

ADDITIONAL OPERATING BUDGET DETAIL GUIDELINES
FB 2013-15 AND THE PLANNING PERIOD

1. Fringe Benefits

Preliminary estimate of the composite fringe benefit rate is 42.04% for FY 14 and FY 15. Departments should use these estimates until updated rates can be determined. Departments will be informed of approved rates as soon as such rates are available.

2. Services-on-a Fee Basis

Expenditures for “services-on-a-fee basis” must be separated into the following two categories and should be reported on the BJ-2, as appropriate:

- 29AA Personal Services Rendered by Other State Departments and Agencies (State Employees)

This category applies to funds budgeted in “services-on-a-fee basis” which provide for the full or partial payroll of other State employees servicing the department in some capacity (i.e., Attorney General’s salaries paid by the department serviced, etc., including appropriate funding for fringe benefits).

- 71AA Services-on-a-Fee Basis (Other than State Employees)

This category applies to the contracted services of individuals or organizations which are not employees or agencies of the State.

3. Purchases of Health and Human Services and Culture and Arts Grants

Funding may be included within departmental current budget ceiling levels for both years of FB 2013-15. Departments anticipating such funding requirements must budget such items by appropriate program ID, using the following object codes to show funding for **Chapters 9** (Culture and Arts Grants), and **103F** (purchase of health and human services), on Table BJ-2:

71CC Purchases of Health and Human Services
71DD Culture and Arts Grants

These object codes should be used only for Chapters 9 and 103F funds. Amounts shall be identified by service activity.

4. Authorized Position Levels

- a. All permanent and temporary positions in the budget details of Act 164, SLH 2011, as amended by Act 106, SLH 2012, will be updated with current

incumbent information from the Department of Human Resources Development's (DHRD) Human Resources Management System (HRMS). All information should be checked to ensure accuracy when it is transmitted to you. The following positions were not included:

- Student positions
- Positions with any of these five attributes: vicing, floater, substitute, seasonal, or temporary as needed

NOTE: Any corrections made to the BJ-1 tables will not automatically update HRMS.

b. Salary Projection Methodology

- Salary amounts for FY 13 will be based on the latest salary schedule. Salary amounts for FY 14 and FY 15 will be the same as FY 13. Transactions which were processed after the date the BJ-1 and HRMS files were interfaced were not used in calculating the salary amounts for FY 13, 14 or 15. When the updated BJ-1 file is transmitted to you, you will be notified of the file interface date.
- No assumptions for future CB increases have been included.
- Hourly and daily rate positions have been converted to an annual amount based on the FTE percent.
- All vacant civil service positions have been reduced to the entry step on the pay scale. The salaries of vacant exempt positions are the salary amounts of the last incumbent, if the record of the last incumbent exists in HRMS. **If there is no record of the last incumbent, the salary may be 0.**
- If a position is funded by more than one means of financing (MOF), each MOF portion is shown on a separate line.

c. Because the BJ-1 and BT-1 files will be used as the basis for CB and other reports, it is important that they should reflect the most current information possible. Please ensure that each position title shows its corresponding BU, job code, and SR levels as laid out in the DHRD Compensation Plan.

5. Quarterly Update of Revenue Estimates

Departments are reminded that budget authorization requests (operating and CIP) for programs funded by special, federal, or other than general fund sources must be based on the most recent estimates of anticipated revenue receipts. Federal fund receipts must be updated to reflect changes that have been recently authorized or can be anticipated in the budget and planning period.

Separate instructions have been issued by the Department of Budget and Finance (B&F) with specific requirements for quarterly revenue updates.

6. Equipment and Motor Vehicles

Requests for these cost elements should be displayed on the appropriate BJ-3 or BJ-4 tables and included as part of the departmental current budget (Form C) and requests (Form A) as applicable.

