



GOV. MSG. NO. 543

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

March 30, 2009

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 FB 2009-11 Executive Budget (House Bill No. 200) to:

1. Reflect federal stimulus funds under the American Recovery and Reinvestment Act of 2009 (ARRA).
2. Correspondingly reduce general fund appropriations to certain programs that receive offsetting federal funding under the ARRA to address the State's budget shortfall.
3. Appropriate additional federal TANF funds that Hawaii recently qualified for. This is necessary because appropriation of the TANF funding is a federal requirement.

A draft of an immediate passage appropriation bill will be sent under separate cover to request the necessary ARRA, general fund, TANF and other adjustments for FY 2008-09.

Please note that these requests reflect the amounts of the ARRA stimulus funds that are known at this time. For competitive grants, or where amounts are still uncertain, departments will request my approval to increase federal fund expenditure ceilings in a manner comparable to current procedures for non-appropriated federal funds.

Your favorable consideration is requested for the attached budget items:

Operating:

Department of Accounting and General Services:

Create V fund ceiling of \$292,900 in FY 10 for the State Foundation on Culture and the Arts (AGS 881/LA) to provide grants to non-profit organizations to preserve or reinstate culture and the arts employment positions.

Department of the Attorney General:

1. Create V fund ceiling of \$2,880,629 in FY 10 and \$2,864,318 in FY 11 for the Justice Assistance program (ATG 100/AC) to reflect higher allocations for Byrne/JAG, VAWA, and VOCA grants.
2. Increase the trust fund ceiling by \$2,119,186 in FY 10 and \$258,149 in FY 11, and create V fund ceiling of \$4,113,713 in FY 10 and \$501,112 in FY 11 for the Child Support Enforcement Agency (ATG 500/GA) to meet the matching requirement for federal stimulus funds.

Department of Business, Economic Development and Tourism:

1. Add 3.00 temporary positions and create V fund ceiling of \$5,784,300 in FY 10, and add 2.00 temporary positions and create V fund ceiling of \$202,400 in FY 11 in the Strategic Industries (BED 120/SI) program for the Energy Efficiency and Conservation Block Grant program. The funds will provide grants to the State and counties to assist in implementing strategies to reduce fossil fuel emissions, reduce total energy use, and improve energy efficiency in the transportation sector, building sector, and other appropriate sectors.
2. Add 9.00 temporary positions and create V fund ceiling of \$23,979,400 in FY 10, and add 5.00 temporary positions and create V fund ceiling of \$506,000 in FY 11 in the Strategic Industries (BED 120/SI) program for the State Energy program. The funds will provide grants to the State to increase energy efficiency to: reduce energy costs and consumption for consumers, businesses, and government; reduce reliance on imported energy; improve the reliability of electricity and fuel supply and the delivery of energy services; and reduce the impact of energy production and use on the environment.
3. Create V fund ceiling of \$14,485,565 to provide sub-awards to finance the construction or acquisition and rehabilitation of qualified low-income rental housing projects under the Low Income Housing Grant.
4. Create V fund ceiling of \$6,574,400 in FY 10 and \$3,287,210 in FY 11 for gap funding for the production of stalled affordable rental housing projects under the Tax Credit Assistance Program Grant.

Department of Education:

1. Create V fund ceiling of \$9,200,000 in FY 10 and \$13,100,000 in FY 11 for the Weighted Student Formula program (EDN 100/AB) to reflect State Fiscal Stabilization Funds, and decrease general funds by the same amount to help address the State's budget shortfall.
2. Create V fund ceiling of \$19,796,559 in FY 10 for the No Child Left Behind program (EDN 100/DB) to reflect additional Title I grants to Local Educational Agencies (\$16,587,184) and Educational Technology State Grants (\$3,209,375).
3. Create V fund ceiling of \$20,493,170 in FY 10 for the Special Education for the Disabled program (EDN 150/NB) to reflect additional IDEA Part B Grants to States (\$19,962,635) and IDEA Part B Preschool Grants (\$530,535).
4. Increase the revolving fund ceiling by \$189,284 in FY 10 and \$65,067 in FY 11 for the Special Education – Other Related Services program (EDN 150/YK) to reflect additional stimulus Federal Medical Assistance Percentage (FMAP) funds from the Department of Human Services (DHS), and decrease general funds by the same amount to help address the State's budget shortfall.
5. Create V fund ceiling of \$116,000 in FY 10 for the School Community Based Management program (EDN 200/GQ) to reflect additional McKinney-Vento Homeless Assistance Act funds.

