Program ID: BUF 768
Program Structure Level: 07 03 08 94
Program Title: Health Premium Payments - UH

A. Program Objective

To provide funds for health premium payments to support University of Hawaii personnel.

B. Description of Request

Request \$97,417 in general funds to adjust funding for health premium payments based on projections from October 12, 2015.

C. Reasons for Request

To provide funding for health premium payments for the University of Hawaii. Assumptions are as follows: 1) includes projected premium increases from the EUTF benefits consultant at 2% annual enrollment growth; 2) fixed dollar contributions amounts + enrollment growth allowance only carried beyond contracts for actives; and 3) administrative fees fixed at FY 14 rates for FY 17 - FY 21. Retiree increase due to larger than previous projected increase in prescription drug and dental premiums (includes higher than anticipated impact of Act 225, SLH 2013, and EUTF Board approved increase in dental benefits). Active decrease for FY 17 due to lower than projected enrollment growth. Active increases for FY 18 and onward due to continuation of collective bargaining for new contracts.

D. Significant Changes to Measures of Effectiveness and Program Size

None.

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 120

PROGRAM ID: **BUF-728**
PROGRAM STRUCTURE NO: **07030896**
PROGRAM TITLE: **DEBT SERVICE PAYMENTS - UH**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING									
OTH CURRENT EXPENSES	106,789,267		106,789,267	114,707,632	3,393,384-	111,314,248	221,496,899	218,103,515	
TOTAL OPERATING COST	106,789,267		106,789,267	114,707,632	3,393,384-	111,314,248	221,496,899	218,103,515	1.53-
<hr/>									
BY MEANS OF FINANCING									
GENERAL FUND	106,789,267		106,789,267	114,707,632	3,393,384-	111,314,248	221,496,899	218,103,515	
<hr/>									
TOTAL POSITIONS	*	*	*	*	*	*			
TOTAL PROGRAM COST	106,789,267		106,789,267	114,707,632	3,393,384-	111,314,248	221,496,899	218,103,515	1.53-

EXECUTIVE SUPPLEMENTAL BUDGET
POSITION CEILING SUMMARY

	----- FY 2015 - 16 -----			----- FY 2016 - 17 -----		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN
BY MEANS OF FINANCING						
PERMANENT						
TOTAL PERMANENT POSITIONS	*	*	*	*	*	*
TEMPORARY						
TOTAL TEMPORARY POSITIONS	*	*	*	*	*	*
PERMANENT AND TEMPORARY						
TOTAL POSITION CEILING	*	*	*	*	*	*

Narrative for Supplemental Budget Requests
FY 17

Program ID: BUF 728
Program Structure Level: 07 03 08 96
Program Title: Debt Service Payments - UH

A. Program Objective

To provide funds for debt service to support the University of Hawaii's capital improvement program.

B. Description of Request

Request a reduction of \$3,393,384 in general funds for FY 17 to adjust funding for debt service based on projections from December 1, 2015.

C. Reasons for Request

To provide debt service funding for the UH. Assumptions are as follows:
1) proposed bond issuances of \$1.2 billion in each of FY 17 - FY 19, and \$600 million in FY 20; 2) projected interest rate of 6%; and 3) principal deferral of three years.

D. Significant Changes to Measures of Effectiveness and Program Size

None.

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 121

PROGRAM ID: **BUF-**
PROGRAM STRUCTURE NO: **10**
PROGRAM TITLE: **INDIVIDUAL RIGHTS**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	83.50*	*	83.50*	83.50*	1.00*	84.50*	*	*	*
PERSONAL SERVICES	10,060,540		10,060,540	10,389,992	19,746	10,409,738	20,450,532	20,470,278	
OTH CURRENT EXPENSES	701,814		701,814	701,814	580	702,394	1,403,628	1,404,208	
EQUIPMENT					2,200	2,200		2,200	
TOTAL OPERATING COST	10,762,354		10,762,354	11,091,806	22,526	11,114,332	21,854,160	21,876,686	.10
BY MEANS OF FINANCING									
GENERAL FUND	83.50*	*	83.50*	83.50*	1.00*	84.50*	*	*	*
	10,762,354		10,762,354	11,091,806	22,526	11,114,332	21,854,160	21,876,686	
	*	*	*	*	*	*	*	*	*
TOTAL POSITIONS	83.50*	*	83.50*	83.50*	1.00*	84.50*			
TOTAL PROGRAM COST	10,762,354		10,762,354	11,091,806	22,526	11,114,332	21,854,160	21,876,686	.10

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 125

PROGRAM ID: **BUF-**
PROGRAM STRUCTURE NO: **1003**
PROGRAM TITLE: **LEGAL & JUDICIAL PROTECTION OF RIGHTS**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	83.50*	*	83.50*	83.50*	1.00*	84.50*	*	*	*
PERSONAL SERVICES	10,060,540		10,060,540	10,389,992	19,746	10,409,738	20,450,532	20,470,278	
OTH CURRENT EXPENSES	701,814		701,814	701,814	580	702,394	1,403,628	1,404,208	
EQUIPMENT					2,200	2,200		2,200	
TOTAL OPERATING COST	10,762,354		10,762,354	11,091,806	22,526	11,114,332	21,854,160	21,876,686	.10
BY MEANS OF FINANCING									
GENERAL FUND	83.50*	*	83.50*	83.50*	1.00*	84.50*	*	*	*
	10,762,354		10,762,354	11,091,806	22,526	11,114,332	21,854,160	21,876,686	
TOTAL POSITIONS	83.50*	*	83.50*	83.50*	1.00*	84.50*			
TOTAL PROGRAM COST	10,762,354		10,762,354	11,091,806	22,526	11,114,332	21,854,160	21,876,686	.10

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 126

PROGRAM ID: **BUF-151**
PROGRAM STRUCTURE NO: **100301**
PROGRAM TITLE: **OFFICE OF THE PUBLIC DEFENDER**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	83.50*	*	83.50*	83.50*	1.00*	84.50*	*	*	*
PERSONAL SERVICES	10,060,540		10,060,540	10,389,992	19,746	10,409,738	20,450,532	20,470,278	
OTH CURRENT EXPENSES	701,814		701,814	701,814	580	702,394	1,403,628	1,404,208	
EQUIPMENT					2,200	2,200		2,200	
TOTAL OPERATING COST	10,762,354		10,762,354	11,091,806	22,526	11,114,332	21,854,160	21,876,686	.10
BY MEANS OF FINANCING									
GENERAL FUND	83.50*	*	83.50*	83.50*	1.00*	84.50*	*	*	*
	10,762,354		10,762,354	11,091,806	22,526	11,114,332	21,854,160	21,876,686	
TOTAL POSITIONS	83.50*	*	83.50*	83.50*	1.00*	84.50*			
TOTAL PROGRAM COST	10,762,354		10,762,354	11,091,806	22,526	11,114,332	21,854,160	21,876,686	.10

