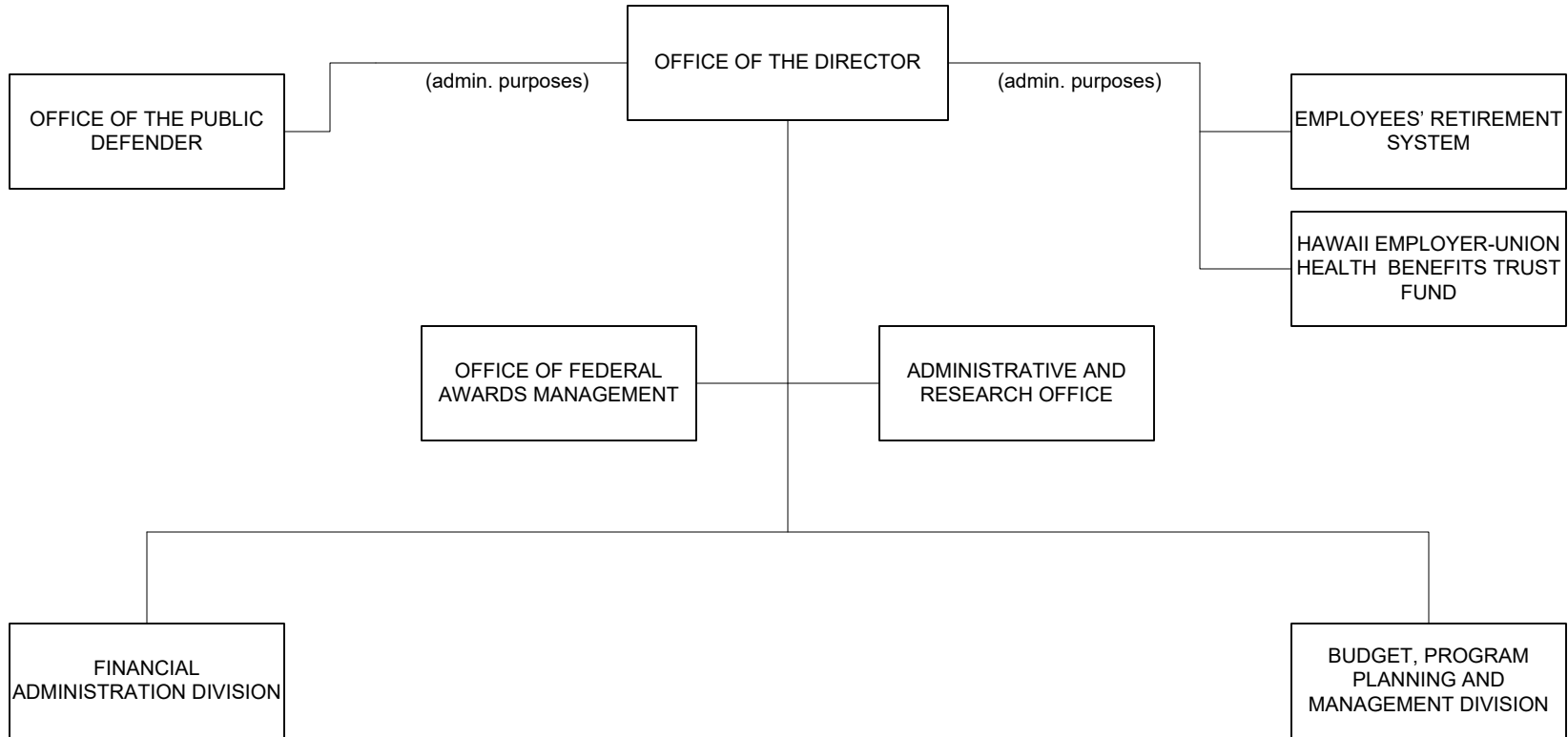




Department of Budget and Finance

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

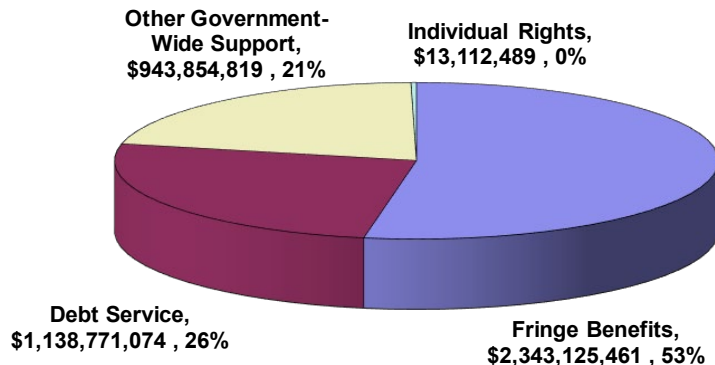
Improve the executive resource allocation process through the following: planning, analysis and recommendation on all phases of program scope and funding; maximizing the value, investment, and use of State funds through planning, policy development, timely scheduling of State bond financing and establishment 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 entitled and effective legal representation.

Significant Measures of Effectiveness

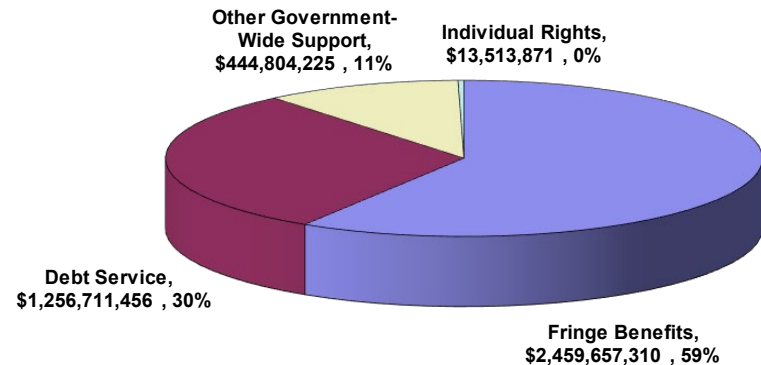
	<u>FY 2024</u>	<u>FY 2025</u>
1. Average annual rate of return on State treasury investments	2.50%	3.00%
2. Percentage of treasury transactions unreconciled after 30 days	10%	10%

FB 2023-2025 Operating Budget by Major Program Area

FY 2024



FY 2025



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 103	Vacation Payout – Statewide
BUF 115	Financial Administration
BUF 141	Employees' Retirement System
BUF 143	Hawaii Employer–Union Trust Fund
BUF 721	Debt Service Payments – State
BUF 741	Retirement Benefits Payments – State
BUF 761	Health Premium Payments – State
BUF 762	Health Premium Payments – ARC

Formal Education

BUF 725	Debt Service Payments – DOE
BUF 728	Debt Service Payments – UH
BUF 745	Retirement Benefits Payments – DOE
BUF 748	Retirement Benefits Payments – UH
BUF 765	Health Premium Payments – DOE
BUF 768	Health Premium Payments – UH

Individual Rights

BUF 151	Office of the Public Defender
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**Department of Budget and Finance
(Operating Budget)**

		Budget Base FY 2024	Budget Base FY 2025	FY 2024	FY 2025
Funding Sources:	Perm Positions	199.50	199.50	200.50	200.50
	Temp Positions	-	-	-	-
General Funds	\$	3,371,341,042	3,371,933,294	4,015,448,017	3,750,563,752
	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
Special Funds	\$	377,575,000	377,575,000	377,575,000	377,575,000
County Funds	\$	-	-	-	-
	Perm Positions	70.00	70.00	70.00	70.00
	Temp Positions	-	-	-	-
Trust Funds	\$	21,221,917	21,449,888	21,221,917	21,449,888
	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
Interdepartmental Transfers	\$	4,000,000	4,000,000	4,000,000	4,000,000
	Perm Positions	115.00	115.00	115.00	115.00
	Temp Positions	-	-	-	-
Other Funds	\$	20,618,909	21,098,222	20,618,909	21,098,222
		384.50	384.50	385.50	385.50
		-	-	-	-
Total Requirements		3,794,756,868	3,796,056,404	4,438,863,843	4,174,686,862

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Adds \$500,000,000 in FY 24 to make a deposit into the Emergency and Budget Reserve Fund.
2. Increases debt service payments by \$90,932,904 in FY 24 and \$208,873,286 in FY 25.
3. Increases retirement benefits payments by \$61,938,702 in FY 24 and \$126,492,221 in FY 25.
4. Decreases health premium payments by \$9,343,547 in FY 24 and increases them by \$42,634,783 in FY 25.
5. Increases personal services for the Departmental Administration and Budget Division by \$310,776 in FY 24 and \$331,872 in FY 25 to provide full-year funding for new positions authorized in FY 23 by Act 88, SLH 2021, as amended by Act 248, SLH 2022.
6. Adds \$240,000 in FY 24 and FY 25 to revise departmental managerial positions' classifications and compensation.
7. Adds 1.00 permanent position and \$28,140 in FY 24 and \$58,296 in FY25 to restore an Accountant III abolished in FY 22 by Act 88, SLH 2021, as amended by Act 248, SLH 2022.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:
PROGRAM STRUCTURE NO:
PROGRAM TITLE:

DEPARTMENT OF BUDGET AND FINANCE

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	373.50*	381.50*	385.50*	385.50*	385.5*	385.5*	385.5*	385.5*
	2.00**	2.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	35,673,298	60,057,472	49,028,064	50,403,852	50,404	50,404	50,404	50,404
OTHER CURRENT EXPENSES	3,328,464,361	3,746,474,100	4,389,736,879	4,124,184,110	4,342,975	4,395,904	4,569,442	4,684,124
EQUIPMENT	115,260	175,580	98,900	98,900	99	99	99	99
TOTAL OPERATING COST	3,364,252,919	3,806,707,152	4,438,863,843	4,174,686,862	4,393,478	4,446,407	4,619,945	4,734,627
BY MEANS OF FINANCING	191.50*	199.50*	200.50*	200.50*	200.5*	200.5*	200.5*	200.5*
	**	**	**	**	**	**	**	**
GENERAL FUND	2,942,881,634	3,383,619,444	4,015,448,017	3,750,563,752	3,969,355	4,022,284	4,195,822	4,310,504
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
SPECIAL FUND	377,575,000	378,143,452	377,575,000	377,575,000	377,575	377,575	377,575	377,575
	70.00*	70.00*	70.00*	70.00*	70.0*	70.0*	70.0*	70.0*
	**	**	**	**	**	**	**	**
TRUST FUNDS	20,841,766	20,841,766	21,221,917	21,449,888	21,449	21,449	21,449	21,449
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
INTERDEPARTMENTAL TRANSFERS	4,000,000	4,000,000	4,000,000	4,000,000	4,000	4,000	4,000	4,000
	112.00*	112.00*	115.00*	115.00*	115.0*	115.0*	115.0*	115.0*
	2.00**	2.00**	**	**	**	**	**	**
OTHER FUNDS	18,954,519	20,102,490	20,618,909	21,098,222	21,099	21,099	21,099	21,099
CAPITAL IMPROVEMENT COSTS								
PLANS		2,884,000						
LAND ACQUISITION		1,000						
DESIGN		2,884,000						
CONSTRUCTION		109,705,000						
EQUIPMENT		1,000						
TOTAL CAPITAL EXPENDITURES		115,475,000						