Office of the Governor:

Create V fund ceiling of \$35,000,000 in FY 10 to provide additional support for education programs, from K through 12 and higher education.

Department of Health:

1. Increase stimulus FMAP funds coming through DHS (\$20.0 M in FY 10 and \$6.9 M in FY 11) and decrease general funds by the same amounts for the Adult Mental Health Division - Outpatient program (HTH 420), the Child and Adolescent Mental Health Division (HTH 460), and the Developmental Disabilities (DD) program (HTH 501). The additional FMAP funds are due to increasing the percentage under the ARRA and are reimbursements through the DHS. For the Adult and CAMHD programs, special fund ceiling adjustments are being made to reflect the FMAP funds coming through DHS; for DD, a corresponding interdepartmental transfer fund ceiling adjustment is made for the FMAP funds coming through DHS.
2. Create V fund ceiling (six temporary positions and \$508,271 in FY 10 and \$484,271 in FY 11) for the Disability and Communication Access Board to reflect Medicaid Title XIX stimulus funds.

3. Create V fund ceiling (\$2.1 M for FY 10 only) for the Family Health Services Division- Early Intervention (HTH 560) program to reflect stimulus funds under Part C of the IDEA. The funds will be used to provide early intervention services and support.
4. Create Emergency Medical Services and Injury Prevention (HTH 730) program V fund ceiling to reflect ARRA funds for building a mobile electronic health record exchange system (\$1.2 M for FY 10 only) and development of an EMS provider and Hospital Emergency Department Broadband Telecommunications system (\$9.8 M in FY 10 and \$7.9 M in FY 11).
5. Create V fund ceiling (\$0.6 M for FY 10 only) for the State Laboratories Division (HTH 710) to reflect ARRA funds relating to alternative energy, energy efficiency, and green jobs.
6. Increase the FY 10 ceilings for the Drinking Water Treatment Revolving Loan Fund (\$20 M revolving fund) and the Water Pollution Control Revolving Fund (\$29.9 M revolving fund and \$0.1 M federal fund ceiling) to provide loans and grants for the construction of drinking water infrastructure improvements and wastewater infrastructure improvements, respectively. Similar amounts will be appropriated as "V" funds for deposit into the revolving funds.
7. Create V fund ceiling (\$1.7 M for FY 10 only) for the Clean Air Branch to allow the branch to partner with government or non-profit organizations for various clean air projects.
8. Create V fund ceiling (\$1.5 M for FY 10 only) for the Solid and Hazardous Waste Branch for the Leaking Underground Storage Tank program to ensure underground storage tanks are promptly cleaned up and contained.
9. Create V fund ceiling (\$0.3 M for FY 10 only) for the Environmental Planning Office for Water Quality Management purposes.

Department of Health – Hawaii Health Systems Corporation:

Hawaii Health Systems Corporation: create V fund ceiling of \$22,500,000 in FY 10 and \$45,000,000 in FY 11 and increase the special fund ceiling by \$2,500,000 in FY 10 and \$5,000,000 in FY 11 to provide matching funds for the automation of medical records.

Department of Human Services:

1. Create V fund ceiling of \$500,000 in General Support for Child Care (HMS 302) to enhance the existing quality care contracts, including the infant and toddler scholarships, to comply with ARRA requirements.