REPORT: OBBBXXR1
PROGRAM ID: BUF151

**EXECUTIVE SUPPLEMENTAL BUDGET
POSITION CEILING SUMMARY**

RUN DATE: DECEMBER 17, 2015

	----- FY 2015 - 16 -----			----- FY 2016 - 17 -----		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN
BY MEANS OF FINANCING						
PERMANENT						
GENERAL FUND	83.50*	*	83.50*	83.50*	1.00*	84.50*
TOTAL PERMANENT POSITIONS	83.50*	*	83.50*	83.50*	1.00*	84.50*
TEMPORARY						
GENERAL FUND	50.00*	*	50.00*	50.00*	*	50.00*
TOTAL TEMPORARY POSITIONS	50.00*	*	50.00*	50.00*	*	50.00*
PERMANENT AND TEMPORARY						
GENERAL FUND	133.50*	*	133.50*	133.50*	1.00*	134.50*
TOTAL POSITION CEILING	133.50*	*	133.50*	133.50*	1.00*	134.50*

Narrative for Supplemental Budget Requests
FY 17

Program ID: BUF 151
Program Structure Level: 10 03 01
Program Title: Office of the Public Defender

A. Program Objective

To safeguard the rights of individuals by providing statutorily entitled and effective legal representation in criminal, mental commitment, and family cases in compliance with the Hawaii rules of professional conduct. Prudently manage Deputy Public Defender and support service resources and caseloads and maintain quality training program for Deputy Public Defender staff.

B. Description of Request

Request 1.00 permanent exempt position and \$22,526 in general funds for the Office of the Public Defender.

C. Reasons for Request

The Oahu branch of the Office of the Public Defender (OPD) is divided into four divisions - the appellate division, the district court division, the family court division and the circuit court division. Sixty-one Deputy Public Defenders are distributed among these four divisions. In addition, 12 clerical support staff are employed in these divisions.

Currently, there is one Chief Deputy Public Defender and four division supervisors who administer the staff in these divisions of the office. Their duties include the administration of the workload of the attorney staff as well as staffing issues which arise within the attorney staff. In addition, the Chief Deputy Public Defender and division supervisors oversee the clerical staff in each division due to the abolishment of the Clerical Supervisor position from the OPD budget in 2004.

The Clerical Supervisor formerly handled daily staffing issues among the clerical support staff as well as coordination and approval of all leaves. In addition the Clerical Supervisor coordinated training of the support staff and worked with office administration to resolve disputes and conflicts within the support staff. Currently, all of these duties, along with the myriad of other administrative duties are handled by the Chief Deputy Public Defender and division supervisors. The performance of these duties takes away from the ability of these supervisors to devote much needed time to the supervision of attorney staff and the administration of the many legal issues which the OPD handles.

D. Significant Changes to Measure of Effectiveness and Program Size

None.

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 127

PROGRAM ID: **BUF-**
PROGRAM STRUCTURE NO: **11**
PROGRAM TITLE: **GOVERNMENT-WIDE SUPPORT**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	226.00*	*	226.00*	226.00*	7.00*	233.00*	*	*	*
PERSONAL SERVICES	39,270,668		39,270,668	59,082,708	102,438	59,185,146	98,353,376	98,455,814	
OTH CURRENT EXPENSES	1,079,452,309		1,079,452,309	1,219,953,205	164,954,351	1,384,907,556	2,299,405,514	2,464,359,865	
EQUIPMENT	2,400		2,400		759,000	759,000	2,400	761,400	
TOTAL OPERATING COST	1,118,725,377		1,118,725,377	1,279,035,913	165,815,789	1,444,851,702	2,397,761,290	2,563,577,079	6.92
BY MEANS OF FINANCING									
GENERAL FUND	54.25*	*	54.25*	54.25*	6.00*	60.25*	*	*	*
	1,085,384,027		1,085,384,027	1,243,269,190	154,365,789	1,397,634,979	2,328,653,217	2,483,019,006	
SPECIAL FUND	*	*	*	*	*	*	*	*	*
	1,547,739		1,547,739	2,854,560		2,854,560	4,402,299	4,402,299	
FEDERAL FUNDS	*	*	*	*	*	*	*	*	*
	478,486		478,486	841,250		841,250	1,319,736	1,319,736	
OTHER FEDERAL FUN	5,675	*	5,675	12,196		12,196	17,871	17,871	
TRUST FUNDS	65.00*	*	65.00*	65.00*	*	65.00*	*	*	*
	14,051,335		14,051,335	14,229,580	4,500,000	18,729,580	28,280,915	32,780,915	
INTERDEPT. TRANSF	1.75*	*	1.75*	1.75*	*	1.75*	*	*	*
	4,140,882		4,140,882	4,147,627		4,147,627	8,288,509	8,288,509	
REVOLVING FUND	*	*	*	*	*	*	*	*	*
	102,919		102,919	213,261		213,261	316,180	316,180	
OTHER FUNDS	105.00*	*	105.00*	105.00*	1.00*	106.00*	*	*	*
	13,014,314		13,014,314	13,468,249	6,950,000	20,418,249	26,482,563	33,432,563	
CAPITAL INVESTMENT									
CONSTRUCTION	38,113,000		38,113,000		125,396,000	125,396,000	38,113,000	163,509,000	
TOTAL CAPITAL COSTS	38,113,000		38,113,000		125,396,000	125,396,000	38,113,000	163,509,000	329.01
BY MEANS OF FINANCING									
G.O. BONDS	38,113,000		38,113,000		125,396,000	125,396,000	38,113,000	163,509,000	
TOTAL POSITIONS	226.00*	*	226.00*	226.00*	7.00*	233.00*			
TOTAL PROGRAM COST	1,156,838,377		1,156,838,377	1,279,035,913	291,211,789	1,570,247,702	2,435,874,290	2,727,086,079	11.96

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 128

PROGRAM ID: **BUF-**
PROGRAM STRUCTURE NO: **1101**
PROGRAM TITLE: **EXEC DIRECTN, COORD, & POLICY DEVELOPMENT**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	42.00*	*	42.00*	42.00*	5.00*	47.00*	*	*	*
PERSONAL SERVICES	24,654,839		24,654,839	43,804,261	79,764	43,884,025	68,459,100	68,538,864	
OTH CURRENT EXPENSES	8,079,223		8,079,223	8,079,223	744,090	8,823,313	16,158,446	16,902,536	
EQUIPMENT					6,750	6,750		6,750	
TOTAL OPERATING COST	32,734,062		32,734,062	51,883,484	830,604	52,714,088	84,617,546	85,448,150	.98
BY MEANS OF FINANCING	41.25*	*	41.25*	41.25*	5.00*	46.25*	*	*	*
GENERAL FUND	30,556,689		30,556,689	47,919,663	830,604	48,750,267	78,476,352	79,306,956	
SPECIAL FUND	1,547,739		1,547,739	2,854,560		2,854,560	4,402,299	4,402,299	
FEDERAL FUNDS	478,486		478,486	841,250		841,250	1,319,736	1,319,736	
OTHER FEDERAL FUN	5,675		5,675	12,196		12,196	17,871	17,871	
INTERDEPT. TRANSF	.75*		.75*	.75*		.75*	85,108	85,108	
REVOLVING FUND	102,919		102,919	213,261		213,261	316,180	316,180	
CAPITAL INVESTMENT									
CONSTRUCTION	38,113,000		38,113,000		125,396,000	125,396,000	38,113,000	163,509,000	
TOTAL CAPITAL COSTS	38,113,000		38,113,000		125,396,000	125,396,000	38,113,000	163,509,000	329.01
BY MEANS OF FINANCING									
G.O. BONDS	38,113,000		38,113,000		125,396,000	125,396,000	38,113,000	163,509,000	
TOTAL POSITIONS	42.00*	*	42.00*	42.00*	5.00*	47.00*			
TOTAL PROGRAM COST	70,847,062		70,847,062	51,883,484	126,226,604	178,110,088	122,730,546	248,957,150	102.85

