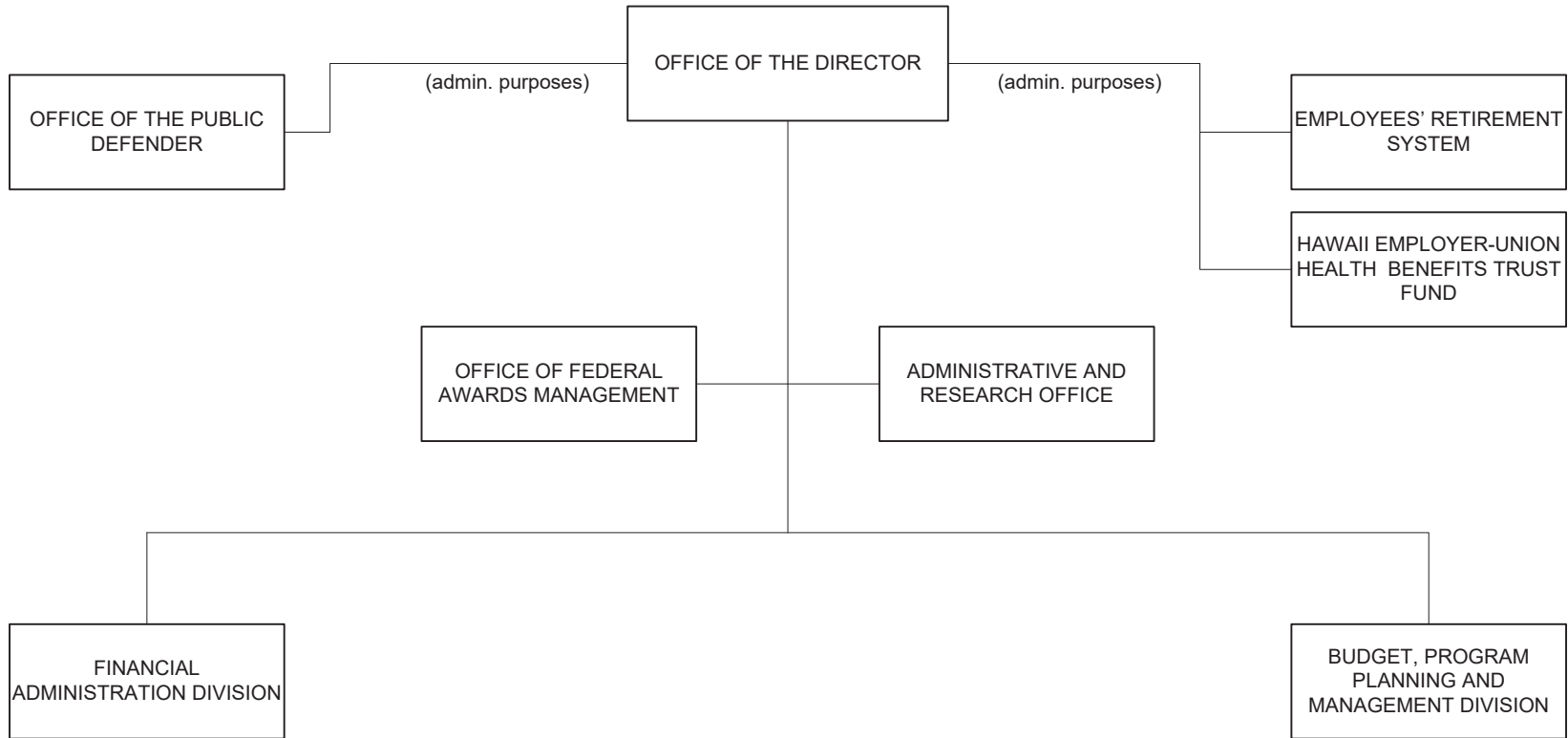




Department of Budget and Finance

STATE OF HAWAII
DEPARTMENT OF BUDGET AND
FINANCE
ORGANIZATION CHART



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 2026	Budget Base FY 2027	FY 2026	FY 2027
Funding Sources:	Perm Positions	201.50	201.50	204.50	204.50
	Temp Positions	-			
General Funds	\$	3,734,079,731	3,734,079,731	3,859,127,880	3,950,701,838
	Perm Positions	-			
	Temp Positions	-			
Special Funds	\$	427,305,000	427,305,000	1,000,000,000	1,000,000,000
	Perm Positions	71.00	71.00	72.00	72.00
	Temp Positions	-			
Trust Funds	\$	26,028,505	26,028,505	27,150,927	27,294,646
	Perm Positions	-			
	Temp Positions	-			
Interdepartmental Transfers	\$	4,000,000	4,000,000	4,000,000	4,000,000
	Perm Positions	-			
	Temp Positions	-			
Revolving Funds	\$	-			
	Perm Positions	116.00	116.00	116.00	116.00
	Temp Positions	-			
Other Funds	\$	21,272,571	21,272,571	29,789,857	25,135,360
		388.50	388.50	392.50	392.50
		-			
Total Requirements		4,212,685,807	4,212,685,807	4,920,068,664	5,007,131,844

- Major Adjustments in the Executive Budget Request:** (general funds unless noted)
1. Increases debt service payments by \$23,488,005 in FY 26 and \$63,738,821 in FY 27.
 2. Increases retirement benefits payments by \$41,816,343 in FY 26 and \$76,464,835 in FY 27.
 3. Increases health premium payments by \$57,817,650 in FY 26 and \$74,495,300 in FY 27.
 4. Adds 3.00 Accountant VI positions and \$272,460 in FY 26 and \$269,460 in FY 27 for the Financial Administration.
 5. Adds \$1,653,691 in both FY 26 and FY 27 for salary increases for all Deputy Public Defender positions.
 6. Adds \$6,844,527 in other funds in FY 26 and \$2,823,706 in other funds in FY 27 to migrate the Employee Retirement System's (ERS) pension administration system to a new version.
 7. Adds \$505,759 in other funds in FY 26 and \$524,083 in other funds in FY 27 for internal compliance testing services.
 8. Adds \$567,000 in other funds in FY 26 and \$515,000 in other funds in FY 27 for additional legal fees for ERS.
 9. Adds \$600,000 in other funds in FY 26 for platform imaging and indexing for ERS.
 10. Adds \$572,695,000 in special funds in both FY 26 and FY 27 for the Mass Transit Special Fund.