2. Create V fund ceiling of \$2,600,000 in Cash Support for Child Care (HMS 305) for child care subsidies.
3. Create V fund ceiling of \$550,000 in General Support for Self-Sufficiency Services (HMS 903/FS) to provide administrative funds for the Supplemental Nutrition Assistance Program (SNAP) to implement changes mandated in the ARRA and help manage the rising SNAP caseload.
4. Create V fund ceiling of \$15,000,000 in General Support for Self-Sufficiency Services (HMS 903/FA) for increased expenditures in basic cash assistance and non-recurrent short-term benefits for Temporary Assistance for Needy Families (TANF) clients. TANF expenditures will be incurred by existing exit and retention bonus programs, by allowing for an increase in earned income deductions for certain families, and adding the employment subsidy program to the basic cash assistance programs.
5. Create V fund ceiling of \$10,000,000 in General Support for Self-Sufficiency Services (HMS 903/FE) for increased TANF expenditures for the subsidized employment program that qualifies for the temporary contingency fund established in ARRA.
6. Increase the federal fund ceiling by \$20,000,000 in General Support for Self-Sufficiency Services (HMS 903/FA) to enable DHS to receive and expend TANF contingency funds through the Deficit Reduction Act of 2005 (TANF authorization bill). Hawaii has met the "needy state" trigger for high food stamp caseloads. This request is not ARRA-related and is designated as an "N" fund ceiling increase because TANF funds need to be appropriated pursuant to federal requirements.
7. Create V fund ceiling of \$1,455,371 in FY 10 for Vocational Rehabilitation (HMS 802/GA) to reflect the increase in federal grant awards for vocational rehabilitation and independent living services programs.
8. Create V fund ceiling of \$2,300,000 in FY 10 and \$1,300,000 in FY 11 for Child Protective Services Payments (HMS 303/WP) to reflect the increase in federal Title IV-E funding due to the enhanced FMAP rate under ARRA. The funds will be used for additional foster care services.
9. Create V fund ceiling of \$151,997,757 in FY 10 and \$56,984,906 in FY 11 for Health Care Payments (HMS 401/PQ) to reflect the increase in federal Medicaid funds due to the enhanced FMAP rate under ARRA. Reduce general funds by \$131,760,951 in FY 10 and \$50,028,369 in FY 11 for Health Care Payments (HMS 401/PQ) to offset the increase in federal Medicaid funds allocated to the MedQUEST Division to help address the State's budget shortfall.

Department of Labor and Industrial Relations:

1. Create V fund ceiling of \$150,500,000 in FY 10 for the Unemployment Insurance program (LBR 171/LA) to pay for increased unemployment insurance benefit payments.
2. Create V fund ceiling of \$5,305,964 in FY 10 in the Office of Community Services (LBR 903/NA) for the Community Services Block Grant program to provide emergency services, jobs, education, and job training to low-income individuals.
3. Create V fund ceiling of \$4,041,461 in FY 10 in the Office of Community Services (LBR 903/NA) for the Weatherization Assistance program. The program is expected to reduce energy costs by installing energy saving devices in low-income households.
4. Create V fund ceiling of \$1,426,246 in FY 10 in the Workforce Development program (LBR 111/PA) for re-employment services for the unemployed and labor market information and assessment.
5. Create V fund ceiling of \$6,820,941 in FY 10 in the Workforce Development program (LBR 111/PB) for employment and training services to adults, dislocated workers, and older individuals.

Department of Transportation:

1. Create V fund ceiling of \$7,000,000 in FY 10 for the Maui Highways (TRN 531/DF) program for highways special maintenance projects.
2. Create V fund ceiling of \$6,000,000 in FY 10 for the Molokai Highways (TRN 541/DF) program for highways special maintenance projects.

University of Hawaii:

Create V fund ceiling of \$14,600,000 in FY 10 for University of Hawaii, Systemwide Support (UOH 900) to reflect incoming State Fiscal Stabilization Funds for higher education purposes and correspondingly reduce \$14,600,000 in general funds in FY 10 to help address the State's budget shortfall.

CIP:

Department of Transportation:

Add \$2,100,000 in revenue bond funds, \$6,000,000 in federal funds, and \$17,000,000 in V funds for plans and construction in FY 10 for Kuhio Highway Improvements, Hanamaulu to Kapaa, Kauai, for a new Kapaa Bypass and/or widen sections of Kuhio Highway.