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 129

PROGRAM ID: **BUF-**
PROGRAM STRUCTURE NO: **110103**
PROGRAM TITLE: **POLICY DEVELOPMENT & COORDINATION**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	42.00*	*	42.00*	42.00*	5.00*	47.00*	*	*	*
PERSONAL SERVICES	24,654,839		24,654,839	43,804,261	79,764	43,884,025	68,459,100	68,538,864	
OTH CURRENT EXPENSES	8,079,223		8,079,223	8,079,223	744,090	8,823,313	16,158,446	16,902,536	
EQUIPMENT					6,750	6,750		6,750	
TOTAL OPERATING COST	32,734,062		32,734,062	51,883,484	830,604	52,714,088	84,617,546	85,448,150	.98
BY MEANS OF FINANCING									
GENERAL FUND	41.25*	*	41.25*	41.25*	5.00*	46.25*	*	*	*
	30,556,689		30,556,689	47,919,663	830,604	48,750,267	78,476,352	79,306,956	
SPECIAL FUND	*	*	*	*	*	*	*	*	*
	1,547,739		1,547,739	2,854,560		2,854,560	4,402,299	4,402,299	
FEDERAL FUNDS	*	*	*	*	*	*	*	*	*
	478,486		478,486	841,250		841,250	1,319,736	1,319,736	
OTHER FEDERAL FUN	*	*	*	*	*	*	*	*	*
	5,675		5,675	12,196		12,196	17,871	17,871	
INTERDEPT. TRANSF	.75*	*	.75*	.75*	*	.75*	*	*	*
	42,554		42,554	42,554		42,554	85,108	85,108	
REVOLVING FUND	*	*	*	*	*	*	*	*	*
	102,919		102,919	213,261		213,261	316,180	316,180	
CAPITAL INVESTMENT									
CONSTRUCTION									
	38,113,000		38,113,000		125,396,000	125,396,000	38,113,000	163,509,000	
TOTAL CAPITAL COSTS	38,113,000		38,113,000		125,396,000	125,396,000	38,113,000	163,509,000	329.01
BY MEANS OF FINANCING									
G.O. BONDS									
	38,113,000		38,113,000		125,396,000	125,396,000	38,113,000	163,509,000	
TOTAL POSITIONS	42.00*	*	42.00*	42.00*	5.00*	47.00*			
TOTAL PROGRAM COST	70,847,062		70,847,062	51,883,484	126,226,604	178,110,088	122,730,546	248,957,150	102.85

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 130

PROGRAM ID: **BUF-101**
PROGRAM STRUCTURE NO: **11010305**
PROGRAM TITLE: **DEPARTMENTAL ADMINISTRATION & BUDGET DIV**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	42.00*	*	42.00*	42.00*	5.00*	47.00*	*	*	*
PERSONAL SERVICES	3,729,633		3,729,633	3,837,700	79,764	3,917,464	7,567,333	7,647,097	
OTH CURRENT EXPENSES	8,079,223		8,079,223	8,079,223	744,090	8,823,313	16,158,446	16,902,536	
EQUIPMENT					6,750	6,750		6,750	
TOTAL OPERATING COST	11,808,856		11,808,856	11,916,923	830,604	12,747,527	23,725,779	24,556,383	3.50
BY MEANS OF FINANCING	41.25*	*	41.25*	41.25*	5.00*	46.25*	*	*	*
GENERAL FUND	11,766,302		11,766,302	11,874,369	830,604	12,704,973	23,640,671	24,471,275	
	*	*	*	*	*	*	*	*	*
	*	*	*	*	*	*	*	*	*
	.75*	*	.75*	.75*	*	.75*	*	*	*
INTERDEPT. TRANSF	42,554		42,554	42,554		42,554	85,108	85,108	
	*	*	*	*	*	*	*	*	*
CAPITAL INVESTMENT									
CONSTRUCTION	38,113,000		38,113,000		125,396,000	125,396,000	38,113,000	163,509,000	
TOTAL CAPITAL COSTS	38,113,000		38,113,000		125,396,000	125,396,000	38,113,000	163,509,000	329.01
BY MEANS OF FINANCING									
G.O. BONDS	38,113,000		38,113,000		125,396,000	125,396,000	38,113,000	163,509,000	
TOTAL POSITIONS	42.00*	*	42.00*	42.00*	5.00*	47.00*			
TOTAL PROGRAM COST	49,921,856		49,921,856	11,916,923	126,226,604	138,143,527	61,838,779	188,065,383	204.12

REPORT: OBBBXXR1
PROGRAM ID: BUF101

**EXECUTIVE SUPPLEMENTAL BUDGET
POSITION CEILING SUMMARY**

RUN DATE: DECEMBER 17, 2015

	FY 2015 - 16			FY 2016 - 17		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN
BY MEANS OF FINANCING						
PERMANENT						
GENERAL FUND	41.25*	*	41.25*	41.25*	5.00*	46.25*
SPECIAL FUND	*	*	*	*	*	*
FEDERAL FUNDS	*	*	*	*	*	*
INTERDEPARTMENTAL TRANSFERS	0.75*	*	0.75*	0.75*	*	0.75*
REVOLVING FUND	*	*	*	*	*	*
TOTAL PERMANENT POSITIONS	42.00*	*	42.00*	42.00*	5.00*	47.00*
TEMPORARY						
GENERAL FUND	12.00*	*	12.00*	12.00*	*	12.00*
SPECIAL FUND	*	*	*	*	*	*
FEDERAL FUNDS	*	*	*	*	*	*
INTERDEPARTMENTAL TRANSFERS	*	*	*	*	*	*
REVOLVING FUND	*	*	*	*	*	*
TOTAL TEMPORARY POSITIONS	12.00*	*	12.00*	12.00*	*	12.00*
PERMANENT AND TEMPORARY						
GENERAL FUND	53.25*	*	53.25*	53.25*	5.00*	58.25*
SPECIAL FUND	*	*	*	*	*	*
FEDERAL FUNDS	*	*	*	*	*	*
INTERDEPARTMENTAL TRANSFERS	0.75*	*	0.75*	0.75*	*	0.75*
REVOLVING FUND	*	*	*	*	*	*
TOTAL POSITION CEILING	54.00*	*	54.00*	54.00*	5.00*	59.00*

Narrative for Supplemental Budget Requests
FY 17

Program ID: BUF 101

Program Structure Level: 11 01 03 05

Program Title: Departmental Administration and Budget Division

A. Program Objective

To facilitate and improve the executive resource allocation process by thorough planning, programming, and budgeting and analyses, through sound recommendations on all phases of program scope and funding, and by efforts to simplify and more directly tie program performance with resource allocation decisions.