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:
PROGRAM STRUCTURE NO:
PROGRAM TITLE:

DEPARTMENT OF BUDGET AND FINANCE

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
BY MEANS OF FINANCING A R P FUNDS		115,475,000						
TOTAL PERM POSITIONS	373.50*	381.50*	385.50*	385.50*	385.5*	385.5*	385.5*	385.5*
TOTAL TEMP POSITIONS	2.00**	2.00**	**	**	**	**	**	**
TOTAL PROGRAM COST	3,364,252,919	3,922,182,152	4,438,863,843	4,174,686,862	4,393,478	4,446,407	4,619,945	4,734,627

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

	<u>FY 2024</u>	<u>FY 2025</u>
Funding Sources:		
General Funds		
General Obligation Bonds		
Total Requirements	-	-

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)
None.

STATE OF HAWAII
 PROGRAM ID:
 PROGRAM STRUCTURE NO:
 PROGRAM TITLE:

BUF
DEPARTMENT OF BUDGET AND FINANCE

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT
IN THOUSANDS OF DOLLARS

REPORT B78
 2 of 2

PROJECT NUMBER	PRIORITY NUMBER	SCOPE COST ELEMENT/MOF	PROJECT TITLE			BUDGET PERIOD						SUCCEED YEARS	
			PROJECT TOTAL	PRIOR YRS	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28		FY 28-29
		PLANS	2,885	1		2,884							
		LAND ACQUISITION	1			1							
		DESIGN	2,885	1		2,884							
		CONSTRUCTION	1,712,400	1,602,695		109,705							
		EQUIPMENT	1			1							
		TOTAL	1,718,172	1,602,697		115,475							
		G.O. BONDS	1,602,697	1,602,697									
		ARP FUNDS	115,475			115,475							



Operating Budget Details

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OTHER CURRENT EXPENSES	1,427,439,435	1,460,154,847	1,457,800,075	1,559,646,328	1,663,262	1,758,337	1,835,552	1,880,069
TOTAL OPERATING COST	1,427,439,435	1,460,154,847	1,457,800,075	1,559,646,328	1,663,262	1,758,337	1,835,552	1,880,069
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	1,427,439,435	1,460,154,847	1,457,800,075	1,559,646,328	1,663,262	1,758,337	1,835,552	1,880,069
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	1,427,439,435	1,460,154,847	1,457,800,075	1,559,646,328	1,663,262	1,758,337	1,835,552	1,880,069

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OTHER CURRENT EXPENSES	1,022,896,265	1,053,690,634	1,051,500,808	1,120,230,418	1,195,104	1,264,120	1,320,092	1,352,192
TOTAL OPERATING COST	1,022,896,265	1,053,690,634	1,051,500,808	1,120,230,418	1,195,104	1,264,120	1,320,092	1,352,192
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	1,022,896,265	1,053,690,634	1,051,500,808	1,120,230,418	1,195,104	1,264,120	1,320,092	1,352,192
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	1,022,896,265	1,053,690,634	1,051,500,808	1,120,230,418	1,195,104	1,264,120	1,320,092	1,352,192

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OTHER CURRENT EXPENSES	1,022,896,265	1,053,690,634	1,051,500,808	1,120,230,418	1,195,104	1,264,120	1,320,092	1,352,192
TOTAL OPERATING COST	1,022,896,265	1,053,690,634	1,051,500,808	1,120,230,418	1,195,104	1,264,120	1,320,092	1,352,192
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	1,022,896,265	1,053,690,634	1,051,500,808	1,120,230,418	1,195,104	1,264,120	1,320,092	1,352,192
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	1,022,896,265	1,053,690,634	1,051,500,808	1,120,230,418	1,195,104	1,264,120	1,320,092	1,352,192

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BUF745**
 PROGRAM STRUCTURE NO: **07010192**
 PROGRAM TITLE: **RETIREMENT BENEFITS - DOE**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OTHER CURRENT EXPENSES	469,037,723	488,052,784	510,296,475	528,967,329	540,670	551,484	562,513	573,764
TOTAL OPERATING COST	469,037,723	488,052,784	510,296,475	528,967,329	540,670	551,484	562,513	573,764
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	469,037,723	488,052,784	510,296,475	528,967,329	540,670	551,484	562,513	573,764
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	469,037,723	488,052,784	510,296,475	528,967,329	540,670	551,484	562,513	573,764

Program Plan Narrative

BUF745: RETIREMENT BENEFITS - DOE

07 01 01 92

A. Statement of Program Objectives

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

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Total adjustments to employer contribution requirements for pension accumulation and Social Security/Medicare for State employees in the DOE, including Charter Schools, are increases of \$22,243,691 in FY 24 and \$40,914,545 in FY 25.

C. Description of Activities Performed

The major activity of this program is the determination and payment of employer contributions for pension accumulation and Social Security/Medicare.

D. Statement of Key Policies Pursued

Pension accumulation contributions are based on a percentage of payroll as stipulated in Chapter 88, HRS. Social Security/Medicare contributions are federally mandated and based on assessment rates of 6.2% for Social Security and 1.45% for Medicare.

E. Identification of Important Program Relationships

Federal, special, and general funded programs of the State and all county programs are affected by the retirement program because of the annual employer appropriation requirements. Social Security Administration policy and tax changes also have a direct effect on the State's liability.

F. Description of Major External Trends Affecting the Program

The employer contribution rates for pension accumulation do not reflect the market turmoil that global investment assets have experienced. While the actuarial methodology recognizes some year-to-year market volatility, future program requirements may be adversely impacted by future investment experience.

G. Discussion of Cost, Effectiveness, and Program Size Data

See discussion above for Item F.

H. Discussion of Program Revenues

Employer contributions for the Pension Accumulation Fund received from the State and counties are based on a percentage of payroll.

I. Summary of Analysis Performed

No significant analysis of specific issues was conducted.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BUF765**
 PROGRAM STRUCTURE NO: **07010194**
 PROGRAM TITLE: **HEALTH PREMIUM PAYMENTS - DOE**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OTHER CURRENT EXPENSES	151,805,813	151,427,421	151,493,154	154,523,017	157,613	160,766	163,981	167,261
TOTAL OPERATING COST	151,805,813	151,427,421	151,493,154	154,523,017	157,613	160,766	163,981	167,261
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	151,805,813	151,427,421	151,493,154	154,523,017	157,613	160,766	163,981	167,261
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	151,805,813	151,427,421	151,493,154	154,523,017	157,613	160,766	163,981	167,261

Program Plan Narrative

BUF765: HEALTH PREMIUM PAYMENTS - DOE

07 01 01 94

A. Statement of Program Objectives

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

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Total adjustments to employer contribution requirements health benefit premiums for State employees in the DOE, including Charter Schools, are increases of \$65,733 in FY 24 and \$3,095,596 in FY 25.

C. Description of Activities Performed

The major activity of this program is the determination and payment of employer contributions for health benefit premiums for eligible DOE and Charter School employees, retirees, and their dependents.

D. Statement of Key Policies Pursued

Health benefit contributions for employees and their dependents are collectively bargained and are considered fixed cost items. Employer contributions for retirees and their dependents are subject to base monthly contribution limits established in Chapter 87A, HRS.

E. Identification of Important Program Relationships

None.

F. Description of Major External Trends Affecting the Program

Escalating health care costs is a national issue impacted by a multitude of factors. The establishment in 2001 of the Hawaii Employer-Union Health Benefits Trust Fund was intended to control rising costs by giving the Board of Trustees full flexibility in the plan designs, limitation of future expenditures for retiree benefits, and setting of employer contributions for active employees at a fixed dollar amount.

G. Discussion of Cost, Effectiveness, and Program Size Data

None.

H. Discussion of Program Revenues

None.

I. Summary of Analysis Performed

No significant analysis of specific issues was conducted.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BUF725**
 PROGRAM STRUCTURE NO: **07010196**
 PROGRAM TITLE: **DEBT SERVICE PAYMENTS - DOE**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OTHER CURRENT EXPENSES	402,052,729	414,210,429	389,711,179	436,740,072	496,821	551,870	593,598	611,167
TOTAL OPERATING COST	402,052,729	414,210,429	389,711,179	436,740,072	496,821	551,870	593,598	611,167
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	402,052,729	414,210,429	389,711,179	436,740,072	496,821	551,870	593,598	611,167
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	402,052,729	414,210,429	389,711,179	436,740,072	496,821	551,870	593,598	611,167

Program Plan Narrative

BUF725: DEBT SERVICE PAYMENTS - DOE

07 01 01 96

A. Statement of Program Objectives

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

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The request reflects a decrease of \$24,449,250 (principal decrease of \$37,610,796 and interest increase of \$13,111,546) in debt service costs in FY 24 and an increase of \$22,529,643 (principal decrease of \$13,846,803 and interest increase of \$36,376,446) in debt service costs in FY 25 over the established FY 23 budget ceiling. Increased debt service requirements are to provide funding for debt service for the DOE and are based on projections updated November 2022 (currently authorized in the State Bond Bill - House Bill No. 1540, S.D. 1, C.D. 1, SLH 2022). Assumption: projected interest rate of 6.75% and bond sales of \$1.25 billion in FY 24; \$1.15 billion in FY 25; \$1.15 billion in FY 26; and \$1.1 billion in FY 27.

C. Description of Activities Performed

Closely monitor the municipal bond market in planning, directing, and coordinating the structure and sale of general obligation (G.O.) bonds to allow the State to obtain the lowest overall cost of financing.

D. Statement of Key Policies Pursued

Adhere to strict federal and State statutes relating to the tax-exempt status of the bonds.

E. Identification of Important Program Relationships

None.