Honorable Colleen Hanabusa
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To reflect the ARRA stimulus funds, Section 2 of House Bill No. 200 is amended to add in a new Means of Financing "V" to differentiate the federal stimulus funds from "regular" federal funds.

Lastly, various provisos are proposed to allow departments flexibility in the use of ARRA stimulus funds.

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

Sincerely,

LINDA LINGUE

Attachments

c: Honorable Donna Mercado Kim

OPERATING

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

State Foundation on Culture and the Arts (AGS 881/LA)

Create V fund ceiling to provide grants to non-profit organizations to preserve or reinstate culture and the arts employment positions.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	292,900 V	.....

DEPARTMENT OF THE ATTORNEY GENERAL

Justice Assistance (ATG 100/AC)

Create V fund American Recovery and Reinvestment Act of 2009 (ARRA) ceiling for Byrne/JAG, VAWA, and VOCA grants to reflect anticipated higher allocations from the ARRA. The request includes .25 general fund and 2.75 V fund ARRA temporary position counts to monitor the grant funds.

	<u>FY 2010</u>	<u>FY 2011</u>
Personal Services	227,550 V	212,912 V
Other Current Expenses	2,648,579 V	2,651,406 V
Equipment	<u>4,500 V</u>	.....
Total	2,880,629 V	2,864,318 V

Child Support Enforcement (ATG 500/GA)

Increase the trust fund and create V fund ceiling for CSEA to reflect anticipated higher allocations from the ARRA. Trust funds will be used to match incoming ARRA funds for child support enforcement operations. The request includes 21.00 temporary positions (7.14 T/13.86 V) to improve child support enforcement activities and customer service.

	<u>FY 2010</u>	<u>FY 2011</u>
Personal Services	435,219 T	108,805 T
Personal Services	844,837 V	211,209 V
Other Current Expenses	1,004,477 T	149,344 T
Other Current Expenses	1,949,866 V	289,903 V

	<u>FY 2010</u>	<u>FY 2011</u>
Equipment	679,490 T	.....
Equipment	<u>1,319,010 V</u>	<u>.....</u>
Total	2,119,186 T	258,149 T
	4,113,713 V	501,112 V

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM

Strategic Industries (BED 120/SI)

Create V fund ceiling for the Energy Efficiency and Conservation Block Grant and State Energy programs.

	<u>FY 2010</u>	<u>FY 2011</u>
Personal Services	1,192,800 V	695,800 V
Other Current Expenses	<u>28,570,900 V</u>	<u>12,600 V</u>
Total	29,763,700 V	708,400 V

Housing Finance (BED 160/HF)

Create V fund ceiling for the Low-Income Housing Grants in Lieu of Tax Credits.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	14,485,565 V	14,485,565 V

Housing Finance (BED 160/HF)

Create V fund ceiling for the Tax Credit Assistance Program Grant.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	6,574,400 V	3,287,210 V

DEPARTMENT OF EDUCATION

School-Based Budgeting – Weighted Student Formula (EDN 100/AB)

Create V fund ceiling for the School-Based Budgeting - Weighted Student Formula program to reflect State Fiscal Stabilization Funds from the ARRA and decrease general funds by the same amount.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	- 9,200,000 A	- 13,100,000 A
Other Current Expenses	9,200,000 V	13,100,000 V

School-Based Budgeting – No Child Left Behind (EDN 100/DB)

Create V fund ceiling for the School-Based Budgeting - No Child Left Behind program to reflect additional Title I grants to Local Educational Agencies (\$16,587,184) and Educational Technology State Grants (\$3,209,375) from the ARRA.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	19,796,559 V	.....

Comprehensive Student Support Services - Special Education for the Disabled (EDN 150/NB)

Create V fund ceiling for the Comprehensive Student Support Services - Special Education for the Disabled program to reflect additional IDEA Part B Grants to States (\$19,962,635) and IDEA Part B Preschool Grants (\$530,535) from the ARRA.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	20,493,170 V	.....