7. Collective Bargaining Data

To be included in the CB cost data base:

- a. Positions must be listed on Tables BJ-1 and BT-1.
- b. Non-salary cost items must be identified and submitted on Form CB-1, Collective Bargaining Cost Data. This form was sent to departments under separate Finance Memorandum No. 12-05 (dated May 10, 2012) and should have been returned by August 10, 2012. Questions pertaining to this form should be directed to B&F (Mr. Ralph Schultz at 586-1841).

8. State and Functional Plan Guidelines

In preparing the budget pursuant to these instructions, agencies are reminded that the functional plans developed under Chapters 226 and 225M, HRS, *Relating to State Planning* and the *Hawaii State Planning Act*, shall be used as guidelines.

9. State Energy Policies and Guidelines

Budget requests for energy funding shall be consistent with standards, guidelines and goals developed by the energy coordinator of the Department of Business, Economic Development and Tourism (DBEDT). Agencies and departments must comply with policies, programs, projects and action pursuant to:

- Administrative Directive (A.D.) No. 06-01 (Energy & Resource Efficiency and Renewable Energy & Resource Development); and
- State energy policies mandated by Act 96, SLH 2006; Acts 155 and 156, SLH 2009; Act 73, SLH 2010; and Act 165, SLH 2012.

10. Proposed Land Use and Development Activities

Pursuant to the provisions of A.D. 90-05, the Land Use Division of the Office of Planning in DBEDT has been designated as the agency responsible for the review and coordination of all proposed (Executive) State agency policies, programs, projects and action which pertain to major land use and development. Agencies and departments must comply with the policies and procedures

established by the Office of Planning with respect to matters pertaining to major land use and development, and shall keep that office apprised by forwarding copies of plans, proposals, and associated material to that office for its review.

11. State of Hawaii Statistical Data

The 2011 State of Hawaii Data Book should be used for population projections, economic factors, and other demographic and statistical data. This Data Book and its updates can be accessed at www.hawaii.gov/dbedt. If additional assistance is required, Dr. Eugene Tian of the Research and Economic Analysis Division of DBEDT should be contacted at 586-2466.

12. Insurance Acquisition, and Payment of Automobile Liability, General Liability and Property Losses

Funding for the payment of automobile liability, general liability and property losses, and for the purchase of insurance policies is consolidated under the Risk Management Program. With the exception of the departments and categories listed below, all special or trust funded State agencies shall include funding for insurance acquisition (59XX), and for payment of automobile liability, general liability and property losses, in accordance with Chapter 41D, HRS (Risk Management and Insurance Administration), and Comptroller's Memorandums 99-28, and 07-05, "**Risk Management Cost Allocation.**"

The following departments have been authorized by the Comptroller to purchase the type of insurance designated:

Department of Health: Medical Malpractice, Boiler and Machinery, Group Coverage for Volunteers and/or Students.

Department of Human Services: Group Coverage for Volunteers and/or Foster Parents.

DBEDT (Foreign Trade Zone): Warehouseman Legal Liability.

Department of Transportation (Airports Division): Aviation and General Liability.

University of Hawaii (UH): Medical Malpractice, General Liability, Boiler and Machinery, Group Coverage for Students.

13. Information Technology (IT) and Information Resource Management (IRM)

With the exception of UH, the Department of Education, and the Office of Hawaiian Affairs, the State Chief Information Officer (CIO) and the Office of Information Management and Technology shall have authority over the design and implementation of all Executive Branch IT infrastructure, IRM and shared services. All department IT and IRM budget requests shall be submitted in compliance with A.D. 11-02, dated September 29, 2011, and must obtain CIO

approval in conjunction with B&F approval. All such budget requests shall be prioritized by the CIO.

14. Telecommunications Services and Facilities

Departments and agencies of the Executive Branch shall plan and budget for telecommunications requirements according to existing guidelines and policies. A.D. 87-01, dated February 6, 1987 (Policy Governing Acquisition and Utilization of Telecommunications Services and Facilities), shall be consulted for guidance.