F. Description of Major External Trends Affecting the Program

Financing costs are impacted directly by the overall financial markets, on a local, national, and international level. Specifically, the impacts of these markets on the U.S. municipal bond markets affect the interest rates incurred in the sale of the G.O. bonds. In addition, the condition of Hawaii's economy and management of the State's budget affect bond ratings, which in turn, have an impact on interest rates paid on the bonds.

G. Discussion of Cost, Effectiveness, and Program Size Data

None.

H. Discussion of Program Revenues

Dependent upon market conditions, a premium on the sale of the bonds may be generated, which is credited to the general fund.

I. Summary of Analysis Performed

Financial analyses are conducted during each bond sale to determine the most cost efficient means to structure the bonds while achieving the program goals.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OTHER CURRENT EXPENSES	404,543,170	406,464,213	406,299,267	439,415,910	468,158	494,217	515,460	527,877
TOTAL OPERATING COST	404,543,170	406,464,213	406,299,267	439,415,910	468,158	494,217	515,460	527,877
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	404,543,170	406,464,213	406,299,267	439,415,910	468,158	494,217	515,460	527,877
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	404,543,170	406,464,213	406,299,267	439,415,910	468,158	494,217	515,460	527,877

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OTHER CURRENT EXPENSES	404,543,170	406,464,213	406,299,267	439,415,910	468,158	494,217	515,460	527,877
TOTAL OPERATING COST	404,543,170	406,464,213	406,299,267	439,415,910	468,158	494,217	515,460	527,877
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	404,543,170	406,464,213	406,299,267	439,415,910	468,158	494,217	515,460	527,877
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	404,543,170	406,464,213	406,299,267	439,415,910	468,158	494,217	515,460	527,877

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BUF748**
 PROGRAM STRUCTURE NO: **07030892**
 PROGRAM TITLE: **RETIREMENT BENEFITS - UH**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OTHER CURRENT EXPENSES	199,541,901	198,502,486	205,849,964	220,436,922	225,796	230,312	234,918	239,616
TOTAL OPERATING COST	199,541,901	198,502,486	205,849,964	220,436,922	225,796	230,312	234,918	239,616
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	199,541,901	198,502,486	205,849,964	220,436,922	225,796	230,312	234,918	239,616
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	199,541,901	198,502,486	205,849,964	220,436,922	225,796	230,312	234,918	239,616

Program Plan Narrative

BUF748: RETIREMENT BENEFITS - UH

07 03 08 92

A. Statement of Program Objectives

To provide funds for retirement benefits payments to support University of Hawaii (UH) personnel.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Total adjustments to employer contribution requirements for pension accumulation and Social Security/Medicare for State employees of UH are increases of \$7,347,478 in FY 24 and \$21,934,436 in FY 25.

C. Description of Activities Performed

The major activity of this program is the determination and payment of employer contributions for pension accumulation and Social Security/Medicare.

D. Statement of Key Policies Pursued

Pension accumulation contributions are based on a percentage of payroll as stipulated in Chapter 88, HRS. Social Security/Medicare contributions are federally mandated and based on assessment rates of 6.2% for Social Security and 1.45% for Medicare.

E. Identification of Important Program Relationships

Federal, special, and general funded programs of the State and all county programs are affected by the retirement program because of the annual employer appropriation requirements. Social Security Administration policy and tax changes also have a direct effect on the State's liability.

F. Description of Major External Trends Affecting the Program

The employer contribution rates for pension accumulation do not reflect the market turmoil that global investment assets have experienced. While the actuarial methodology recognizes some year-to-year market volatility, future program requirements may be adversely impacted by future investment experience.

G. Discussion of Cost, Effectiveness, and Program Size Data

See discussion above for Item F.

H. Discussion of Program Revenues

Employer contributions for the Pension Accumulation Fund received from the State and counties are based on a percentage of payroll.

I. Summary of Analysis Performed

No significant analysis of specific issues was conducted.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BUF768**
 PROGRAM STRUCTURE NO: **07030894**
 PROGRAM TITLE: **HEALTH PREMIUM PAYMENTS - UH**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OTHER CURRENT EXPENSES	56,202,093	54,663,003	56,217,718	57,342,073	58,489	59,659	60,852	62,069
TOTAL OPERATING COST	56,202,093	54,663,003	56,217,718	57,342,073	58,489	59,659	60,852	62,069
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	56,202,093	54,663,003	56,217,718	57,342,073	58,489	59,659	60,852	62,069
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	56,202,093	54,663,003	56,217,718	57,342,073	58,489	59,659	60,852	62,069

Program Plan Narrative

BUF768: HEALTH PREMIUM PAYMENTS - UH

07 03 08 94

A. Statement of Program Objectives

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

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Total adjustments to employer contribution requirements for health benefit premiums for State employees of UH are increases of \$1,554,715 in FY 24 and \$2,679,070 in FY 25.

C. Description of Activities Performed

The major activity of this program is the determination and payment of employer contributions for health benefit premiums for eligible UH employees, retirees, and their dependents.

D. Statement of Key Policies Pursued

Health benefit contributions for employees and their dependents are collectively bargained and are considered fixed cost items. Employer contributions for retirees and their dependents are subject to base monthly contribution limits established in Chapter 87A, HRS.

E. Identification of Important Program Relationships

None.

F. Description of Major External Trends Affecting the Program

Escalating health care costs is a national issue impacted by a multitude of factors. The establishment in 2001 of the Hawaii Employer-Union Health Benefits Trust Fund was intended to control rising costs by giving the Board of Trustees full flexibility in the plan designs, limitation of future expenditures for retiree benefits, and setting of employer contributions for active employees at a fixed dollar amount.

G. Discussion of Cost, Effectiveness, and Program Size Data

None.

H. Discussion of Program Revenues

None.

I. Summary of Analysis Performed

No significant analysis of specific issues was conducted.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BUF728**
 PROGRAM STRUCTURE NO: **07030896**
 PROGRAM TITLE: **DEBT SERVICE PAYMENTS - UH**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OTHER CURRENT EXPENSES	148,799,176	153,298,724	144,231,585	161,636,915	183,873	204,246	219,690	226,192
TOTAL OPERATING COST	148,799,176	153,298,724	144,231,585	161,636,915	183,873	204,246	219,690	226,192
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	148,799,176	153,298,724	144,231,585	161,636,915	183,873	204,246	219,690	226,192
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	148,799,176	153,298,724	144,231,585	161,636,915	183,873	204,246	219,690	226,192

Program Plan Narrative

BUF728: DEBT SERVICE PAYMENTS - UH

07 03 08 96

A. Statement of Program Objectives

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

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The request reflects a decrease of \$9,067,139 (principal decrease of \$13,919,705 and interest increase of \$4,852,566) in debt service costs in FY 24 and an increase of \$8,338,191 (principal decrease of \$5,124,683 and interest increase of \$13,462,874) in debt service costs in FY 25 over the established FY 23 budget ceiling. Increased debt service requirements are to provide funding for debt service for UH and are based on projections updated November 2022 (currently authorized in the State Bond Bill - House Bill No. 1540, S.D. 1, C.D. 1, SLH 2022). Assumption: projected interest rate of 6.75% and bond sales of \$1.25 billion in FY 24; \$1.15 billion in FY 25; \$1.15 billion in FY 26; and \$1.1 billion in FY 27.

C. Description of Activities Performed

Closely monitor the municipal bond market in planning, directing, and coordinating the structure and sale of general obligation (G.O.) bonds to allow the State to obtain the lowest overall cost of financing.

D. Statement of Key Policies Pursued

Adhere to strict federal and State statutes relating to the tax-exempt status of the bonds.

E. Identification of Important Program Relationships

None.

F. Description of Major External Trends Affecting the Program

Financing costs are impacted directly by the overall financial markets, on a local, national, and international level. Specifically, the impacts of these markets on the U.S. municipal bond markets affect the interest rates incurred in the sale of the G.O. bonds. In addition, the condition of Hawaii's economy and management of the State's budget affect bond ratings, which in turn, have an impact on interest rates paid on the bonds.

G. Discussion of Cost, Effectiveness, and Program Size Data

None.

H. Discussion of Program Revenues

Dependent upon market conditions, a premium on the sale of the bonds may be generated, which is credited to the general fund.

I. Summary of Analysis Performed

Financial analyses are conducted during each bond sale to determine the most cost efficient means to structure the bonds while achieving the program goals.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	133.50*	133.50*	133.50*	133.50*	133.5*	133.5*	133.5*	133.5*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	11,762,307	11,762,307	12,366,799	12,768,181	12,768	12,768	12,768	12,768
OTHER CURRENT EXPENSES	745,690	745,690	745,690	745,690	746	746	746	746
TOTAL OPERATING COST	12,507,997	12,507,997	13,112,489	13,513,871	13,514	13,514	13,514	13,514
BY MEANS OF FINANCING	133.50*	133.50*	133.50*	133.50*	133.5*	133.5*	133.5*	133.5*
	**	**	**	**	**	**	**	**
GENERAL FUND	12,507,997	12,507,997	13,112,489	13,513,871	13,514	13,514	13,514	13,514
TOTAL PERM POSITIONS	133.50*	133.50*	133.50*	133.50*	133.5*	133.5*	133.5*	133.5*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	12,507,997	12,507,997	13,112,489	13,513,871	13,514	13,514	13,514	13,514

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	133.50*	133.50*	133.50*	133.50*	133.5*	133.5*	133.5*	133.5*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	11,762,307	11,762,307	12,366,799	12,768,181	12,768	12,768	12,768	12,768
OTHER CURRENT EXPENSES	745,690	745,690	745,690	745,690	746	746	746	746
TOTAL OPERATING COST	12,507,997	12,507,997	13,112,489	13,513,871	13,514	13,514	13,514	13,514
BY MEANS OF FINANCING	133.50*	133.50*	133.50*	133.50*	133.5*	133.5*	133.5*	133.5*
	**	**	**	**	**	**	**	**
GENERAL FUND	12,507,997	12,507,997	13,112,489	13,513,871	13,514	13,514	13,514	13,514
TOTAL PERM POSITIONS	133.50*	133.50*	133.50*	133.50*	133.5*	133.5*	133.5*	133.5*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	12,507,997	12,507,997	13,112,489	13,513,871	13,514	13,514	13,514	13,514

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BUF151**
 PROGRAM STRUCTURE NO: **100301**
 PROGRAM TITLE: **OFFICE OF THE PUBLIC DEFENDER**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	133.50*	133.50*	133.50*	133.50*	133.5*	133.5*	133.5*	133.5*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	11,762,307	11,762,307	12,366,799	12,768,181	12,768	12,768	12,768	12,768
OTHER CURRENT EXPENSES	745,690	745,690	745,690	745,690	746	746	746	746
TOTAL OPERATING COST	12,507,997	12,507,997	13,112,489	13,513,871	13,514	13,514	13,514	13,514
BY MEANS OF FINANCING	133.50*	133.50*	133.50*	133.50*	133.5*	133.5*	133.5*	133.5*
	**	**	**	**	**	**	**	**
GENERAL FUND	12,507,997	12,507,997	13,112,489	13,513,871	13,514	13,514	13,514	13,514
TOTAL PERM POSITIONS	133.50*	133.50*	133.50*	133.50*	133.5*	133.5*	133.5*	133.5*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	12,507,997	12,507,997	13,112,489	13,513,871	13,514	13,514	13,514	13,514

Program Plan Narrative

BUF151: OFFICE OF THE PUBLIC DEFENDER

10 03 01

A. Statement of Program Objectives

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 a quality training program for deputy defender staff.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

No requests for FB 2023-25.