Comprehensive Student Support Services – Other Related Services (EDN 150/YK)

Increase the revolving fund ceiling for the Comprehensive Student Support Services - Other Related Services program by \$189,284 in FY 10 and \$65,067 in FY 11 to reflect additional Federal Medical Assistance Percentage funds, and decrease general funds by the same amount.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	- 189,284 A	- 65,067 A
Other Current Expenses	189,284 W	65,067 W

Instructional Support - School Community Based Management (EDN 200/GQ)

Create V fund ceiling for the Instructional Support - School Community Based Management program to reflect additional McKinney-Vento Homeless Assistance Act funds.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	116,000 V	.....

OFFICE OF THE GOVERNOR

Office of the Governor (GOV 100/AA)

Create V fund ceiling in FY 10 to provide additional support for education programs, from K through 12 and higher education.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	35,000,000 V	.....

DEPARTMENT OF HEALTH

Adult Mental Health - Outpatient (HTH 420)

Increase the special fund ceiling to receive federal stimulus funds, and decrease general funds by the same amount to help address the State's budget shortfall.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	- 2,531,764 A	- 870,310 A
Other Current Expenses	2,531,764 B	870,310 B

Child and Adolescent Mental Health (HTH 460)

Increase the special fund ceiling to receive federal stimulus funds, and decrease general funds by the same amount to help address the State's budget shortfall.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	- 3,042,537 A	- 1,045,893 A
Other Current Expenses	3,042,537 B	1,045,893 B

Developmental Disabilities (HTH 501)

Increase the interdepartmental transfer fund ceiling to receive federal stimulus funds, and decrease general funds by the same amount to help address the State's budget shortfall.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	- 14,473,221 A	- 4,975,266 A
Other Current Expenses	14,473,221 U	4,975,266 U

Disability and Communications Access Board (HTH 520)

Create V fund ceiling to reflect additional stimulus funds under Title XIX. The funds are for six temporary staff and funds to review buildings, facilities and sites for accessibility for persons with disabilities.

	<u>FY 2010</u>	<u>FY 2011</u>
Personal Services	454,271 V	454,271 V
Other Current Expenses	30,000 V	30,000 V
Equipment	<u>24,000 V</u>	.....
Total	508,271 V	484,271 V

Family Health/Early Intervention (HTH 560/CG)

Create V fund ceiling to reflect additional stimulus funds under the ARRA. The funds are to ensure the state is in compliance with federal IDEA, Part C and state mandates, and the Hawaii Early Intervention State Plan.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	1,939,843 V	.....
Equipment	<u>200,000 V</u>	.....
Total	2,139,843 V	

State Laboratory Services (HTH 710/MK)

Create V fund ceiling to reflect additional stimulus funds under the ARRA. The funds are for the conversion of T-12 light fixtures to T-8 light fixtures for energy efficiency.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	52,728 V	.....

State Laboratory Services (HTH 710/MK)

Create V fund ceiling to reflect additional stimulus funds under the ARRA. The funds are for digital controllers on air intake and exhaust fans to automatically ramp down after work hours for energy efficiency.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	525,000 V	.....

Emergency Medical Services and Injury Prevention System (HTH 730/MO)

Create V fund ceiling to reflect additional stimulus funds under the ARRA. The funds are to develop and implement a statewide mobile Electronic Health Record exchange system between ambulances and hospitals.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	1,171,000 V	.....

Emergency Medical Services and Injury Prevention System (HTH 730/MO)

Create V fund ceiling to reflect additional stimulus funds under the ARRA. The funds are to develop and implement a statewide broadband telecommunication system to send and receive critical patient information from EMS personnel to emergency department physicians.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	9,809,000 V	7,865,000 V

Safe Drinking Water Branch/Environmental Management (HTH 840/FH)

Increase the Drinking Water Treatment Revolving Loan Fund and create V fund ceiling of \$20,000,000 in FY 10 only for the purpose of providing loans and/or grants to the counties for the construction of drinking water infrastructure improvements. The stimulus funds will be deposited into the revolving fund.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	20,000,000 V	.....
Other Current Expenses	20,000,000 W	.....