B. Description of Request

Request 1.00 permanent Information Technology (IT) Specialist IV position and \$27,388 in general funds for the Departmental Administrative and Research Office.

Request \$142,500 in general funds for the annual recurring subscription based costs for departmental Office 365 licenses.

Request \$600,000 in general funds for the Budget, Program Planning and Management Division (BPPM) to comply with statutory requirements included in Act 160, SLH 2015, Relating to Budgeting.

Request 2.00 permanent Budget Analyst V positions and \$60,716 in general funds for the BPPM Division to accommodate workload needs.

Request 2.00 permanent civil service position counts for the Office of Federal Awards Management (OFAM) program.

C. Reasons for Request

The departmental administration program currently has two IT Specialist positions who must provide department wide IT coordination, oversight and must also provide direct technical and user assistance for mission critical applications that support the core Department of Budget and Finance (B&F) programs. The requested IT Specialist IV position will enable our two existing IT staff to focus on performing LAN server administration; allow research, planning and implementation of solutions necessary to proactively address systems and applications problems; make necessary improvements to the current IT infrastructure; review, update, and improve departmental disaster backup and recovery efforts; and better support key departmental and Office of Enterprise Technology Services (ETS) directed initiatives. For example, assist the BPPM's business users on the necessary technical IT research, development, procurement, and implementation of a new budget report writing system as mandated by Act 160, SLH 2015.

General funds are requested to cover the annual recurring subscription based costs for departmental Office 365 user licenses. These costs for our B&F departmental users will be centralized in the BUF 101 AA Departmental Administration program. The ETS has mandated all Executive Branch departments and agencies to migrate from IBM Lotus Notes to Microsoft Outlook for email and to also utilize the Office 365 annual subscription based software. While the initial cost of the licenses have been covered by the ETS, the departments have been instructed to individually submit requests to cover the recurring subscription related costs for the Office 365 suite starting from FY 17.

Narrative for Supplemental Budget Requests
FY 17

Program ID: BUF 101

Program Structure Level: 11 01 03 05

Program Title: Departmental Administration and Budget Division

Act 160, SLH 2015, Relating to Budgeting, mandates the BPPM to improve the budget reports and documents that are currently produced on the State's legacy computer system. This request will enable the department to implement a new system to produce an enhanced product with a new budget report writing system.

The 2.00 Budget Analyst V positions are necessary to restore positions that were lost during past budget reduction cycles and better accommodate the central budget division's workload needs. This will enable the analysts to provide better coverage and more in-depth analysis of increasingly complex management and budgetary issues.

The 2.00 full-time equivalent permanent position counts for the OFAM program will enable work to begin for the establishment of civil service positions to provide a more stable level of support for this governmental function. While the program was established initially as a temporary project, there is a recognized need to provide on-going central agency oversight pertaining to the receipt and expenditure of statewide federal grant awards to ensure consistency and compliance with federal requirements and with statewide policies and directives. No additional funds are requested because the department will utilize the existing funds that are currently budgeted under salary for the existing 2.00 temporary exempt OFAM positions.

D. Significant Changes to Measures of Effectiveness and Program Size

None.

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 131

PROGRAM ID: **BUF-102**
PROGRAM STRUCTURE NO: **11010307**
PROGRAM TITLE: **COLLECTIVE BARGAINING STATEWIDE**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	*	*	*	*	*	*	*	*	*
PERSONAL SERVICES	20,925,206		20,925,206	39,966,561		39,966,561	60,891,767	60,891,767	
TOTAL OPERATING COST	20,925,206		20,925,206	39,966,561		39,966,561	60,891,767	60,891,767	
=====									
BY MEANS OF FINANCING									
GENERAL FUND	18,790,387	*	18,790,387	36,045,294	*	36,045,294	54,835,681	54,835,681	*
SPECIAL FUND	1,547,739	*	1,547,739	2,854,560	*	2,854,560	4,402,299	4,402,299	*
FEDERAL FUNDS	478,486	*	478,486	841,250	*	841,250	1,319,736	1,319,736	*
OTHER FEDERAL FUN	5,675	*	5,675	12,196	*	12,196	17,871	17,871	*
REVOLVING FUND	102,919	*	102,919	213,261	*	213,261	316,180	316,180	*
TOTAL POSITIONS	*	*	*	*	*	*			
TOTAL PROGRAM COST	20,925,206		20,925,206	39,966,561		39,966,561	60,891,767	60,891,767	
=====									

REPORT: OBBBXXR1
PROGRAM ID: BUF102

**EXECUTIVE SUPPLEMENTAL BUDGET
POSITION CEILING SUMMARY**

RUN DATE: DECEMBER 17, 2015

	FY 2015 - 16			FY 2016 - 17		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN
BY MEANS OF FINANCING						
PERMANENT						
GENERAL FUND	*	*	*	*	*	*
SPECIAL FUND	*	*	*	*	*	*
FEDERAL FUNDS	*	*	*	*	*	*
OTHER FEDERAL FUNDS	*	*	*	*	*	*
REVOLVING FUND	*	*	*	*	*	*
TOTAL PERMANENT POSITIONS	*	*	*	*	*	*
TEMPORARY						
GENERAL FUND	*	*	*	*	*	*
SPECIAL FUND	*	*	*	*	*	*
FEDERAL FUNDS	*	*	*	*	*	*
OTHER FEDERAL FUNDS	*	*	*	*	*	*
REVOLVING FUND	*	*	*	*	*	*
TOTAL TEMPORARY POSITIONS	*	*	*	*	*	*
PERMANENT AND TEMPORARY						
GENERAL FUND	*	*	*	*	*	*
SPECIAL FUND	*	*	*	*	*	*
FEDERAL FUNDS	*	*	*	*	*	*
OTHER FEDERAL FUNDS	*	*	*	*	*	*
REVOLVING FUND	*	*	*	*	*	*
TOTAL POSITION CEILING	*	*	*	*	*	*

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 132

PROGRAM ID: **BUF-**
PROGRAM STRUCTURE NO: **1102**
PROGRAM TITLE: **FISCAL MANAGEMENT**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	23.00*	*	23.00*	23.00*	1.00*	24.00*	*	*	*
PERSONAL SERVICES	1,541,798		1,541,798	1,596,445	22,674	1,619,119	3,138,243	3,160,917	
OTH CURRENT EXPENSES	342,283,790		342,283,790	367,094,305	6,131,960-	360,962,345	709,378,095	703,246,135	
EQUIPMENT					2,250	2,250		2,250	
TOTAL OPERATING COST	343,825,588		343,825,588	368,690,750	6,107,036-	362,583,714	712,516,338	706,409,302	.86-
BY MEANS OF FINANCING									
GENERAL FUND	13.00*	*	13.00*	13.00*	1.00*	14.00*	*	*	*
	336,578,822		336,578,822	361,410,810	10,607,036-	350,803,774	697,989,632	687,382,596	
TRUST FUNDS	9.00*	*	9.00*	9.00*	*	9.00*	*	*	*
	7,148,438		7,148,438	7,174,867	4,500,000	11,674,867	14,323,305	18,823,305	
INTERDEPT. TRANSF	1.00*	*	1.00*	1.00*	*	1.00*	*	*	*
	98,328		98,328	105,073		105,073	203,401	203,401	
TOTAL POSITIONS	23.00*	*	23.00*	23.00*	1.00*	24.00*			
TOTAL PROGRAM COST	343,825,588		343,825,588	368,690,750	6,107,036-	362,583,714	712,516,338	706,409,302	.86-