C. Description of Activities Performed

Program activities include providing comprehensive legal and related services to the target group in all police, judicial and related administrative proceedings in the following situations:

- Custodial interrogations and lineups
- Preliminary hearings
- Arraignments
- Pretrial release and bail hearings
- Pretrial motions proceedings
- Pretrial investigations
- Trial proceedings
- Sentencing proceedings
- Minimum term and parole hearings
- Appellate and post-conviction proceedings
- Bench warrant, extradition and material witness proceedings

- Family Court juvenile and adult proceedings
- Order to Show Cause proceedings in spouse abuse and other contempt matters in the Family Courts
- Involuntary commitment and out-patient proceedings
- Legal advisement of persons in police custody and members of the public

D. Statement of Key Policies Pursued

Provide comprehensive legal and other necessary services in criminal and related cases at the least possible cost. The scope of services that must be provided generally is dictated by the federal and State Constitutions, State statutes, judicial rules, decisions and opinions, and the canons of professional ethics.

E. Identification of Important Program Relationships

While the program is necessarily affected by the activities of key components within the criminal justice system (police, prosecution, courts, corrections, parole), the adversarial nature of the program's responsibilities precludes significant relationship with other agencies. The Office of the Public Defender is recognized as an agency which is a critical component of the criminal justice system and has a seat on a number of judiciary committees that address issues and problems within the system.

F. Description of Major External Trends Affecting the Program

The Office of the Public Defender (OPD) is constitutionally mandated to provide legal assistance to all indigent accused persons requesting representation in misdemeanor, family, and felony cases. Staffing requirements for OPD is dependent not only upon the sheer volume of cases handled by the Office but is also directly related to administrative changes by the Judiciary. When the Judiciary expands by the addition of judges or the addition of court days, workload for the Office increases. The Judiciary continues to make organizational changes in its effort to process greater numbers of criminal prosecutions in a reduced time period; this in turn has continued to significantly impact the Office.

Program Plan Narrative

BUF151: OFFICE OF THE PUBLIC DEFENDER

10 03 01

Workload is also impacted by changes in the law increasing the need for representation (i.e., mandatory sentencing laws, sex offender registry). Increase in clerical staffing requirements on Oahu and the neighbor islands are currently required to fulfill the statutory mandate of OPD.

G. Discussion of Cost, Effectiveness, and Program Size Data

Planned level of program effectiveness is measured in the number of clients provided effective representation. The goal of the agency is to avoid judicial or disciplinary counsel determinations of ineffective assistance of counsel that would reflect a major denial of federal and State Constitutional rights, as well as to operate efficiently within its allocated budgetary guidelines. The program has realized its planned level of effectiveness in the past biennial period.

H. Discussion of Program Revenues

Pursuant to statute, if at any time after counsel is appointed, the court is satisfied that a defendant is financially able to obtain counsel or to make partial payment for the representation, the court may terminate the appointment of counsel, unless the person so represented is willing to pay for the representation. If appointed counsel continues the representation, the court shall direct payment for such representation as the interests of justice may dictate. Any payments directed by the court shall be general fund realizations.

This reimbursement process is employed in those very rare instances where a defendant has subsequent ability to pay for counsel. Additionally, consideration has been given to requiring some contribution from all but the most impecunious of clients. It is believed that this would require costs of collection and accounting that would far outweigh the benefit.

I. Summary of Analysis Performed

Improvement in future years will be contingent upon program expansion commensurate with the increase in the size of the target group. It remains difficult to anticipate fluctuations in the target group to provide a staffing and funding pattern to assure an optimum level of effectiveness. Nonetheless, policy changes initiated within the Judiciary, such as expansion of court days and number of courts, and an increased weekly

trial setting to reduce case backlogs in felony, district, and family courts have imposed burdens that require relief through expansion of staff resources.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	240.00*	248.00*	252.00*	252.00*	252.0*	252.0*	252.0*	252.0*
	2.00**	2.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	23,910,991	48,295,165	36,661,265	37,635,671	37,636	37,636	37,636	37,636
OTHER CURRENT EXPENSES	1,900,279,236	2,285,573,563	2,931,191,114	2,563,792,092	2,678,967	2,636,821	2,733,144	2,803,309
EQUIPMENT	115,260	175,580	98,900	98,900	99	99	99	99
TOTAL OPERATING COST	1,924,305,487	2,334,044,308	2,967,951,279	2,601,526,663	2,716,702	2,674,556	2,770,879	2,841,044
BY MEANS OF FINANCING	58.00*	66.00*	67.00*	67.00*	67.0*	67.0*	67.0*	67.0*
	**	**	**	**	**	**	**	**
GENERAL FUND	1,502,934,202	1,910,956,600	2,544,535,453	2,177,403,553	2,292,579	2,250,433	2,346,756	2,416,921
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
SPECIAL FUND	377,575,000	378,143,452	377,575,000	377,575,000	377,575	377,575	377,575	377,575
	70.00*	70.00*	70.00*	70.00*	70.0*	70.0*	70.0*	70.0*
	**	**	**	**	**	**	**	**
TRUST FUNDS	20,841,766	20,841,766	21,221,917	21,449,888	21,449	21,449	21,449	21,449
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
INTERDEPARTMENTAL TRANSFERS	4,000,000	4,000,000	4,000,000	4,000,000	4,000	4,000	4,000	4,000
	112.00*	112.00*	115.00*	115.00*	115.0*	115.0*	115.0*	115.0*
	2.00**	2.00**	**	**	**	**	**	**
OTHER FUNDS	18,954,519	20,102,490	20,618,909	21,098,222	21,099	21,099	21,099	21,099
CAPITAL IMPROVEMENT COSTS								
PLANS		2,884,000						
LAND ACQUISITION		1,000						
DESIGN		2,884,000						
CONSTRUCTION		109,705,000						
EQUIPMENT		1,000						
TOTAL CAPITAL EXPENDITURES		115,475,000						

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
BY MEANS OF FINANCING A R P FUNDS		115,475,000						
TOTAL PERM POSITIONS	240.00*	248.00*	252.00*	252.00*	252.0*	252.0*	252.0*	252.0*
TOTAL TEMP POSITIONS	2.00**	2.00**	**	**	**	**	**	**
TOTAL PROGRAM COST	1,924,305,487	2,449,519,308	2,967,951,279	2,601,526,663	2,716,702	2,674,556	2,770,879	2,841,044

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	43.00*	51.00*	52.00*	52.00*	52.0*	52.0*	52.0*	52.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	3,792,969	27,363,036	14,659,271	14,883,042	14,883	14,883	14,883	14,883
OTHER CURRENT EXPENSES	384,978,671	384,983,831	884,983,831	384,983,831	384,984	384,984	384,984	384,984
EQUIPMENT		13,700						
TOTAL OPERATING COST	388,771,640	412,360,567	899,643,102	399,866,873	399,867	399,867	399,867	399,867
BY MEANS OF FINANCING	43.00*	51.00*	52.00*	52.00*	52.0*	52.0*	52.0*	52.0*
	**	**	**	**	**	**	**	**
GENERAL FUND	11,196,640	34,217,115	522,068,102	22,291,873	22,292	22,292	22,292	22,292
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
SPECIAL FUND	377,575,000	378,143,452	377,575,000	377,575,000	377,575	377,575	377,575	377,575
CAPITAL IMPROVEMENT COSTS								
PLANS		2,884,000						
LAND ACQUISITION		1,000						
DESIGN		2,884,000						
CONSTRUCTION		109,705,000						
EQUIPMENT		1,000						
TOTAL CAPITAL EXPENDITURES		115,475,000						
BY MEANS OF FINANCING								
A R P FUNDS		115,475,000						
TOTAL PERM POSITIONS	43.00*	51.00*	52.00*	52.00*	52.0*	52.0*	52.0*	52.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	388,771,640	527,835,567	899,643,102	399,866,873	399,867	399,867	399,867	399,867

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	43.00*	51.00*	52.00*	52.00*	52.0*	52.0*	52.0*	52.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	3,792,969	27,363,036	14,659,271	14,883,042	14,883	14,883	14,883	14,883
OTHER CURRENT EXPENSES	384,978,671	384,983,831	884,983,831	384,983,831	384,984	384,984	384,984	384,984
EQUIPMENT		13,700						
TOTAL OPERATING COST	388,771,640	412,360,567	899,643,102	399,866,873	399,867	399,867	399,867	399,867
BY MEANS OF FINANCING	43.00*	51.00*	52.00*	52.00*	52.0*	52.0*	52.0*	52.0*
	**	**	**	**	**	**	**	**
GENERAL FUND	11,196,640	34,217,115	522,068,102	22,291,873	22,292	22,292	22,292	22,292
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
SPECIAL FUND	377,575,000	378,143,452	377,575,000	377,575,000	377,575	377,575	377,575	377,575
CAPITAL IMPROVEMENT COSTS								
PLANS		2,884,000						
LAND ACQUISITION		1,000						
DESIGN		2,884,000						
CONSTRUCTION		109,705,000						
EQUIPMENT		1,000						
TOTAL CAPITAL EXPENDITURES		115,475,000						
BY MEANS OF FINANCING								
A R P FUNDS		115,475,000						
TOTAL PERM POSITIONS	43.00*	51.00*	52.00*	52.00*	52.0*	52.0*	52.0*	52.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	388,771,640	527,835,567	899,643,102	399,866,873	399,867	399,867	399,867	399,867