Wastewater Branch/Environmental Management (HTH 840/FK)

Increase the Water Pollution Control Revolving Fund by \$29,935,893 in revolving funds and create V fund ceiling of \$30,000,000 for FY 10 only to provide loans and/or grants to the counties for the construction of wastewater infrastructure improvements. The stimulus funds will be deposited into the revolving fund.

	<u>FY 2010</u>	<u>FY 2011</u>
Personal Services	64,107 V	.....
Other Current Expenses	29,935,893 V	.....
Other Current Expenses	29,935,893 W	.....

Clean Air Branch/Environmental Management (HTH 840/FF)

Create V fund ceiling of \$1,700,000 for funds to be awarded to Hawaii under the West Coast Collaborative, Diesel Emissions Reduction Program. The Clean Air Branch is proposing to partner with another governmental agency or non-profit organization to implement the following proposed projects: 1) installation of diesel emission retrofits on school buses; 2) assist in the procurement of hybrid school buses for the Department of Education; and 3) other small diesel projects. Approximately 15% may be used for contract/administrative oversight functions.

	<u>FY 2010</u>	<u>FY 2011</u>
Personal Services	17,000 V	.....
Other Current Expenses	<u>1,683,000 V</u>	.....
Total	1,700,000 V	.....

Solid and Hazardous Waste Branch/Environmental Management (HTH 840/FJ)

Create V fund ceiling of \$1,500,000 for the Leaking Underground Storage Tank program for the purpose of regulatory oversight to Underground Storage Tank (UST) owners and operators undertaking release actions to ensure the UST releases are promptly cleaned up or contained to the extent necessary to protect human health and the environment. The request is to hire environmental consultants to provide direct cleanup work at leaking UST sites where there is either no responsible party or the responsible party cannot afford to pay for cleanup. This request also allows the State program to set-aside up to 1.5% of the allocation as administrative funds that can be used primarily for travel to the neighbor islands for site specific oversight functions.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	1,500,000 V	.....

Environmental Planning Office (HTH 849/FC)

Create V fund ceiling of \$305,883 for the purposes of retaining a consultant and contracting with the City and County of Honolulu. The consultant will provide technical expertise through: 1) Water Quality Standards Technical and Administrative Specialist for support and maintenance of the Administrative Records of the State Water Quality Standards, accounting, and contracts for the Environmental Planning Office's water program; and 2) National Hydrology Dataset/Assessment Database Specialist to provide technical contributions to the Assessment Coordinator by managing the Geographic Information System (GIS) file relative to water-body assessment.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	305,883 V	.....

Hawaii Health Systems Corporation (HTH 210)

Create V fund ceiling and increase the special fund ceiling to provide for the anticipated allocations from the ARRA for the automation of medical records and for required matching funds.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	2,500,000 B	5,000,000 B
Other Current Expenses	22,500,000 V	45,000,000 V

DEPARTMENT OF HUMAN SERVICES

General Support for Child Care (HMS 302)

Create V fund ceiling to enhance the existing quality care contracts, including the infant and toddler scholarships, to comply with ARRA requirements.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	500,000 V	500,000 V

Cash Support for Child Care (HMS 305)

Create V fund ceiling for child care subsidies.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	2,600,000 V	2,600,000 V

General Support for Self-Sufficiency Services (HMS 903)

Create V fund ceiling for SNAP and TANF programs (ARRA related) and increase federal fund ceiling for TANF (non-ARRA related).

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses**	20,000,000 N	20,000,000 N
Other Current Expenses	25,550,000 V	25,550,000 V

**TANF ceilings must be appropriated pursuant to federal requirements - this "N" federal fund ceiling increase of \$20,000,000 is not ARRA related.

Vocational Rehabilitation (HMS 802)

Create V fund ceiling to reflect the increase in federal grant awards.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	1,455,371 V	.....

