



GOV. MSG. NO. 376

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

March 18, 2010

The Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
State Capitol
Honolulu, Hawaii 96813

Dear Madam President:

Transmitted herewith are proposed changes to the Appropriations Act (House Bill No. 2200). Your favorable consideration is requested for the attached budget items:

Operating:

Department of Accounting and General Services:

1. Increase the Office of Elections (AGS 879) general fund appropriation by \$250,000 in FY 10 to support the 2010 regular elections. The funds will be used to: purchase Election Day logistical supplies, ballot transport and delivery services; print poll books; fund travel for training and site inspections; fund Election Commission travel for hearings; and purchase postage for election materials and software licenses.
2. Increase the Office of Elections (AGS 879) general fund appropriation by \$140,000 in FY 10 to reimburse the City and County of Honolulu for expenditures resulting from conducting a special election due to the resignation of U.S. Representative Neil Abercrombie.

Department of the Attorney General:

Correct a general fund reduction in Legal Services (ATG 100) in FY 11 relating to reimbursement from the Department of Commerce and Consumer Affairs (DCCA) for legal services. General funds in Legal Services were reduced by \$360,000 assuming that the entire amount would be reimbursed by DCCA. However, a memorandum of agreement establishes a cap of \$200,000 for reimbursement. The adjustments will: increase \$160,000

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in general funds to correct initial reduction of \$360,000 to \$200,000 and increase the interdepartmental fund by \$200,000; adds \$160,000 in non-general funds and fringe (total \$214,600); and deletes \$160,000 in general funds in personal services.

Department of Human Services:

Increase the general fund appropriation in FY 11 for Health Care Payments (HMS 401) by \$64,000,000 to address the FY 09 carryover shortfall in the Medicaid payments program.

Department of Land and Natural Resources:

Restore 1.00 permanent federal fund position count in LNR 401 (Aquatic Resources) and abolish 1.00 temporary federal fund position in LNR 401 (Aquatic Resources). As part of the executive budget, the Department of Land and Natural Resources (DLNR) identified a temporary Northwestern Hawaiian Islands Policy Specialist position to be abolished; however, DLNR erroneously listed the position as a permanent count.

Department of Taxation:

1. Restore 15.00 temporary general fund position counts in the Tax Services and Processing program (TAX 105) which were inadvertently deleted twice. No additional funds are required.
2. Adjust and reallocate the general fund amounts for furlough savings for TAX's three program IDs. The adjustments will be budget neutral and will correct minor errors in the department's original budget submittal. The overall furlough savings for the department will remain at -\$1,754,264.
 - Reduce the general fund appropriation for TAX (TAX 100) by -\$46,420 to adjust the furlough savings from -\$817,500 to -\$863,920.
 - Increase the general fund appropriation for Tax Services and Processing (TAX 105) by \$57,260 to adjust the furlough savings from -\$532,932 to -\$475,672.
 - Reduce the general fund appropriation for Supporting Services - Revenue Collection (TAX 107) by -\$10,840 to adjust the furlough savings from -\$403,832 to -\$414,672.

Capital Improvement Program:

Department of Accounting and General Services:

New request to increase the special funds by \$2,000,000 in FY 11 for a CIP project to upgrade the Aloha Stadium sub-surface drainage system and replace the synthetic field covering system (field turf). The six-year old field turf has significant deterioration from

multiple splitting and compaction of sand infill, which results in a harder playing surface causing injury to players. The sub-surface drainage system does not remove surface water flows in a timely manner. The construction project will include: the removal of the field turf; repaving the underlying asphalt layer; and installing new field turf.

Department of Hawaiian Home Lands:

New request to increase the general obligation bond funds by \$2,500,000 in FY 11 to provide the engineering services needed to design repair/improvements or abandonment of five dams in Kauai. Built over 80 years ago, the dams provided irrigation water for the sugarcane plantations on Kauai. The engineering services will include the assessment of the dam conditions and recommendations for appropriate actions necessary to maintain the safety of people or property affected by the dams.