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BUF101**
 PROGRAM STRUCTURE NO: **11010305**
 PROGRAM TITLE: **DEPARTMENTAL ADMINISTRATION & BUDGET DIV**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	43.00*	51.00*	52.00*	52.00*	52.0*	52.0*	52.0*	52.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	3,792,969	4,051,053	4,959,271	5,183,042	5,183	5,183	5,183	5,183
OTHER CURRENT EXPENSES	384,978,671	384,983,831	884,983,831	384,983,831	384,984	384,984	384,984	384,984
EQUIPMENT		13,700						
TOTAL OPERATING COST	388,771,640	389,048,584	889,943,102	390,166,873	390,167	390,167	390,167	390,167
BY MEANS OF FINANCING	43.00*	51.00*	52.00*	52.00*	52.0*	52.0*	52.0*	52.0*
	**	**	**	**	**	**	**	**
GENERAL FUND	11,196,640	11,473,584	512,368,102	12,591,873	12,592	12,592	12,592	12,592
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
SPECIAL FUND	377,575,000	377,575,000	377,575,000	377,575,000	377,575	377,575	377,575	377,575
CAPITAL IMPROVEMENT COSTS								
PLANS		2,884,000						
LAND ACQUISITION		1,000						
DESIGN		2,884,000						
CONSTRUCTION		109,705,000						
EQUIPMENT		1,000						
TOTAL CAPITAL EXPENDITURES		115,475,000						
BY MEANS OF FINANCING								
A R P FUNDS		115,475,000						
TOTAL PERM POSITIONS	43.00*	51.00*	52.00*	52.00*	52.0*	52.0*	52.0*	52.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	388,771,640	504,523,584	889,943,102	390,166,873	390,167	390,167	390,167	390,167

Program Plan Narrative

BUF101: DEPARTMENTAL ADMINISTRATION & BUDGET DIV

11 01 03 05

A. Statement of Program Objectives

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 and Compliance with Section 37-68(1)(A)(B)

Request for \$500,000,000 in general funds in FY 24 to make a deposit into the Emergency and Budget Reserve pursuant to Article VII, Section 6, Hawaii State Constitution.

Request for increases to personal services of \$251,256 in general funds in FY 24 and \$267,744 in FY 25 to provide full-year funding for 6.00 permanent positions in the Budget, Program Planning and Management Division.

Request for \$240,000 in general funds in FY 24 and FY 25 to revise departmental managerial positions' classifications and compensation.

Request for increases to personal services of \$59,520 in general funds in FY 24 and \$64,128 in FY 25 to provide full-year funding for 2.00 permanent positions in the Administrative and Research Office.

Request for 1.00 permanent position and \$28,140 in FY 24 and \$58,296 in FY 25 to restore an Accountant III abolished in FY 22 by Act 88, SLH 2021, as amended by Act 248, SLH 2022.

C. Description of Activities Performed

1. Conducts continuous review and advises the Governor on the financial condition of the State.
2. Assists in the preparation, explanation, and administration of the State's long-range plans; proposed six-year program and financial plan; and State budget.
3. Performs other staff services for the Governor as required.

4. Advises on and monitors compliance of the budget execution policies and procedures.
5. Conducts comprehensive and in-depth analysis on State programs, operations, problems, and issues to provide management with a sound, rational basis for decision-making.
6. Provides information requested by the Legislature.
7. Reviews proposed legislation and recommends appropriate action to the Governor on bills awaiting signature.
8. Develops, designs, and implements government-wide management improvement projects to increase the effectiveness and economical use of management resources.
9. Provides administrative support activities to the department.

D. Statement of Key Policies Pursued

The method of attaining the program objectives is the implementation of legislative policies expressed in Chapter 37, HRS.

E. Identification of Important Program Relationships

This program has significant relationships with the Legislature and Staff agencies to ensure that the State budget is consistent with applicable laws and policies.

This program also works with the Financial Administration Division (BUF 115) to ensure availability of funds for capital improvement projects.

Program Plan Narrative

BUF101: DEPARTMENTAL ADMINISTRATION & BUDGET DIV

11 01 03 05

F. Description of Major External Trends Affecting the Program

The state of the economy, on the national, international, and local levels, is a major focus area of this program. The program must continually assess and evaluate the State's overall financial condition. It is important to keep abreast of local, national, and international economic, social, and financial trends affecting financing and investments. This program must be aware of federal and State laws, rules and issues related to investments, debt financing, and cash management to ensure that the State's financial policies and procedures are in conformance.

When new procedures are necessary to ensure conformance, they must be implemented in a timely manner.

Since the cash resources of the State constitute a significant and important aspect of the financial management of the State, trends in interest rates are closely monitored. The State's investment earnings are determined to a large extent by the prevailing interest rates of short-term securities. The prime-lending rate of the banks, which generally sets the tone for all investment rates, is closely monitored.

G. Discussion of Cost, Effectiveness, and Program Size Data

Measures of effectiveness for this program have been and will continue to be impacted as a result of the reductions in program resources necessary to meet the departmental budget reduction targets in previous budgets.

H. Discussion of Program Revenues

There are no significant direct revenues collected by this program.

I. Summary of Analysis Performed

No significant analysis of specific issues was conducted.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:
PROGRAM STRUCTURE NO:
PROGRAM TITLE:

BUF102
11010307
COLLECTIVE BARGAINING STATEWIDE

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	0.00*	0.00*	0.00*	0.00*	0.0*	0.0*	0.0*	0.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES		10,470,226						
TOTAL OPERATING COST	0	10,470,226	0	0	0	0	0	0
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND		10,393,216						
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
SPECIAL FUND		77,010						
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST		10,470,226						

Program Plan Narrative

BUF102: COLLECTIVE BARGAINING STATEWIDE

11 01 03 07

A. Statement of Program Objectives

To facilitate the allotment and disbursement of statewide collective bargaining appropriations.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

No requests for FB 2023-25.

C. Description of Activities Performed

Statewide disbursement of funds for collective bargaining.

D. Statement of Key Policies Pursued

Pursuant to Collective Bargaining Agreements, Executive Orders, and enacted specific appropriations.

E. Identification of Important Program Relationships

None.

F. Description of Major External Trends Affecting the Program

None.

G. Discussion of Cost, Effectiveness, and Program Size Data

None.

H. Discussion of Program Revenues

None.

I. Summary of Analysis Performed

No significant analysis of specific issues was conducted.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:
PROGRAM STRUCTURE NO:
PROGRAM TITLE:

BUF103
11010308
VACATION PAYOUT - STATEWIDE

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	0.00*	0.00*	0.00*	0.00*	0.0*	0.0*	0.0*	0.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES		12,841,757	9,700,000	9,700,000	9,700	9,700	9,700	9,700
TOTAL OPERATING COST	0	12,841,757	9,700,000	9,700,000	9,700	9,700	9,700	9,700
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND		12,350,315	9,700,000	9,700,000	9,700	9,700	9,700	9,700
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
SPECIAL FUND		491,442						
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST		12,841,757	9,700,000	9,700,000	9,700	9,700	9,700	9,700

Program Plan Narrative

BUF103: VACATION PAYOUT - STATEWIDE

11 01 03 08

A. Statement of Program Objectives

To provide a centralized annual vacation payout for all State departments, including the Department of Education and the University of Hawaii.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

No requests for FB 2023-25.

C. Description of Activities Performed

Statewide disbursement of funds to cover annual vacation payout needs.

D. Statement of Key Policies Pursued

Pursuant to Collective Bargaining Agreements, Executive Orders, and enacted specific appropriations.

E. Identification of Important Program Relationships

None.

F. Description of Major External Trends Affecting the Program

None.

G. Discussion of Cost, Effectiveness, and Program Size Data

None.

H. Discussion of Program Revenues

None.

I. Summary of Analysis Performed

No significant analysis of specific issues was conducted.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	24.00*	24.00*	24.00*	24.00*	24.0*	24.0*	24.0*	24.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	1,726,892	1,831,948	1,944,753	2,012,827	2,013	2,013	2,013	2,013
OTHER CURRENT EXPENSES	478,413,732	492,761,913	617,036,206	670,517,365	738,948	652,146	700,534	720,908
TOTAL OPERATING COST	480,140,624	494,593,861	618,980,959	672,530,192	740,961	654,159	702,547	722,921
BY MEANS OF FINANCING	15.00*	15.00*	15.00*	15.00*	15.0*	15.0*	15.0*	15.0*
	**	**	**	**	**	**	**	**
GENERAL FUND	468,401,636	482,854,873	607,199,201	660,723,711	729,155	642,353	690,741	711,115
	9.00*	9.00*	9.00*	9.00*	9.0*	9.0*	9.0*	9.0*
	**	**	**	**	**	**	**	**
TRUST FUNDS	11,738,988	11,738,988	11,781,758	11,806,481	11,806	11,806	11,806	11,806
TOTAL PERM POSITIONS	24.00*	24.00*	24.00*	24.00*	24.0*	24.0*	24.0*	24.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	480,140,624	494,593,861	618,980,959	672,530,192	740,961	654,159	702,547	722,921

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	24.00*	24.00*	24.00*	24.00*	24.0*	24.0*	24.0*	24.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	1,726,892	1,831,948	1,944,753	2,012,827	2,013	2,013	2,013	2,013
OTHER CURRENT EXPENSES	478,413,732	492,761,913	617,036,206	670,517,365	738,948	652,146	700,534	720,908
TOTAL OPERATING COST	480,140,624	494,593,861	618,980,959	672,530,192	740,961	654,159	702,547	722,921
BY MEANS OF FINANCING								
	15.00*	15.00*	15.00*	15.00*	15.0*	15.0*	15.0*	15.0*
	**	**	**	**	**	**	**	**
GENERAL FUND	468,401,636	482,854,873	607,199,201	660,723,711	729,155	642,353	690,741	711,115
	9.00*	9.00*	9.00*	9.00*	9.0*	9.0*	9.0*	9.0*
	**	**	**	**	**	**	**	**
TRUST FUNDS	11,738,988	11,738,988	11,781,758	11,806,481	11,806	11,806	11,806	11,806
TOTAL PERM POSITIONS	24.00*	24.00*	24.00*	24.00*	24.0*	24.0*	24.0*	24.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	480,140,624	494,593,861	618,980,959	672,530,192	740,961	654,159	702,547	722,921