Child Protective Services Payments (HMS 303)

Create V fund ceiling to reflect the increase in federal matching funds which will be used for additional foster care service.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	2,300,000 V	1,300,000 V

Health Care Payments (HMS 401)

Create V fund ceiling to reflect the increase in federal Medicaid funds and reduce general funds to offset the additional Medicaid funds allocated to the MedQUEST Division.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	151,997,757 V	56,984,906 V
Other Current Expenses	- 131,760,951 A	- 50,028,369 A

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

Unemployment Insurance Program (LBR 171/LA)

Create V fund ceiling to accommodate increased unemployment insurance benefit payments.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	150,500,000 V	.....

Office of Community Services (LBR 903/NA)

Create V fund ceiling for the Community Services Block Grant program to provide emergency services, jobs, education, and job training to low-income individuals.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	5,305,964 V	.....

Office of Community Services (LBR 903/NA)

Create V fund ceiling for the Weatherization Assistance program to install energy saving devices in low-income households to reduce energy costs.

	<u>FY 2010</u>	<u>FY 2011</u>
Personal Services	140,660 V	.....
Other Current Expenses	<u>3,900,801 V</u>	.....
Total	4,041,461 V	

Workforce Development Program (LBR 111/PA)

Create V fund ceiling to provide re-employment services for the unemployed and labor market information and assessment.

	<u>FY 2010</u>	<u>FY 2011</u>
Personal Services	1,055,422 V	.....
Other Current Expenses	<u>370,824 V</u>	.....
Total	1,426,246 V	

Workforce Development Program (LBR 111/PB)

Create V fund ceiling to provide employment and training services to adults, dislocated workers, youth, and older individuals.

	<u>FY 2010</u>	<u>FY 2011</u>
Personal Services	997,775 V	.....
Other Current Expenses	<u>5,823,166 V</u>	.....
Total	6,820,941 V	

DEPARTMENT OF TRANSPORTATION

Maui Highways (TRN 531/DF)

Create V fund ceiling of \$7,000,000 for two highway special maintenance projects: 1) Piilani Highway Pavement Preservation (\$5,000,000) and 2) Hana Highway Pavement Preservation (\$2,000,000).

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	7,000,000 V	.....

Molokai Highways (TRN 541/DF)

Create V fund ceiling of \$6,000,000 for two highway special maintenance projects: 1) Maunaloa Highway Resurfacing (\$4,000,000) and 2) Kalae Highway Pavement Preservation (\$2,000,000).

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	6,000,000 V	.....

UNIVERSITY OF HAWAII

University of Hawaii, Systemwide Support (UOH 900)

Create V fund ceiling for the University of Hawaii, Systemwide Support (UOH 900) program to reflect State Fiscal Stabilization Funds from the ARRA and decrease general funds by the same amount.

	<u>FY 2010</u>	<u>FY 2011</u>
Other Current Expenses	- 14,600,000 A	.....
Other Current Expenses	14,600,000 V	.....

CAPITAL IMPROVEMENT PROJECTS

TRN 561 – KAUAI HIGHWAYS

“ X007 KUHIO HIGHWAY IMPROVEMENTS, HANAMAULU TO KAPAA,
KAUAI

CONSTRUCTION FOR A NEW KAPAA BYPASS AND/OR WIDEN SECTIONS OF
KUHIO HIGHWAY. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR
FEDERAL AID FINANCING AND/OR REIMBURSEMENT.

		<u>FY 2010</u>	<u>FY 2011</u>
<u>PLANS</u>		600	
<u>CONSTRUCTION</u>		24,500	
<u>TOTAL FUNDING</u>	<u>TRN</u>	2,100	<u>E</u>
	<u>TRN</u>	6,000	<u>N</u>
	<u>TRN</u>	17,000	<u>V”</u>

DEFINITIONS

Amend Part I, Section 2 as follows:

SECTION 2. DEFINITIONS. Unless otherwise clear from the context, as used in this Act:

- (a) "Program ID" means the unique identifier for the specific program, and consists of the abbreviation for the organization responsible for carrying out the program, followed by the organization number for the program.
- (b) "Expending agency" means the executive department, independent commission, bureau, office, board, or other establishment of the state government (other than the legislature, office of Hawaiian affairs, and judiciary), the political subdivisions of the state, or any quasi-public institution supported in whole or in part by state funds, which is authorized to expend specified appropriations made by this Act.