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 133

PROGRAM ID: **BUF-**
PROGRAM STRUCTURE NO: **110203**
PROGRAM TITLE: **FINANCIAL ADMINISTRATION**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	23.00*	*	23.00*	23.00*	1.00*	24.00*	*	*	*
PERSONAL SERVICES	1,541,798		1,541,798	1,596,445	22,674	1,619,119	3,138,243	3,160,917	
OTH CURRENT EXPENSES	342,283,790		342,283,790	367,094,305	6,131,960-	360,962,345	709,378,095	703,246,135	
EQUIPMENT					2,250	2,250		2,250	
TOTAL OPERATING COST	343,825,588		343,825,588	368,690,750	6,107,036-	362,583,714	712,516,338	706,409,302	.86-
BY MEANS OF FINANCING									
GENERAL FUND	13.00*	*	13.00*	13.00*	1.00*	14.00*	*	*	*
	336,578,822		336,578,822	361,410,810	10,607,036-	350,803,774	697,989,632	687,382,596	
TRUST FUNDS	9.00*	*	9.00*	9.00*	*	9.00*	*	*	*
	7,148,438		7,148,438	7,174,867	4,500,000	11,674,867	14,323,305	18,823,305	
INTERDEPT. TRANSF	1.00*	*	1.00*	1.00*	*	1.00*	*	*	*
	98,328		98,328	105,073		105,073	203,401	203,401	
TOTAL POSITIONS	23.00*	*	23.00*	23.00*	1.00*	24.00*			
TOTAL PROGRAM COST	343,825,588		343,825,588	368,690,750	6,107,036-	362,583,714	712,516,338	706,409,302	.86-

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 134

PROGRAM ID: **BUF-115**
PROGRAM STRUCTURE NO: **11020301**
PROGRAM TITLE: **FINANCIAL ADMINISTRATION**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	23.00*	*	23.00*	23.00*	1.00*	24.00*	*	*	*
PERSONAL SERVICES	1,541,798		1,541,798	1,596,445	22,674	1,619,119	3,138,243	3,160,917	
OTH CURRENT EXPENSES	7,682,286		7,682,286	7,682,286	4,500,490	12,182,776	15,364,572	19,865,062	
EQUIPMENT					2,250	2,250		2,250	
TOTAL OPERATING COST	9,224,084		9,224,084	9,278,731	4,525,414	13,804,145	18,502,815	23,028,229	24.46
BY MEANS OF FINANCING									
	13.00*	*	13.00*	13.00*	1.00*	14.00*	*	*	*
GENERAL FUND	1,977,318		1,977,318	1,998,791	25,414	2,024,205	3,976,109	4,001,523	
	9.00*	*	9.00*	9.00*	*	9.00*	*	*	*
TRUST FUNDS	7,148,438		7,148,438	7,174,867	4,500,000	11,674,867	14,323,305	18,823,305	
	1.00*	*	1.00*	1.00*	*	1.00*	*	*	*
INTERDEPT. TRANSF	98,328		98,328	105,073		105,073	203,401	203,401	
TOTAL POSITIONS	23.00*	*	23.00*	23.00*	1.00*	24.00*			
TOTAL PROGRAM COST	9,224,084		9,224,084	9,278,731	4,525,414	13,804,145	18,502,815	23,028,229	24.46

REPORT: OBBBXXR1
PROGRAM ID: BUF115

**EXECUTIVE SUPPLEMENTAL BUDGET
POSITION CEILING SUMMARY**

RUN DATE: DECEMBER 17, 2015

	FY 2015 - 16			FY 2016 - 17		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN
BY MEANS OF FINANCING						
PERMANENT						
GENERAL FUND	13.00*	*	13.00*	13.00*	1.00*	14.00*
TRUST FUNDS	9.00*	*	9.00*	9.00*	*	9.00*
INTERDEPARTMENTAL TRANSFERS	1.00*	*	1.00*	1.00*	*	1.00*
TOTAL PERMANENT POSITIONS	23.00*	*	23.00*	23.00*	1.00*	24.00*
TEMPORARY						
GENERAL FUND	*	*	*	*	*	*
TRUST FUNDS	*	*	*	*	*	*
INTERDEPARTMENTAL TRANSFERS	*	*	*	*	*	*
TOTAL TEMPORARY POSITIONS	*	*	*	*	*	*
PERMANENT AND TEMPORARY						
GENERAL FUND	13.00*	*	13.00*	13.00*	1.00*	14.00*
TRUST FUNDS	9.00*	*	9.00*	9.00*	*	9.00*
INTERDEPARTMENTAL TRANSFERS	1.00*	*	1.00*	1.00*	*	1.00*
TOTAL POSITION CEILING	23.00*	*	23.00*	23.00*	1.00*	24.00*

Narrative for Supplemental Budget Requests
FY 17

Program ID: BUF 115
Program Structure Level: 11 02 03 01
Program Title: Financial Administration

A. Program Objective

To maximize the value, investment and use of State funds through proactive planning, the development of prudent statewide financial policies, the timely scheduling of State bond financing and the establishment of appropriate cash management controls and procedures.

B. Description of Request

Add 1.00 permanent Accountant III and \$25,414 in general funds in the Fiscal Office in the Financial Administration Division (FAD).

Request \$4,500,000 in trust funds for the payment of Unclaimed Property claim payments.

C. Reasons for Request

The FAD Fiscal Office is responsible for Statewide functions, which include, but are not limited to: 1) maintaining master debt service schedules for all general obligation bonds and revenue bonds outstanding; 2) oversight, administration and tracking of expenditures, and allocations of general obligation bond proceeds to specific projects or uses as authorized by the various statutes; 3) administering the Federal Cash Management Information Act program requirements which requires coordinating and obtaining reports from all departments and agencies who receive federal funds (reflecting the date of receipt and disbursement of such funds, and computation of any interest earned or owed by the State to the federal government); 4) maintenance and oversight of the collateral requirements in accordance with Section 38-3, HRS, to protect State Treasury funds (currently at

approximately \$5 billion) invested; and 5) performing all fiscal related functions for FAD (e.g., budget, inventory, etc.).

There currently is one Accountant IV position responsible for these and other fiscal functions who is assisted by an Account Clerk IV. The functions, workload and responsibilities of the Fiscal Office have increased due to a variety of factors, such as increased federal funding which requires additional tracking and monitoring, increase in State Treasury investment balances which requires increased collateral to be pledged and monitored to ensure the protection of State funds (currently approximates \$5 billion in State Treasury balances), and increased federal compliance oversight with respect to the expenditure and tracking of tax-exempt general obligation bond proceeds (currently approximates \$6.5 billion outstanding) and oversight of all debt service schedules for all outstanding State debt of approximately \$9.5 billion.

The FAD Fiscal Office previously had an additional Accountant III position to share the responsibility for these essential functions; however, this position was eliminated during a Reduction in Force.