Department of Transportation:

Airports Division:

1. New request to increase the other funds (Customer Facility Charges fund) by \$68,800,000; \$6,200,000 in FY 10 and \$62,600,000 in FY 11 to consolidate car rental facilities for the rental car agencies at statewide airports (TRN 195), which would decrease potential injury to employees and damage to vehicles, and generate lease income to the Airports Division.
2. New request to increase revenue bonds by \$30,000,000 in FY 11 to construct infrastructure for future energy savings at statewide airports (TRN 195) to reduce energy consumption and related costs.

Harbors Division:

1. New request to increase revenue bonds by \$8,200,000 in FY 11 for land acquisition for the development of a new container terminal facility and other related improvements at the Kapalama Container Terminal Facility, Honolulu Harbor, Oahu (TRN 301).
2. New request to increase revenue bonds by \$25,150,000 in FY 11 for land acquisition and planning for Kalaeloa Barbers Point Harbor improvements, Oahu (TRN 303).

Highways Division:

1. New request to increase revenue bonds by \$3,650,000 in FY 11 for land acquisition and construction of drainage improvements along Farrington Highway in the Vicinity of Orange Street Intersection, Makaha, Oahu (TRN 501).

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2. New request to increase revenue bonds by \$3,440,000 and federal funds by \$13,760,000 in FY 11 for land acquisition and construction for rehabilitation of Umauma Stream Bridge on the Hawaii Belt Road, Hawaii (TRN 511).

Your staff may contact the appropriate agency for additional information. Your understanding and assistance is appreciated.

Sincerely,

LINDA LINGLE

Attachment

c: Honorable Donna Mercado Kim

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OPERATING

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

Office of Elections (AGS 879/OA)

Additional funds for the Office of Elections to accommodate increased expenditures for the 2010 elections.

	<u>FY 10</u>	<u>FY 11</u>
Other Current Expenses	250,000 A

Additional funds for the Office of Elections to reimburse the City and County of Honolulu for expenditures incurred for conducting the special election due to the resignation of the incumbent Congressman.

	<u>FY 10</u>	<u>FY 11</u>
Other Current Expenses	140,000 A

DEPARTMENT OF THE ATTORNEY GENERAL

Legal Services (ATG 100/AA)

Restore funds to correct a general fund reduction relating to reimbursement from the Department of Commerce and Consumer Affairs (DCCA) for legal services, and add interdepartmental transfer funds.

	<u>FY 10</u>	<u>FY 11</u>
Personal Services	160,000 A
Personal Services	200,000 U

Convert portion of a permanent general fund position (Position No. 101023) and salary of the Antitrust Deputy Attorney General to 50% trust funds with fringe costs.

	<u>FY 10</u>	<u>FY 11</u>
Personal Services	- (.50)
Personal Services	- 46,000 A
Personal Services	(.50)
Personal Services	65,320 T

Reduce general funds due to reimbursement from the Research Corporation of the University of Hawaii for legal services, and add interdepartmental transfer funds.

	<u>FY 10</u>	<u>FY 11</u>
Personal Services	- 30,000 A
Personal Services	30,000 U

Convert portion of a permanent general fund position (Position No. 101731) and salary of the Supervising Deputy Attorney General in the Criminal Justice Division to 30% special funds with fringe costs.

	<u>FY 10</u>	<u>FY 11</u>
		- (.30)
Personal Services	- 28,000 A
		(.30)
Personal Services	39,760 B

Convert portions of permanent general fund positions (Position Nos. 28787, 37604, and 40463) and salaries of three Legal Clerks that provide notary services in the Commerce and Economic Development Division to 15% revolving funds with fringe costs.

	<u>FY 10</u>	<u>FY 11</u>
		- (.45)
Personal Services	- 19,000 A
		(.45)
Personal Services	26,980 W

Convert portion of a temporary general fund position (Position No. 100437) and salary of the Deputy Attorney General that oversees the Notary Public Program to 20% revolving funds with fringe costs.