Abbreviations where used to denote the expending agency shall mean the following:

AGR	Department of Agriculture
AGS	Department of Accounting and General Services
ATG	Department of the Attorney General
BED	Department of Business, Economic Development and Tourism
BUF	Department of Budget and Finance
CCA	Department of Commerce and Consumer Affairs
DEF	Department of Defense
EDN	Department of Education
GOV	Office of the Governor
HHL	Department of Hawaiian Home Lands
HMS	Department of Human Services
HRD	Department of Human Resources Development
HTH	Department of Health
LBR	Department of Labor and Industrial Relations
LNR	Department of Land and Natural Resources
LTG	Office of the Lieutenant Governor
PSD	Department of Public Safety
SUB	Subsidies
TAX	Department of Taxation
TRN	Department of Transportation
UOH	University of Hawaii
CCH	City and County of Honolulu
COH	County of Hawaii
COK	County of Kauai
COM	County of Maui

(c) "Means of financing" (or "MOF") means the source from which funds are appropriated or authorized to be expended for the programs and projects specified in this Act. All appropriations are followed by letter symbols. Such letter symbols, where used, shall have the following meanings:

- A general funds
- B special funds
- C general obligation bond fund
- D general obligation bond fund with debt service cost to be paid from special funds
- E revenue bond funds
- J federal aid interstate funds
- K federal aid primary funds
- L federal aid secondary funds
- M federal aid urban funds
- N other federal funds
- R private contributions
- S county funds
- T trust funds
- U interdepartmental transfers
- V federal stimulus funds
- W revolving funds
- X other funds

(d) "Position ceiling" means the maximum number of permanent positions that an expending agency is authorized for a particular program during a specified period or periods, as denoted by an asterisk.

(e) "Capital project number" means the official number of the capital project, as assigned by the responsible organization.

PROVISOS

Amend Part VII to add two new subsections to read:

SECTION _____. Provided that unless otherwise provided in this Act, the governor is authorized to transfer federal stimulus funds from the American Recovery and Reinvestment Act of 2009, appropriated for the office of the governor (GOV 100) for fiscal year 2009-2010, to EDN and UOH programs for the purpose of providing additional support for education programs, including elementary, secondary and higher education, when the need has been determined by the Governor.

SECTION _____. Provided that the governor may approve the expenditure of federal stimulus funds for operating and capital improvement purposes designated with the letter "V" which are in excess of levels authorized by the legislature provided further that the governor may allow for an increase in the federal stimulus fund authorization ceiling for the program to accommodate the expenditure of such funds.

By amending Section 52 to read as follows:

SECTION 52. The governor may approve the expenditure of federal funds designated with the letter "N" for operating and capital improvement purposes which are in excess of levels authorized by the legislature; provided further that the governor may allow for an increase in the federal fund authorization ceiling for the program to accommodate the expenditure of such funds.

By amending Section 76 to read as follows:

SECTION 76. Provided that no funds, including federal funds, shall be expended to fill any position not authorized by the legislature; provided further that this prohibition shall not apply to:

- (1) The University of Hawaii and the Hawaii health systems corporation;
- (2) Positions entirely federally funded;
- (3) Positions established pursuant to section 76-16(b) subsections (3), (12), (13), (21), and (23), Hawaii Revised Statutes; ~~or~~
- (4) Where an agency has explicit statutory authorization to establish positions to accomplish necessary functions; or
- (5) Temporary positions funded wholly or partially with federal funds from the American Recovery and Reinvestment Act of 2009;

provided further that with regard to any of the positions identified in paragraphs (1), (2), (3), ~~or~~ (4), or (5), the respective agency or department shall submit a report to the legislature within ten days of each use of this provision; provided further that the report shall include:

- (1) Authority used to establish the position;
- (2) Date the position was established;
- (3) Projected date the position will be filled;
- (4) Amounts projected to be expended in fiscal year 2009-2010 and in fiscal year 2010-2011;
- (5) Source of funds used to pay for the position; and
- (6) Functions to be performed by the position.