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BUF115**
 PROGRAM STRUCTURE NO: **11020301**
 PROGRAM TITLE: **FINANCIAL ADMINISTRATION**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	24.00*	24.00*	24.00*	24.00*	24.0*	24.0*	24.0*	24.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	1,726,892	1,831,948	1,944,753	2,012,827	2,013	2,013	2,013	2,013
OTHER CURRENT EXPENSES	12,182,896	12,432,896	12,207,896	12,182,896	12,183	12,183	12,183	12,183
TOTAL OPERATING COST	13,909,788	14,264,844	14,152,649	14,195,723	14,196	14,196	14,196	14,196
BY MEANS OF FINANCING								
	15.00*	15.00*	15.00*	15.00*	15.0*	15.0*	15.0*	15.0*
	**	**	**	**	**	**	**	**
GENERAL FUND	2,170,800	2,525,856	2,370,891	2,389,242	2,390	2,390	2,390	2,390
	9.00*	9.00*	9.00*	9.00*	9.0*	9.0*	9.0*	9.0*
	**	**	**	**	**	**	**	**
TRUST FUNDS	11,738,988	11,738,988	11,781,758	11,806,481	11,806	11,806	11,806	11,806
TOTAL PERM POSITIONS	24.00*	24.00*	24.00*	24.00*	24.0*	24.0*	24.0*	24.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	13,909,788	14,264,844	14,152,649	14,195,723	14,196	14,196	14,196	14,196

Program Plan Narrative

BUF115: FINANCIAL ADMINISTRATION

11 02 03 01

A. Statement of Program Objectives

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 and Compliance with Section 37-68(1)(A)(B)

No requests for FB 2023-25.

C. Description of Activities Performed

One of the major activities of this program is to plan, direct, and coordinate the overall financial policies that govern investments and the issuance and marketing of State of Hawaii bonds.

Other major activities of this program are to receive, safeguard, and disburse funds in the State Treasury to meet payment of State obligations and invest moneys in excess of the amount necessary for meeting the immediate requirements of the State.

The program also administers the Unclaimed Property function by assuming custody and responsibility for the safekeeping of property presumed to be abandoned. This function includes the return of property presumed abandoned when the rightful owners file appropriate claims.

The program also administers the State's 529 college savings program authorized by Section 256, HRS, to provide a way for families to save for higher education.

D. Statement of Key Policies Pursued

Manage State funds based on criteria of safety, liquidity, and yield to ensure payment of State obligations in a timely manner. Invest funds consistent with the Administration's policy, which provides that in cases where State monies are in excess of the amount necessary to meet immediate requirements, and where action will not impede or hamper the financial operation of the State, such monies shall be invested in the type of investments permitted under Chapter 36, HRS. Section 40-7, HRS, requires an annual count of monies and securities in the State Treasury.

Determine the specific dates and amounts of bond sales based on cash requirements of the State and prevailing money market conditions.

E. Identification of Important Program Relationships

Investments of cash in excess of the State's immediate requirements are made on a regular basis with banks and financial institutions. In an effort to maximize the interest earnings for the State, this program works closely with these institutions to obtain the best possible interest rates at any given time.

Relationships with primary banks are important to obtain necessary cash management services to deposit, disburse, and transfer funds for daily operations of the State's departments.

To carry out the coordination of the State's Bond Program, direct involvement with other State department programs is necessary in areas such as: 1) directing the activities of and participating in issuing revenue bonds; and 2) evaluating and recommending alternative financing options to meet funding requirements.

This program is instrumental in directing all activities of a bond issue. Essential to planning the issuance and marketing the sale of bonds is a good working relationship with the bond counsel, underwriters, investment banking firms, and other private sector entities. Coordination of the timing of bond issuances by the State and four counties is important to avoid having a number of Hawaii issues in the marketplace at any one time which would lead to higher interest costs for all issuers and a negative impact on the marketability of the bonds.

Also important in the marketability of a bond is the bond rating established by national bond rating agencies. Any factors which would possibly affect the State's bond rating are conveyed in a timely manner to these agencies.

F. Description of Major External Trends Affecting the Program

The state of the economy, on the national, international, and local levels, is a major focus area of this program. The program must continually assess and evaluate the State's overall financial condition. It is important to keep abreast of local, national, and international economic, social, and

Program Plan Narrative

BUF115: FINANCIAL ADMINISTRATION

11 02 03 01

financial trends affecting financing and investments. This program must be aware of federal and State laws, rules, and issues related to investments, debt financing, and cash management to ensure that the State's financial policies and procedures are in conformance. When new procedures are necessary to ensure conformance, they must be implemented in a timely manner.

Since the cash resources of the State constitute a significant and important aspect of the financial management of the State, trends in interest rates are closely monitored. The State's investment earnings are determined to a large extent by the prevailing interest rates of short-term securities. The prime-lending rate of the banks, which generally sets the tone for all investment rates, is closely monitored. The recent national and global market conditions have impacted the type of acceptable investments and rate of return on the investment portfolio.

Advancements in technology and changes in the banking industry toward electronic processing have required new processes and projects to take advantage of efficiency improvements available.

G. Discussion of Cost, Effectiveness, and Program Size Data

None.

H. Discussion of Program Revenues

Major program revenues are derived from the following sources:

- a. Interest earned on interest bearing demand accounts.
- b. Interest earned on authorized investments of funds deposited in the State Treasury.
- c. Payments from State agencies for the reimbursement of interest and principal on reimbursable general obligation bonds.
- d. Collections from properties presumed abandoned.

I. Summary of Analysis Performed

No significant analysis of specific issues was conducted.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BUF721**
 PROGRAM STRUCTURE NO: **11020303**
 PROGRAM TITLE: **DEBT SERVICE PAYMENTS - STATE**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OTHER CURRENT EXPENSES	466,230,836	480,329,017	604,828,310	658,334,469	726,765	639,963	688,351	708,725
TOTAL OPERATING COST	466,230,836	480,329,017	604,828,310	658,334,469	726,765	639,963	688,351	708,725
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	466,230,836	480,329,017	604,828,310	658,334,469	726,765	639,963	688,351	708,725
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	466,230,836	480,329,017	604,828,310	658,334,469	726,765	639,963	688,351	708,725

Program Plan Narrative

BUF721: DEBT SERVICE PAYMENTS - STATE

11 02 03 03

A. Statement of Program Objectives

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

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The request reflects an increase of \$124,499,293 (principal increase of \$106,385,558 and interest increase of \$18,113,735) in debt service costs in FY 24; and an increase of \$178,005,452 (principal increase of \$133,942,893 and interest increase of \$44,062,559) in debt service costs in FY 25 over the established FY 23 budget ceiling. Increased debt service requirements are to provide funding for debt service for the State (except the Department of Education and University of Hawaii) and are based on projections updated November 2022 (currently authorized in the State Bond Bill - House Bill No. 1540, S.D. 1, C.D. 1, SLH 2022). Assumption: projected interest rate of 6.75% and bond sales of \$1.25 billion in FY 24; \$1.15 billion in FY 25; \$1.15 billion in FY 26; and \$1.1 billion in FY 27.

C. Description of Activities Performed

Closely monitor the municipal bond market in planning, directing, and coordinating the structure and sale of general obligation (G.O.) bonds to allow the State to obtain the lowest overall cost of financing.

D. Statement of Key Policies Pursued

Adhere to strict federal and State statutes relating to the tax-exempt status of the bonds.

E. Identification of Important Program Relationships

None.

F. Description of Major External Trends Affecting the Program

Financing costs are impacted directly by the overall financial markets, on a local, national, and international level. Specifically, the impacts of these markets on the U.S. municipal bond markets affect the interest rates incurred in the sale of the G.O. bonds. In addition, the condition of Hawaii's economy and management of the State's budget affect bond

ratings, which in turn, have an impact on interest rates paid on the bonds.

G. Discussion of Cost, Effectiveness, and Program Size Data

None.

H. Discussion of Program Revenues

Dependent upon market conditions, a premium on the sale of the bonds may be generated, which is credited to the general fund.

I. Summary of Analysis Performed

Financial analyses are conducted during each bond sale to determine the most cost efficient means to structure the bonds while achieving the program goals.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	173.00*	173.00*	176.00*	176.00*	176.0*	176.0*	176.0*	176.0*
	2.00**	2.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	18,391,130	19,100,181	20,057,241	20,739,802	20,740	20,740	20,740	20,740
OTHER CURRENT EXPENSES	1,036,886,833	1,407,827,819	1,429,171,077	1,508,290,896	1,555,035	1,599,691	1,647,626	1,697,417
EQUIPMENT	115,260	161,880	98,900	98,900	99	99	99	99
TOTAL OPERATING COST	1,055,393,223	1,427,089,880	1,449,327,218	1,529,129,598	1,575,874	1,620,530	1,668,465	1,718,256
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	1,023,335,926	1,393,884,612	1,415,268,150	1,494,387,969	1,541,132	1,585,788	1,633,723	1,683,514
	61.00*	61.00*	61.00*	61.00*	61.0*	61.0*	61.0*	61.0*
	**	**	**	**	**	**	**	**
TRUST FUNDS	9,102,778	9,102,778	9,440,159	9,643,407	9,643	9,643	9,643	9,643
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
INTERDEPARTMENTAL TRANSFERS	4,000,000	4,000,000	4,000,000	4,000,000	4,000	4,000	4,000	4,000
	112.00*	112.00*	115.00*	115.00*	115.0*	115.0*	115.0*	115.0*
	2.00**	2.00**	**	**	**	**	**	**
OTHER FUNDS	18,954,519	20,102,490	20,618,909	21,098,222	21,099	21,099	21,099	21,099
TOTAL PERM POSITIONS	173.00*	173.00*	176.00*	176.00*	176.0*	176.0*	176.0*	176.0*
TOTAL TEMP POSITIONS	2.00**	2.00**	**	**	**	**	**	**
TOTAL PROGRAM COST	1,055,393,223	1,427,089,880	1,449,327,218	1,529,129,598	1,575,874	1,620,530	1,668,465	1,718,256