The Unclaimed Property program previously undertook efforts to increase the awareness of the program to: 1) provide owners of unclaimed funds with additional information and access to claim their funds; and 2) increase awareness to holders of the unclaimed properties to submit these funds to the Unclaimed Property program to allow these funds to be returned to their rightful owners. The number of claims paid and dollar amount of claims paid to the owners of the funds which are held in trust by the program have been steadily increasing each year. The program paid out approximately \$7.3 million in FY 14 and approximately \$10.4 million in FY 15. The program is requesting an increase in the claims payment budget to \$11 million to allow

Narrative for Supplemental Budget Requests
FY 17

Program ID: BUF 115

Program Structure Level: 11 02 03 01

Program Title: Financial Administration

for higher levels of anticipated payments in FY 17 based on the increasing growth rate of actual claims payments.

D. Significant Changes to Measures of Effectiveness and Program Size

The program will be able to meet its measures in providing timely payments of claims to the rightful owners of these funds.

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 135

PROGRAM ID: **BUF-721**
PROGRAM STRUCTURE NO: **11020303**
PROGRAM TITLE: **DEBT SERVICE PAYMENTS**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING									
OTH CURRENT EXPENSES	334,601,504		334,601,504	359,412,019	10,632,450-	348,779,569	694,013,523	683,381,073	
TOTAL OPERATING COST	334,601,504		334,601,504	359,412,019	10,632,450-	348,779,569	694,013,523	683,381,073	1.53-
BY MEANS OF FINANCING									
GENERAL FUND	334,601,504		334,601,504	359,412,019	10,632,450-	348,779,569	694,013,523	683,381,073	
TOTAL POSITIONS	*	*	*	*	*	*			
TOTAL PROGRAM COST	334,601,504		334,601,504	359,412,019	10,632,450-	348,779,569	694,013,523	683,381,073	1.53-

REPORT: OBBBXXR1
PROGRAM ID: BUF721

**EXECUTIVE SUPPLEMENTAL BUDGET
POSITION CEILING SUMMARY**

RUN DATE: DECEMBER 17, 2015

	----- FY 2015 - 16 -----			----- FY 2016 - 17 -----		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN
BY MEANS OF FINANCING						
PERMANENT						
TOTAL PERMANENT POSITIONS	*	*	*	*	*	*
TEMPORARY						
TOTAL TEMPORARY POSITIONS	*	*	*	*	*	*
PERMANENT AND TEMPORARY						
TOTAL POSITION CEILING	*	*	*	*	*	*

Narrative for Supplemental Budget Requests
FY 17

Program ID: BUF 721
Program Structure Level: 11 02 03 03
Program Title: Debt Service Payments - State

A. Program Objective

To make and record debt service payments in a timely and accurate manner.

B. Description of Request

Request a reduction of \$10,632,450 in general funds in FY 17 to adjust funding for debt service based on projections from December 1, 2015.

C. Reasons for Request

To provide debt service funding for the State (except the DOE and UH). Assumptions are as follows: 1) proposed bond issuances of \$1.2 billion in each of FY 17 - FY 19, and \$600 million in FY 20; 2) projected interest rate of 6%; and 3) principal deferral of three years.

D. Significant Changes to Measures of Effectiveness and Program Size

None.

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 136

PROGRAM ID: **BUF-**
PROGRAM STRUCTURE NO: **1103**
PROGRAM TITLE: **GENERAL SERVICES**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	161.00*	*	161.00*	161.00*	1.00*	162.00*	*	*	*
PERSONAL SERVICES	13,074,031		13,074,031	13,682,002		13,682,002	26,756,033	26,756,033	
OTH CURRENT EXPENSES	729,089,296		729,089,296	844,779,677	170,342,221	1,015,121,898	1,573,868,973	1,744,211,194	
EQUIPMENT	2,400		2,400		750,000	750,000	2,400	752,400	
TOTAL OPERATING COST	742,165,727		742,165,727	858,461,679	171,092,221	1,029,553,900	1,600,627,406	1,771,719,627	10.69
BY MEANS OF FINANCING									
GENERAL FUND	718,248,516		718,248,516	833,938,717	164,142,221	998,080,938	1,552,187,233	1,716,329,454	
	56.00*	*	56.00*	56.00*	*	56.00*	*	*	*
TRUST FUNDS	6,902,897		6,902,897	7,054,713		7,054,713	13,957,610	13,957,610	
INTERDEPT. TRANSF	4,000,000		4,000,000	4,000,000		4,000,000	8,000,000	8,000,000	
	105.00*	*	105.00*	105.00*	1.00*	106.00*	*	*	*
OTHER FUNDS	13,014,314		13,014,314	13,468,249	6,950,000	20,418,249	26,482,563	33,432,563	
TOTAL POSITIONS	161.00*	*	161.00*	161.00*	1.00*	162.00*			
TOTAL PROGRAM COST	742,165,727		742,165,727	858,461,679	171,092,221	1,029,553,900	1,600,627,406	1,771,719,627	10.69

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT 561-A
PAGE 137

PROGRAM ID: **BUF-**
PROGRAM STRUCTURE NO: **110306**
PROGRAM TITLE: **EMPLOYEE FRINGE BENEFIT ADMINISTRATION**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	161.00*	*	161.00*	161.00*	1.00*	162.00*	*	*	*
PERSONAL SERVICES	13,074,031		13,074,031	13,682,002		13,682,002	26,756,033	26,756,033	
OTH CURRENT EXPENSES	729,089,296		729,089,296	844,779,677	170,342,221	1,015,121,898	1,573,868,973	1,744,211,194	
EQUIPMENT	2,400		2,400		750,000	750,000	2,400	752,400	
TOTAL OPERATING COST	742,165,727		742,165,727	858,461,679	171,092,221	1,029,553,900	1,600,627,406	1,771,719,627	10.69
BY MEANS OF FINANCING									
GENERAL FUND	718,248,516		718,248,516	833,938,717	164,142,221	998,080,938	1,552,187,233	1,716,329,454	
	56.00*	*	56.00*	56.00*	*	56.00*	*	*	*
TRUST FUNDS	6,902,897		6,902,897	7,054,713		7,054,713	13,957,610	13,957,610	
INTERDEPT. TRANSF	4,000,000		4,000,000	4,000,000		4,000,000	8,000,000	8,000,000	
	105.00*	*	105.00*	105.00*	1.00*	106.00*	*	*	*
OTHER FUNDS	13,014,314		13,014,314	13,468,249	6,950,000	20,418,249	26,482,563	33,432,563	
TOTAL POSITIONS	161.00*	*	161.00*	161.00*	1.00*	162.00*			
TOTAL PROGRAM COST	742,165,727		742,165,727	858,461,679	171,092,221	1,029,553,900	1,600,627,406	1,771,719,627	10.69