	<u>FY 10</u>	<u>FY 11</u>
Personal Services	- 15,000 A
Personal Services	21,300 W

Convert portion of a permanent general fund position (Position No. 100099) and salary of the Supervising Deputy Attorney General of the Tax Division to 22% special funds with fringe costs.

	<u>FY 10</u>	<u>FY 11</u>
Personal Services	- (.22) - 22,000 A
Personal Services	(.22) 31,240 B

DEPARTMENT OF HUMAN SERVICES

Health Care Payments (HMS 401)

Additional funds for Health Care Payments (HMS 401) to address the FY 09 carryover shortfall in the Medicaid payments program.

	<u>FY 10</u>	<u>FY 11</u>
Other Current Expenses	64,000,000 A

DEPARTMENT OF LAND AND NATURAL RESOURCES

Aquatic Resources (LNR 401/CB)

Restore a permanent federal fund position count that was inadvertently deleted from the Aquatic Resources program; a temporary count is to be deleted instead. No additional funds are required.

	<u>FY 10</u>	<u>FY 11</u>
Personal Services	(1.00) N

DEPARTMENT OF TAXATION

Taxation (TAX 100/CO)

Reduce the general fund appropriation for TAX to adjust and reallocate furlough savings.

	<u>FY 10</u>	<u>FY 11</u>
Personal Services	- 46,420 A

Tax Services and Processing (TAX 105/BA)

Restore 15.00 temporary position counts for the Tax Services and Processing program which were inadvertently deleted twice. No additional funds are required.

	<u>FY 10</u>	<u>FY 11</u>
Personal Services	(15.00) A

Increase the general fund appropriation for Tax Services and Processing to adjust and reallocate furlough savings.

	<u>FY 10</u>	<u>FY 11</u>
Personal Services	57,260 A

Supporting Services - Revenue Collection (TAX 107/AA)

Reduce the general fund appropriation for Supporting Services - Revenue Collection to adjust and reallocate furlough savings.

	<u>FY 10</u>	<u>FY 11</u>
Personal Services	- 10,840 A

CAPITAL IMPROVEMENT PROJECTS

ACCOUNTING AND GENERAL SERVICES

Add new item.

AGS 889 SPECTATOR EVENTS AND SHOWS - ALOHA STADIUM

H-10 ALOHA STADIUM FIELD, UPGRADE AND REPLACEMENT

REPLACE PLAYING FIELD SYSTEM TO INCLUDE REPAVING UNDERLYING ASPHALT AND ADDING NEW DRAINAGE CHANNELS.

	<u>FY 2010</u>	<u>FY 2011</u>
<u>CONSTRUCTION</u>		<u>2,000 B</u>
<u>TOTAL FUNDING</u>	<u>B</u>	<u>2,000 B</u>

DEPARTMENT OF HAWAIIAN HOME LANDS

Add new item.

HHL 602 PLANNING AND DEVELOPMENT FOR HAWAIIAN HOMESTEAD

F-11 DAM ASSESSMENTS, MAINTENANCE, AND REMEDIATION, KAUAI

DESIGN THE REPAIR/IMPROVE OR ABANDONMENT OF FIVE (5) DAMS CONSTRUCTED OVER 80 YEARS AGO. ENGINEERING SERVICES WILL INCLUDE THE ASSESSMENT OF THE DAM'S CONDITION AND RECOMMEND APPROPRIATE ACTIONS NECESSARY TO MAINTAIN THE SAFETY OF PEOPLE OR PROPERTY AFFECTED BY THE DAMS.

	<u>FY 2010</u>	<u>FY 2011</u>
<u>DESIGN</u>		<u>2,500 C</u>
<u>TOTAL FUNDING</u>	<u>C</u>	<u>2,500 C</u>

DEPARTMENT OF TRANSPORTATION

TRN 195 AIRPORTS ADMINISTRATION

Add new item.