OPERATING AND CAPITAL EXPENDITURES

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	173.00*	173.00*	176.00*	176.00*	176.0*	176.0*	176.0*	176.0*
	2.00**	2.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	18,391,130	19,100,181	20,057,241	20,739,802	20,740	20,740	20,740	20,740
OTHER CURRENT EXPENSES	1,036,886,833	1,407,827,819	1,429,171,077	1,508,290,896	1,555,035	1,599,691	1,647,626	1,697,417
EQUIPMENT	115,260	161,880	98,900	98,900	99	99	99	99
TOTAL OPERATING COST	1,055,393,223	1,427,089,880	1,449,327,218	1,529,129,598	1,575,874	1,620,530	1,668,465	1,718,256
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	1,023,335,926	1,393,884,612	1,415,268,150	1,494,387,969	1,541,132	1,585,788	1,633,723	1,683,514
	61.00*	61.00*	61.00*	61.00*	61.0*	61.0*	61.0*	61.0*
	**	**	**	**	**	**	**	**
TRUST FUNDS	9,102,778	9,102,778	9,440,159	9,643,407	9,643	9,643	9,643	9,643
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
INTERDEPARTMENTAL TRANSFERS	4,000,000	4,000,000	4,000,000	4,000,000	4,000	4,000	4,000	4,000
	112.00*	112.00*	115.00*	115.00*	115.0*	115.0*	115.0*	115.0*
	2.00**	2.00**	**	**	**	**	**	**
OTHER FUNDS	18,954,519	20,102,490	20,618,909	21,098,222	21,099	21,099	21,099	21,099
TOTAL PERM POSITIONS	173.00*	173.00*	176.00*	176.00*	176.0*	176.0*	176.0*	176.0*
TOTAL TEMP POSITIONS	2.00**	2.00**	**	**	**	**	**	**
TOTAL PROGRAM COST	1,055,393,223	1,427,089,880	1,449,327,218	1,529,129,598	1,575,874	1,620,530	1,668,465	1,718,256

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BUF141**
 PROGRAM STRUCTURE NO: **11030601**
 PROGRAM TITLE: **EMPLOYEES' RETIREMENT SYSTEM**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	112.00*	112.00*	115.00*	115.00*	115.0*	115.0*	115.0*	115.0*
	2.00**	2.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	12,785,969	13,495,020	14,112,299	14,591,612	14,592	14,592	14,592	14,592
OTHER CURRENT EXPENSES	6,056,090	6,448,390	6,408,110	6,408,110	6,408	6,408	6,408	6,408
EQUIPMENT	112,460	159,080	98,500	98,500	99	99	99	99
TOTAL OPERATING COST	18,954,519	20,102,490	20,618,909	21,098,222	21,099	21,099	21,099	21,099
BY MEANS OF FINANCING	112.00*	112.00*	115.00*	115.00*	115.0*	115.0*	115.0*	115.0*
	2.00**	2.00**	**	**	**	**	**	**
OTHER FUNDS	18,954,519	20,102,490	20,618,909	21,098,222	21,099	21,099	21,099	21,099
TOTAL PERM POSITIONS	112.00*	112.00*	115.00*	115.00*	115.0*	115.0*	115.0*	115.0*
TOTAL TEMP POSITIONS	2.00**	2.00**	**	**	**	**	**	**
TOTAL PROGRAM COST	18,954,519	20,102,490	20,618,909	21,098,222	21,099	21,099	21,099	21,099

Program Plan Narrative

BUF141: EMPLOYEES' RETIREMENT SYSTEM

11 03 06 01

A. Statement of Program Objectives

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 provide an open and participative work environment for staff.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

No requests for FB 2023-25.

C. Description of Activities Performed

The major activities in this program are: pre-retirement counseling services; computation of retirement, disability, and death benefits; enrollment of new State and county employees; conducting disability hearings and appeals; processing retirement checks on a timely basis; tax reporting requirements for benefit distributions; management oversight; safeguarding and accounting for the program's investments in stocks, bonds, foreign securities, mortgages, real estate, certificates of deposits, etc.

D. Statement of Key Policies Pursued

The Board of Trustees establishes policies and procedures to administer the program and to conduct disability hearings and appeals. The Board also develops asset allocation strategies to prudently maximize the rate of return on investments for the benefit of the State and county government employers and Employees' Retirement System (ERS) members and pensioner.

E. Identification of Important Program Relationships

Major funding from this program is provided by investment earnings, employer contributions from the State, employer contributions from the counties, and member contributions.

F. Description of Major External Trends Affecting the Program

ERS' actuary has estimated continued growth in the annual numbers of new retirees. This continued increase in the numbers of new retirees will have an impact on the operational and funding requirements of this program. The volatility of the U.S. and international markets continue to impact the growth of the ERS' investment portfolio.

G. Discussion of Cost, Effectiveness, and Program Size Data

The ERS' membership of 127,052 has increased by approximately 6% in the last 5 years and is anticipated to grow an estimated 5% to 10% in the next 5-10 years. The growing membership requires an increase in ERS services related to their retirement, disability and death benefits.

Furthermore, legislation enacted over the past several years added more complexity to the already complex ERS, which is also contributing to the increase in ERS service levels.

H. Discussion of Program Revenues

Program revenues are received from:

Earnings on investment portfolio consisting of real estate loans and mortgages, preferred and common stocks, government obligations, corporate bonds, certain debt instruments, real property, alternative investments, and other securities and futures contracts as authorized by Section 88-119, HRS.

Employer contributions for the Pension Accumulation Fund received from the State and counties are based on a statutorily determined percentage of payroll.

The Pension Accumulation Fund also receives funds upon retirement of ERS members when the member's contributions are transferred from the Annuity Savings Fund to the Pension Accumulation Fund. Member contributions are paid into the Annuity Savings Fund based on a statutorily determined percentage of payroll. Since 2006 almost all new members of the ERS are required to make employee contributions.

Program Plan Narrative

BUF141: EMPLOYEES' RETIREMENT SYSTEM

11 03 06 01

I. Summary of Analysis Performed

No significant analysis of specific issues was conducted.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BUF143**
 PROGRAM STRUCTURE NO: **11030603**
 PROGRAM TITLE: **HAWAII EMPLOYER-UNION TRUST FUND**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	61.00*	61.00*	61.00*	61.00*	61.0*	61.0*	61.0*	61.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	5,605,161	5,605,161	5,944,942	6,148,190	6,148	6,148	6,148	6,148
OTHER CURRENT EXPENSES	3,494,817	3,494,817	3,494,817	3,494,817	3,495	3,495	3,495	3,495
EQUIPMENT	2,800	2,800	400	400				
TOTAL OPERATING COST	9,102,778	9,102,778	9,440,159	9,643,407	9,643	9,643	9,643	9,643
BY MEANS OF FINANCING	61.00*	61.00*	61.00*	61.00*	61.0*	61.0*	61.0*	61.0*
	**	**	**	**	**	**	**	**
TRUST FUNDS	9,102,778	9,102,778	9,440,159	9,643,407	9,643	9,643	9,643	9,643
TOTAL PERM POSITIONS	61.00*	61.00*	61.00*	61.00*	61.0*	61.0*	61.0*	61.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	9,102,778	9,102,778	9,440,159	9,643,407	9,643	9,643	9,643	9,643

Program Plan Narrative

BUF143: HAWAII EMPLOYER-UNION TRUST FUND

11 03 06 03

A. Statement of Program Objectives

To administer health and life insurance benefits for eligible active and retired State and county public employees and their dependents by:

1) providing quality service levels to employee-beneficiaries and their dependent-beneficiaries; and 2) complying with federal and State legal requirements.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

No requests for FB 2023-25.

C. Description of Activities Performed

Board of Trustees:

- Oversee all Trust Fund activities.
- Determine the nature, scope, and specific benefit levels of the benefit plans.
- Negotiate and enter into contracts with administrators and insurance carriers.
- Procure fiduciary liability insurance, fidelity bond, and errors and omissions coverage.
- Establish eligibility criteria and management policies for the Trust Fund.
- Contract for financial audits of the Trust Fund and claims audits of its carriers.

Trust Fund Staff:

- Train State and county personnel and fiscal officers to enroll eligible employees and retirees in benefit plans; publicize benefit plan information.
- Administer health benefit and life insurance plans.

- Procure insurance carriers and administrators for benefit plans in addition to contracts for consultants, BAS, and other goods and services.
- Maintain the BAS and update as needed to respond to changes in federal and State legislation and other plan changes.
- Collect and disburse enrollment information; process enrollment applications; record cancellations and terminations; update files; and respond to inquiries about benefit plan enrollments.
- Collect and reconcile employee payroll deductions and employer contributions in accordance with statutes and collective bargaining agreements; and remit premiums to insurance carriers and administrators.
- Collect employer contributions and process reimbursement of Medicare Part B health insurance premiums to eligible retirees and their spouses.
- Invest Other Post-Employment Benefits Trust assets in accordance with investment policy guidelines, including asset allocation targets developed by the investment consultant and staff and through investment managers and funds.
- Administer enrollment records for qualified beneficiaries eligible under P.L. 99-272. Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) law mandates a temporary extension of health insurance benefits for these persons.
- Maintain financial records for employees enrolled in the State of Hawaii's Premium Conversion Plan.
- Comply with Health Insurance Portability and Accountability Act (HIPAA) privacy regulations and policies related to health benefit enrollment records.
- Comply with Government Accounting Standards Board (GASB) Nos. 74, Financial Reporting for Post-Employment Benefit Plans Other than Pension Plans, and 75, Accounting and Financial Reporting for

Program Plan Narrative

BUF143: HAWAII EMPLOYER-UNION TRUST FUND

11 03 06 03

Post-Employment Benefits Other Than Pensions. Collect and maintain separate employer accounts for the pre-funding of OPEB.

D. Statement of Key Policies Pursued

Each State and county employing agency is responsible to notify their eligible employees about the Hawaii Employer-Union Health Benefits Trust Fund's (EUTF) benefit plans by distributing information and providing enrollment assistance. In order to receive benefits, employees must file enrollment applications with their employing agency; new retirees file directly with the EUTF. Employers, employees, and retirees are required to make timely payments for benefit plans to the Trust Fund office as appropriate. The EUTF office services the health and life insurance benefits enrollment needs of State and county employees and retirees.

E. Identification of Important Program Relationships

The Board negotiates health benefit and group life insurance plans with insurance carriers. Public employers and employees are notified of premium rates after collective bargaining agreements are negotiated. EUTF also maintains liaisons with insurance carriers, legislative committees, unions, State and county Directors of Finance and Personnel Offices, and the State Office of Collective Bargaining.