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 138

PROGRAM ID: **BUF-141**
PROGRAM STRUCTURE NO: **11030601**
PROGRAM TITLE: **EMPLOYEES' RETIREMENT SYSTEM**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	105.00*	*	105.00*	105.00*	1.00*	106.00*	*	*	*
PERSONAL SERVICES	9,337,384		9,337,384	9,791,319		9,791,319	19,128,703	19,128,703	
OTH CURRENT EXPENSES	3,676,930		3,676,930	3,676,930	6,200,000	9,876,930	7,353,860	13,553,860	
EQUIPMENT					750,000	750,000		750,000	
TOTAL OPERATING COST	13,014,314		13,014,314	13,468,249	6,950,000	20,418,249	26,482,563	33,432,563	26.24
BY MEANS OF FINANCING									
OTHER FUNDS	105.00*	*	105.00*	105.00*	1.00*	106.00*	*	*	*
	13,014,314		13,014,314	13,468,249	6,950,000	20,418,249	26,482,563	33,432,563	
TOTAL POSITIONS	105.00*	*	105.00*	105.00*	1.00*	106.00*			
TOTAL PROGRAM COST	13,014,314		13,014,314	13,468,249	6,950,000	20,418,249	26,482,563	33,432,563	26.24

REPORT: OBBBXXR1
PROGRAM ID: BUF141

**EXECUTIVE SUPPLEMENTAL BUDGET
POSITION CEILING SUMMARY**

RUN DATE: DECEMBER 17, 2015

	FY 2015 - 16			FY 2016 - 17		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN
BY MEANS OF FINANCING						
PERMANENT						
OTHER FUNDS	105.00*	*	105.00*	105.00*	1.00*	106.00*
TOTAL PERMANENT POSITIONS	105.00*	*	105.00*	105.00*	1.00*	106.00*
TEMPORARY						
OTHER FUNDS	1.00*	*	1.00*	1.00*	-1.00*	*
TOTAL TEMPORARY POSITIONS	1.00*	*	1.00*	1.00*	-1.00*	*
PERMANENT AND TEMPORARY						
OTHER FUNDS	106.00*	*	106.00*	106.00*	*	106.00*
TOTAL POSITION CEILING	106.00*	*	106.00*	106.00*	*	106.00*

Narrative for Supplemental Budget Requests
FY 17

Program ID: BUF 141
Program Structure Level: 11 03 06 01
Program Title: Employees' Retirement System

A. Program Objective

Administer the retirement and survivor benefits program for State and county members and to anticipate and exceed their needs; manage the retirement system's resources in a responsible and cost-effective manner; prudently manage investments in accordance with fiduciary standards; and to provide an open and participative work environment for staff.

B. Description of Request

Request \$850,000 in non-recurring other funds to implement critical security features and equipment to protect the Employees' Retirement System's (ERS) computer system.

Request \$600,000 in non-recurring other funds for conversion of Employer provided personnel data for loading into ERS V3 Pension System.

Request \$500,000 in non-recurring other funds for internal audit plan functions approved by the Board of Trustees

Request \$5,000,000 in non-recurring other funds to upgrade the ERS V3 Pension System (to Version 10).

Request to convert 1.00 temporary Office Assistant III to permanent.

C. Reasons for Request

To be proactive against increased threats to ERS's computer systems and the protection of personal data for over 126,000 members, retirees and beneficiaries and to address findings of security risk assessment and internal audit this request will purchase computer hardware, software and services to: (a) encrypt ERS' financial and personally identified data maintained in the ERS pension and accounting systems; (b) to improve network monitoring, and detecting security threats (i.e., hackers and malware); (c) to replace the tape backup system for ERS' computer system that is at end of life; and (d) to hire an external consultant to develop ERS' disaster recovery plan.

As a defined benefit plan, the ERS pension and all other payments (refunds, active deaths) are based on the membership service credit (personnel) and salary (payroll) data. ERS has worked with employers during the design phase of the V3 pension system (implemented in 2008) to accept the required personnel and payroll data. ERS, however, has not received the personnel information in a consistent "single" format that is usable from most employers which is necessary to allow for straight-through processing (i.e., minimal manual adjustments). ERS' Personnel Interface File (PHIF) system contains validations rules for the personnel transactions (that the data is not compliant with) in order to load the electronic files for increased straight-through processing. As a result, we are currently unable to proceed in processing the data if personnel information is missing unless a "manual workaround" procedure is completed. This request will enable the conversion of the existing backlog of employer PHIF files to help ERS reduce the manual processing that is currently required.

Narrative for Supplemental Budget Requests
FY 17

Program ID: BUF 141

Program Structure Level: 11 03 06 01

Program Title: Employees' Retirement System

The ERS Board of Trustees authorized an internal audit of the ERS and contracted with a certified public accounting firm to complete a basic internal audit plan to assist with the development of an internal audit function within the ERS. This funding will allow the ERS to complete the current basic internal audit plan for high risk operational areas (identified for the ERS' \$14 billion in investment assets, computer systems, and \$1.1 billion pension benefit payments processing operations). The use of specialized consultants is needed to help assess the increasing threats pertinent to the ERS' computer system but are not currently included in the scope of the annual financial audits of the ERS.

ERS originally purchased the Vitech System V3 pension benefits computer system in 2005 and the system was upgraded to version 8.7 in 2011. Upgrading the ERS' pension system (V3) from version 8.7 to 10 is now required because version 8.7 has reached its end of life. ERS also needs to take advantage of future upgrades and patches (especially third party software which is incorporated into the V3 system). The envisioned conversion is a two-year project and is being requested now because ERS will need to implement significant changes (for employer reporting requirements and service credit purchases) passed in 2015 legislation by FY 20. There is less risk for the computer project if the necessary upgrades are done either before or after significant changes to the V3 are made.

Conversion of the temporary Office Assistant III to permanent status is also included in the request. This position was established over 10 years ago and provides critical support to ERS' operations, which services over 129,000 retirees, active members, and inactive members. Within the past three years ERS has spent considerable time and effort to recruit and train new employees (3 times) because temporary employees have left to accept permanent employment within six to nine months.

D. Significant Changes to Measures of Effectiveness and Program Size

These requests will enable the ERS to better meet its measures of effectiveness and to ensure the security of its highly sensitive member data.

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 139

PROGRAM ID: **BUF-143**
PROGRAM STRUCTURE NO: **11030603**
PROGRAM TITLE: **HAWAII EMPLOYER-UNION TRUST FUND**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	56.00*	*	56.00*	56.00*	*	56.00*	*	*	*
PERSONAL SERVICES	3,736,647		3,736,647	3,890,683		3,890,683	7,627,330	7,627,330	
OTH CURRENT EXPENSES	3,163,850		3,163,850	3,164,030		3,164,030	6,327,880	6,327,880	
EQUIPMENT	2,400		2,400				2,400	2,400	
TOTAL OPERATING COST	6,902,897		6,902,897	7,054,713		7,054,713	13,957,610	13,957,610	
BY MEANS OF FINANCING									
TRUST FUNDS	56.00*	*	56.00*	56.00*	*	56.00*	*	*	*
	6,902,897		6,902,897	7,054,713		7,054,713	13,957,610	13,957,610	
TOTAL POSITIONS	56.00*	*	56.00*	56.00*	*	56.00*			
TOTAL PROGRAM COST	6,902,897		6,902,897	7,054,713		7,054,713	13,957,610	13,957,610	