F05L RENTAL CAR FACILITY IMPROVEMENTS, STATEWIDE

PLANNING, LAND ACQUISITION, DESIGN, AND CONSTRUCTION TO PROVIDE CONSOLIDATED CAR RENTAL FACILITIES FOR THE RENTAL CAR AGENCIES AND OTHER RELATED IMPROVEMENTS FOR THE AIRPORT MODERNIZATION PROGRAM (OTHER FUNDS FROM CUSTOMER FACILITY CHARGES).

	<u>FY 2010</u>	<u>FY 2011</u>
<u>PLANS</u>		<u>1,000</u>
<u>LAND ACQUISITION</u>		<u>17,000</u>
<u>DESIGN</u>	<u>6,200</u>	<u>12,900</u>
<u>CONSTRUCTION</u>		<u>31,700</u>
<u>TOTAL FUNDING</u>	<u>6,200 X</u>	<u>62,600 X</u>

Add new item.

F05M ENERGY SAVINGS PERFORMANCE CONTRACTING, STATEWIDE

CONSTRUCTION FOR INFRASTRUCTURE FOR FUTURE ENERGY SAVINGS AT STATEWIDE AIRPORTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.

	<u>FY 2010</u>	<u>FY 2011</u>
<u>CONSTRUCTION</u>		<u>30,000</u>
<u>TOTAL FUNDING</u>	<u>E</u>	<u>30,000 E</u>

TRN 301 - HONOLULU HARBOR

Add new item.

J33 KAPALAMA CONTAINER TERMINAL FACILITY, HONOLULU HARBOR

LAND ACQUISITION FOR THE DEVELOPMENT OF A NEW CONTAINER TERMINAL FACILITY AND OTHER RELATED IMPROVEMENTS.

	<u>FY 2010</u>	<u>FY 2011</u>
<u>LAND ACQUISITION</u>		<u>8,200</u>
<u>TOTAL FUNDING</u>	<u>E</u>	<u>8,200 E</u>

TRN 303- KALAELOA BARBERS POINT HARBOR

Add new item.

J11 KALAELOA BARBERS POINT HARBOR IMPROVEMENTS, OAHU

PLANNING AND LAND ACQUISITION FOR KALAELOA BARBERS POINT
HARBOR IMPROVEMENTS.

	<u>FY 2010</u>	<u>FY 2011</u>
<u>PLANS</u>		<u>150</u>
<u>LAND ACQUISITION</u>		<u>25,000</u>
<u>TOTAL FUNDING</u>	<u>E</u>	<u>25,150 E</u>

TRN 501 - OAHU HIGHWAYS

Add new item.

S345 FARRINGTON HIGHWAY DRAINAGE IMPROVEMENTS, VICINITY OF
ORANGE STREET, OAHU

LAND ACQUISITION AND CONSTRUCTION FOR DRAINAGE IMPROVEMENTS
ALONG FARRINGTON HIGHWAY IN THE VICINITY OF THE ORANGE STREET
INTERSECTION, MAKAHA, OAHU.

	<u>FY 2010</u>	<u>FY 2011</u>
<u>LAND ACQUISITION</u>		<u>150</u>
<u>CONSTRUCTION</u>		<u>3,500</u>
<u>TOTAL FUNDING</u>	<u>E</u>	<u>3,650 E</u>

TRN 511- HAWAII HIGHWAYS

Add new item.

T146 HAWAII BELT ROAD, REHABILITATION OF UMAUMA STREAM BRIDGE,
HAWAII

LAND ACQUISITION AND CONSTRUCTION FOR REHABILITATION OF UMAUMA
STREAM BRIDGE. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR
FEDERAL AID FINANCING AND/OR REIMBURSEMENT.

	<u>FY 2010</u>	<u>FY 2011</u>
<u>LAND</u>		<u>200</u>
<u>CONSTRUCTION</u>		<u>17,000</u>
<u>TOTAL FUNDING</u>	<u>E</u>	<u>3,440 E</u>
	<u>N</u>	<u>13,760 N</u>