The State and county Directors of Finance pay negotiated and statutory contributions amounts to the EUTF. The EUTF collects both State and county employer and employee contributions. After processing and reconciling the enrollments and contributions, the EUTF remits applicable amounts to insurance carriers or administrators for insurance premiums. The EUTF also notifies employees of premium shortages and their ineligibility to receive benefits if deficiencies are not paid in full. A benefit plan consultant advises the Board and staff on benefit programs. The consultant provides comprehensive data on benefit plan trends and conducts special studies on benefit improvements as directed by the Board of Trustees.

An investment consultant assists in developing investment policy guidelines, including asset allocation targets. Investment managers and funds invest OPEB Trust and reserve monies.

The State Department of the Attorney General provides legal assistance by reviewing health insurance contracts, administrative rules and the Board's program activities for compliance with applicable State and federal laws.

State agencies having control of special and federal funds are required by law to reimburse the State general fund for employer health and life insurance plan employer contributions advanced by the State Director of Finance.

F. Description of Major External Trends Affecting the Program

Based on increasing prescription drug trends and claims experience due to the high cost of specialty drugs coming into the market and less new generics, the Board continues to investigate ways to lower claims and premiums through reduction in specialty drug growth, increasing the generic dispensing rate and increased mail order utilization. Act 226, SLH 2013, prohibited mandatory mail order or incentives to use mail order resulting in an estimated additional cost of \$3.4 million annually.

G. Discussion of Cost, Effectiveness, and Program Size Data

The administrative workload to collect varying amounts of premiums from employees who were hired after June 30, 1996, and who subsequently retire will progressively increase over the years.

H. Discussion of Program Revenues

Program revenues are received from:

- State and county employers for their share of health and life insurance plan premium contributions.
- State and county employees and retirees for their share of health insurance premium contributions; active employee contributions are paid through payroll deduction; and retiree premium payments are paid directly.
- Refunds and interest earned on reserve monies from health and life insurance plans' experience gains.

Program Plan Narrative

BUF143: HAWAII EMPLOYER-UNION TRUST FUND

11 03 06 03

- Investment and interest income earned on the Trust Fund.
- State and county employers for their share of pre-funding of OPEB.

I. Summary of Analysis Performed

No significant analysis of specific issues was conducted.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BUF741**
 PROGRAM STRUCTURE NO: **11030605**
 PROGRAM TITLE: **RETIREMENT BENEFITS - STATE**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OTHER CURRENT EXPENSES	437,406,650	434,181,014	466,528,547	497,824,254	509,947	519,964	530,180	540,601
TOTAL OPERATING COST	437,406,650	434,181,014	466,528,547	497,824,254	509,947	519,964	530,180	540,601
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	433,406,650	430,181,014	462,528,547	493,824,254	505,947	515,964	526,180	536,601
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
INTERDEPARTMENTAL TRANSFERS	4,000,000	4,000,000	4,000,000	4,000,000	4,000	4,000	4,000	4,000
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	437,406,650	434,181,014	466,528,547	497,824,254	509,947	519,964	530,180	540,601

Program Plan Narrative

BUF741: RETIREMENT BENEFITS - STATE

11 03 06 05

A. Statement of Program Objectives

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 and Compliance with Section 37-68(1)(A)(B)

Total adjustments to employer contribution requirements for pension accumulation and Social Security/Medicare for State employees (other than the Department of Education and the University of Hawaii) are increases of \$32,347,533 in FY 24 and \$63,643,240 in FY 25.

C. Description of Activities Performed

The major activity of this program is the determination and payment of employer contributions for pension accumulation and Social Security/Medicare.

D. Statement of Key Policies Pursued

Pension accumulation contributions are based on a percentage of payroll as stipulated in Chapter 88, HRS. Social Security/Medicare contributions are federally mandated and based on assessment rates of 6.2% for Social Security and 1.45% for Medicare.

E. Identification of Important Program Relationships

Federal, special, and general funded programs of the State and all county programs are affected by the retirement program because of the annual employer appropriation requirements. Social Security Administration policy and tax changes also have a direct effect on the State's liability.

F. Description of Major External Trends Affecting the Program

The employer contribution rates for pension accumulation do not reflect the market turmoil that global investment assets have experienced. While the actuarial methodology recognizes some year-to-year market volatility, future program requirements may be adversely impacted by future investment experience.

G. Discussion of Cost, Effectiveness, and Program Size Data

See discussion above for Item F.

H. Discussion of Program Revenues

Employer contributions for the Pension Accumulation Fund received from the State and counties are based on a percentage of payroll.

I. Summary of Analysis Performed

No significant analysis of specific issues was conducted.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BUF761**
 PROGRAM STRUCTURE NO: **11030607**
 PROGRAM TITLE: **HEALTH PREMIUM PAYMENTS - STATE**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OTHER CURRENT EXPENSES	125,841,276	124,258,598	130,755,603	133,370,715	136,038	138,759	141,534	144,365
TOTAL OPERATING COST	125,841,276	124,258,598	130,755,603	133,370,715	136,038	138,759	141,534	144,365
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	125,841,276	124,258,598	130,755,603	133,370,715	136,038	138,759	141,534	144,365
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	125,841,276	124,258,598	130,755,603	133,370,715	136,038	138,759	141,534	144,365

Program Plan Narrative

BUF761: HEALTH PREMIUM PAYMENTS - STATE

11 03 06 07

A. Statement of Program Objectives

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

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Total adjustments to employer contribution requirements for health benefit premiums for State employees (other than the Department of Education and the University of Hawaii) are increases of \$6,497,005 in FY 24 and \$9,112,117 in FY 25.

C. Description of Activities Performed

The major activity of this program is the determination and payment of employer contributions for health benefit premiums for eligible State employees, retirees, and their dependents.

D. Statement of Key Policies Pursued

Health benefit contributions for employees and their dependents are collectively bargained and are considered fixed cost items. Employer contributions for retirees and their dependents are subject to base monthly contribution limits established in Chapter 87A, HRS.

E. Identification of Important Program Relationships

None

F. Description of Major External Trends Affecting the Program

Escalating health care costs is a national issue impacted by a multitude of factors. The establishment in 2001 of the Hawaii Employer-Union Health Benefits Trust Fund was intended to control rising costs by giving the Board of Trustees full flexibility in the plan designs, limitation of future expenditures for retiree benefits, and the setting of employer contributions for active employees at a fixed dollar amount. Other Post-Employment Benefits also brings to light the full cost of providing retiree benefits and with it, unfunded liabilities in excess of pension benefits.

G. Discussion of Cost, Effectiveness, and Program Size Data

None.

H. Discussion of Program Revenues

None.

I. Summary of Analysis Performed

No significant analysis of specific issues was conducted.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **BUF762**
 PROGRAM STRUCTURE NO: **11030609**
 PROGRAM TITLE: **HEALTH PREMIUM PAYMENTS FOR ARC**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OTHER CURRENT EXPENSES	464,088,000	839,445,000	821,984,000	867,193,000	899,147	931,065	966,009	1,002,548
TOTAL OPERATING COST	464,088,000	839,445,000	821,984,000	867,193,000	899,147	931,065	966,009	1,002,548
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	464,088,000	839,445,000	821,984,000	867,193,000	899,147	931,065	966,009	1,002,548
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	464,088,000	839,445,000	821,984,000	867,193,000	899,147	931,065	966,009	1,002,548

Program Plan Narrative

BUF762: HEALTH PREMIUM PAYMENTS FOR ARC

11 03 06 09

A. Statement of Program Objectives

To provide employer contribution payments for the Annual Required Contribution (ARC), including retirees and Other Post-Employment Benefits (OPEB) pre-funding.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Total adjustments to State employer contribution requirements for the annual required contribution are a decrease of \$17,461,000 (retirees increase of \$22,797,000 and OPEB pre-funding decrease of \$40,258,000) in FY 24 and an increase of \$27,748,000 (retirees increase of \$64,095,000 and OPEB pre-funding decrease of \$36,347,000) in FY 25.

C. Description of Activities Performed

The major activity of this program is payment of the annual ARC as determined by an actuary retained by board.

D. Statement of Key Policies Pursued

Health benefit contributions for employees and their dependents are collectively bargained and are considered fixed cost items. Employer contributions for retirees and their dependents are subject to base monthly contribution limits established in Chapter 87A, HRS.

E. Identification of Important Program Relationships

None.

F. Description of Major External Trends Affecting the Program

Escalating health care costs is a national issue impacted by a multitude of factors. The establishment in 2001 of the Employer-Union Health Benefits Trust Fund was intended to control rising costs by giving the Board of Trustees full flexibility in the plan designs, limitation of future expenditures for retiree benefits, and the setting of employer contributions for active employees at a fixed dollar amount. OPEB also brings to light the full cost of providing retiree benefits and with it, unfunded liabilities in excess of pension benefits.

G. Discussion of Cost, Effectiveness, and Program Size Data

None.

H. Discussion of Program Revenues

None.

I. Summary of Analysis Performed

No significant analysis of specific issues was conducted.

J. Further Considerations

None.



Capital Budget Details

STATE OF HAWAII
PROGRAM ID:
PROGRAM STRUCTURE NO:
PROGRAM TITLE:

BUF101
11010305
DEPARTMENTAL ADMINISTRATION & BUDGET DIV

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT
IN THOUSANDS OF DOLLARS

REPORT B78
1 of 2

PROJECT NUMBER	PRIORITY NUMBER	SCOPE	PROJECT TITLE		BUDGET PERIOD							SUCCEED YEARS	
			PROJECT TOTAL	PRIOR YRS	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28		FY 28-29
23-001	1	NEW	LUMP SUM CIP BROADBAND, STATEWIDE										
		PLANS	1				1						
		LAND ACQUISITION	1				1						
		DESIGN	1				1						
		CONSTRUCTION	109,705				109,705						
		EQUIPMENT	1				1						
		TOTAL	109,709				109,709						
		ARP FUNDS	109,709				109,709						
23-002	2	NEW	LUMP SUM CIP BROADBAND ADMINISTRATIVE COSTS, STATEWIDE										
		PLANS	2,883				2,883						
		DESIGN	2,883				2,883						
		TOTAL	5,766				5,766						
		ARP FUNDS	5,766				5,766						
			PROGRAM TOTALS										
		PLANS	2,885	1			2,884						
		LAND ACQUISITION	1				1						
		DESIGN	2,885	1			2,884						
		CONSTRUCTION	1,712,400	1,602,695			109,705						
		EQUIPMENT	1				1						
		TOTAL	1,718,172	1,602,697			115,475						
		G.O. BONDS	1,602,697	1,602,697									
		ARP FUNDS	115,475				115,475						