REPORT: OBBBXXR1
PROGRAM ID: BUF143

**EXECUTIVE SUPPLEMENTAL BUDGET
POSITION CEILING SUMMARY**

RUN DATE: DECEMBER 17, 2015

	FY 2015 - 16			FY 2016 - 17		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN
BY MEANS OF FINANCING						
PERMANENT						
TRUST FUNDS	56.00*	*	56.00*	56.00*	*	56.00*
TOTAL PERMANENT POSITIONS	56.00*	*	56.00*	56.00*	*	56.00*
TEMPORARY						
TRUST FUNDS	*	*	*	*	*	*
TOTAL TEMPORARY POSITIONS	*	*	*	*	*	*
PERMANENT AND TEMPORARY						
TRUST FUNDS	56.00*	*	56.00*	56.00*	*	56.00*
TOTAL POSITION CEILING	56.00*	*	56.00*	56.00*	*	56.00*

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 140

PROGRAM ID: **BUF-741**
PROGRAM STRUCTURE NO: **11030605**
PROGRAM TITLE: **RETIREMENT BENEFITS PAYMENTS - STATE**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING									
OTH CURRENT EXPENSES	328,178,407		328,178,407	343,924,601	2,710,622-	341,213,979	672,103,008	669,392,386	
TOTAL OPERATING COST	328,178,407		328,178,407	343,924,601	2,710,622-	341,213,979	672,103,008	669,392,386	.40-
BY MEANS OF FINANCING									
GENERAL FUND	324,178,407		324,178,407	339,924,601	2,710,622-	337,213,979	664,103,008	661,392,386	
INTERDEPT. TRANSF	4,000,000		4,000,000	4,000,000		4,000,000	8,000,000	8,000,000	
TOTAL POSITIONS	*	*	*	*	*	*			
TOTAL PROGRAM COST	328,178,407		328,178,407	343,924,601	2,710,622-	341,213,979	672,103,008	669,392,386	.40-

REPORT: OBBBXXR1
PROGRAM ID: BUF741

EXECUTIVE SUPPLEMENTAL BUDGET
POSITION CEILING SUMMARY

RUN DATE: DECEMBER 17, 2015

	FY 2015 - 16			FY 2016 - 17		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN
BY MEANS OF FINANCING						
PERMANENT						
TOTAL PERMANENT POSITIONS	*	*	*	*	*	*
TEMPORARY						
TOTAL TEMPORARY POSITIONS	*	*	*	*	*	*
PERMANENT AND TEMPORARY						
TOTAL POSITION CEILING	*	*	*	*	*	*

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

REPORT S61-A
PAGE 141

PROGRAM ID: **BUF-761**
PROGRAM STRUCTURE NO: **11030607**
PROGRAM TITLE: **HEALTH PREMIUM PAYMENTS - STATE**

PROGRAM COSTS	FY 2016			FY 2017			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING									
OTH CURRENT EXPENSES	394,070,109		394,070,109	494,014,116	166,852,843	660,866,959	888,084,225	1,054,937,068	
TOTAL OPERATING COST	394,070,109		394,070,109	494,014,116	166,852,843	660,866,959	888,084,225	1,054,937,068	18.79
<hr/>									
BY MEANS OF FINANCING									
GENERAL FUND	394,070,109		394,070,109	494,014,116	166,852,843	660,866,959	888,084,225	1,054,937,068	
TOTAL POSITIONS									
TOTAL PROGRAM COST	394,070,109*	*	394,070,109*	494,014,116*	166,852,843*	660,866,959*	888,084,225	1,054,937,068	18.79

REPORT: OBBBXXR1
PROGRAM ID: BUF761

EXECUTIVE SUPPLEMENTAL BUDGET
POSITION CEILING SUMMARY

RUN DATE: DECEMBER 17, 2015

	----- FY 2015 - 16 -----			----- FY 2016 - 17 -----		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN
BY MEANS OF FINANCING						
PERMANENT						
TOTAL PERMANENT POSITIONS	*	*	*	*	*	*
TEMPORARY						
TOTAL TEMPORARY POSITIONS	*	*	*	*	*	*
PERMANENT AND TEMPORARY						
TOTAL POSITION CEILING	*	*	*	*	*	*

Narrative for Supplemental Budget Requests
FY 17

Program ID: BUF 741

Program Structure Level: 11 03 06 05

Program Title: Retirement Benefits Payments - State

A. Program Objective

To provide employer contribution payments for employee retirement benefits and payments of the federally mandated Social Security and Medicare payroll assessments in an effective and timely manner.

B. Description of Request

Request a reduction of \$2,710,622 in general funds to adjust funding for retirement benefits payments and anti-spiking based on projections from October 15, 2015.

C. Reasons for Request

To provide funding for retirement benefits payments for the State (except the Department of Education and the University of Hawaii) and anti-spiking. Assumptions are as follows: 1) annual growth of 2% assumed; 2) adjustment for true-up at the end of FY 15 is estimate prepared by ERS; 3) Pension Accumulation (PA) rates per Act 163, SLH 2011; 4) PA reduced by 0.5% to approximately match FY 15 actual; and 5) reduced Social Security/Medicare by 0.9% to approximately match FY 15 total actually paid.

D. Significant Changes to Measures of Effectiveness and Program Size

None.

Narrative for Supplemental Budget Requests
FY 17

Program ID: BUF 761
Program Structure Level: 11 03 06 07
Program Title: Health Premium Payments - State

A. Program Objective

To provide employer contribution payments for health premiums in an effective and timely manner.

B. Description of Request

Request \$2,977,843 in general funds to adjust funding for health premium payments based on projections from October 12, 2015.

Request \$163,875,000 in general funds to adjust funding for Other Post-Employment Benefits (OPEB) pre-funding based on projections from October 12, 2015.

C. Reasons for Request

To provide funding for health premium payments for the State (except the Department of Education and the University of Hawaii). Assumptions are as follows: 1) includes projected premium increases from the EUTF benefits consultant at 2% annual enrollment growth; 2) fixed dollar contributions amounts + enrollment growth allowance only carried beyond contracts for actives; and 3) administrative fees fixed at FY 14 rates for FY 17 - FY 21.

To provide funding for 100% of OPEB in FY 17. Assumptions are as follows:
1) OPEB pre-funding increased to include 100% of the Annual Required Contribution for FY 17 and FY 18.

D. Significant Changes to Measures of Effectiveness and Program Size

None.



Capital Budget Details

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT

REPORT S78
PAGE 175

PROGRAM ID **BUF-101**
PROGRAM STRUCTURE NO. **11010305**
PROGRAM TITLE **DEPARTMENTAL ADMINISTRATION & BUDGET DIV**

PROJECT NUMBER	PRIORITY NUMBER	LOCATION	PROJECT TITLE	COST ELEMENT/MOF	FY 2016		RECOM APPRN	FY 2017		RECOM APPRN
					CURRENT APPRN	ADJUSTMENT		CURRENT APPRN	ADJUSTMENT	
00-02	0002		STATE EDUCATIONAL FACILITIES IMPROVEMENT FUND, STATEWIDE							
				CONSTRUCTION	38,113		38,113		125,396	125,396
				TOTAL	38,113		38,113		125,396	125,396
				G.O. BONDS	38,113		38,113		125,396	125,396
				PROGRAM TOTALS						
				CONSTRUCTION	38,113		38,113		125,396	125,396
				TOTAL	38,113		38,113		125,396	125,396
				G.O. BONDS	38,113		38,113		125,396	125,396