15. Lease of Office Space

Section 171-30, HRS, provides the Department of Accounting and General Services (DAGS) with the responsibility for the acquisitions of any office space in non-state owned buildings for use by State departments or agencies. Departments shall submit all requests for leases and lease renewals through the Comptroller under procedures established by DAGS. All requests shall include current organizational charts approved by B&F (if approved organizational charts do not reflect all positions, provide appropriate BJ details or HRD-1, or any other appropriate authorization) and completed DAGS forms (including staff space computation and leasing information sheets).

Please note that all lease payments for real and personal property acquired through “*lease financing*” or other financial agreements as defined by Chapter 37D, HRS, must be budgeted on Table BK-2, “Current Lease Payments - Other Current Expenses.” See “Instructions for Completing Program and Financial Plans and Program Budget Request Forms” for further explanation of this requirement.

16. Motor Vehicle Purchase Guidelines

Agencies on Oahu and Maui shall rent passenger cars from DAGS Motor Pool instead of purchasing vehicles, whenever feasible. Procurement of passenger vehicles only shall be subject to the Comptroller’s approval of **FORM AMD-MP-007**.

The following guidelines for motor vehicles should be used. For replacement requests, an estimated allowance for trade-ins should be deducted from the prices listed below.

Any agency having a fully justifiable requirement for options or accessories should add an allowance for such items. Specific questions on motor vehicle specifications may be directed to the Automotive Management Division of DAGS.

Passenger Cars

Basic specifications: Automatic transmission, gasoline powered, power or power-assisted brakes and steering, AM/FM radio, white color, and air conditioning.

<u>Category</u>	<u>FY 14</u>	<u>FY 15</u>
A. Sedan, Subcompact	\$14,700	\$15,150
B. Sedan, Compact	18,700	19,270
C. Sedan, Intermediate	21,600	22,250

Sport Utility, Four-Wheel Drive

Basic specifications: Automatic transmission, 6-cylinder, gasoline powered, full-size, spare tire, power or power-assisted brakes and steering, painted white or buff, AM/FM radio, air conditioning.

<u>Category</u>	<u>FY 14</u>	<u>FY 15</u>
A. Sport Utility, Compact	\$28,400	\$29,260
B. Sport Utility, Full-Size	33,900	34,920

Vans

Basic specifications: Automatic transmission, 6-cylinder, power or power-assisted brakes and steering, gasoline powered, full-size, spare tire, painted white or buff, AM/FM radio, air conditioning.

<u>Category</u>	<u>FY 14</u>	<u>FY 15</u>
A. Cargo, Mini	\$22,400	\$23,080
B. Cargo, ½ Ton	21,900	23,590
C. Cargo, ¾ Ton	22,800	23,490
D. Cargo, 1 Ton	26,000	26,780
E. 7-Passenger, Mini	23,900	24,620
F. 12-Passenger	27,400	28,230
G. 15-Passenger	29,300	30,180

Light Duty Pickup Trucks

Basic specifications: Automatic transmission, 6-cylinder, gasoline powered, wide bed, full-size, spare tire, power or power-assisted brakes and steering, painted white or buff, AM/FM radio, air conditioning.

<u>Category</u>	<u>FY 14</u>	<u>FY 15</u>
<u>Two-Wheel Drive</u>		
A. Compact	\$19,400	\$19,990
B. ½ Ton	24,300	25,030
C. ¾ Ton	26,900	27,710
<u>Four-Wheel Drive</u>		
A. Compact	\$19,480	\$20,070
B. ½ Ton	25,800	26,580
C. ¾ Ton	27,340	28,170

17. Planning Period Budget Projections (FY 16, FY 17, FY 18, FY 19)

No growth from current budget ceiling amounts for FB 2013-15 shall be assumed for the planning period estimates, except for projected increases to the items identified in Attachment 2, A.3. Future CB increases should not be presumed nor included in any biennium or planning period funding projections pursuant to the currently approved contract.

Departments requesting “allowable increases” should be prepared to provide supporting data to justify their out-year projected increases, as applicable.