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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING COST	387.50*	388.50*	392.50*	392.50*	392.5*	392.5*	392.5*	392.5*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	46,632,268	51,130,616	54,324,679	54,468,398	54,468	54,468	54,468	54,468
OTHER CURRENT EXPENSES	4,337,584,224	4,267,790,429	4,865,642,085	4,952,564,546	5,152,894	5,334,028	5,468,903	5,546,383
EQUIPMENT	100,900	98,900	101,900	98,900	99	99	99	99
TOTAL OPERATING COST	4,384,317,392	4,319,019,945	4,920,068,664	5,007,131,844	5,207,461	5,388,595	5,523,470	5,600,950
BY MEANS OF FINANCING	200.50*	201.50*	204.50*	204.50*	204.5*	204.5*	204.5*	204.5*
	**	**	**	**	**	**	**	**
GENERAL FUND	3,959,030,769	3,747,502,769	3,859,127,880	3,950,701,838	4,153,856	4,334,990	4,469,865	4,547,345
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
SPECIAL FUND	377,574,992	427,305,000	1,000,000,000	1,000,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
OTHER FEDERAL FUNDS		93,000,000						
	71.00*	71.00*	72.00*	72.00*	72.0*	72.0*	72.0*	72.0*
	**	**	**	**	**	**	**	**
TRUST FUNDS	27,033,806	25,995,888	27,150,927	27,294,646	27,294	27,294	27,294	27,294
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
INTERDEPARTMENTAL TRANSFERS		4,000,000	4,000,000	4,000,000	4,000	4,000	4,000	4,000
	116.00*	116.00*	116.00*	116.00*	116.0*	116.0*	116.0*	116.0*
	**	**	**	**	**	**	**	**
OTHER FUNDS	20,677,825	21,216,288	29,789,857	25,135,360	22,311	22,311	22,311	22,311
TOTAL PERM POSITIONS	387.50*	388.50*	392.50*	392.50*	392.5*	392.5*	392.5*	392.5*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	4,384,317,392	4,319,019,945	4,920,068,664	5,007,131,844	5,207,461	5,388,595	5,523,470	5,600,950

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

	<u>FY 2026</u>	<u>FY 2027</u>
Funding Sources:		
General Obligation Bonds	-	-
Federal Funds	-	-
	<hr/>	
Total Requirements	-	-
	<hr/> <hr/>	

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	PROJECT TITLE		BUDGET PERIOD						SUCCEED YEARS		
			PROJECT TOTAL	PRIOR YRS	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29		FY 29-30	FY 30-31
		PLANS	2,885	2,885									
		LAND ACQUISITION	1	1									
		DESIGN	2,885	2,885									
		CONSTRUCTION	1,712,400	1,712,400									
		EQUIPMENT	1	1									
		TOTAL	1,718,172	1,718,172									
COST ELEMENT/MOF		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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OTHER CURRENT EXPENSES	1,411,217,888	1,549,124,569	1,640,513,888	1,773,525,083	1,882,310	1,978,193	2,049,025	2,088,773
TOTAL OPERATING COST	1,411,217,888	1,549,124,569	1,640,513,888	1,773,525,083	1,882,310	1,978,193	2,049,025	2,088,773
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	1,411,217,888	1,549,124,569	1,640,513,888	1,773,525,083	1,882,310	1,978,193	2,049,025	2,088,773
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	1,411,217,888	1,549,124,569	1,640,513,888	1,773,525,083	1,882,310	1,978,193	2,049,025	2,088,773

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OTHER CURRENT EXPENSES	1,022,236,586	1,112,249,870	1,186,678,194	1,285,990,589	1,365,808	1,435,629	1,487,164	1,516,008
TOTAL OPERATING COST	1,022,236,586	1,112,249,870	1,186,678,194	1,285,990,589	1,365,808	1,435,629	1,487,164	1,516,008
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	1,022,236,586	1,112,249,870	1,186,678,194	1,285,990,589	1,365,808	1,435,629	1,487,164	1,516,008
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	1,022,236,586	1,112,249,870	1,186,678,194	1,285,990,589	1,365,808	1,435,629	1,487,164	1,516,008

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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OTHER CURRENT EXPENSES	1,022,236,586	1,112,249,870	1,186,678,194	1,285,990,589	1,365,808	1,435,629	1,487,164	1,516,008
TOTAL OPERATING COST	1,022,236,586	1,112,249,870	1,186,678,194	1,285,990,589	1,365,808	1,435,629	1,487,164	1,516,008
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	1,022,236,586	1,112,249,870	1,186,678,194	1,285,990,589	1,365,808	1,435,629	1,487,164	1,516,008
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	1,022,236,586	1,112,249,870	1,186,678,194	1,285,990,589	1,365,808	1,435,629	1,487,164	1,516,008

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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OTHER CURRENT EXPENSES	492,947,422	528,967,329	552,407,076	572,505,610	586,130	597,852	609,809	622,005
TOTAL OPERATING COST	492,947,422	528,967,329	552,407,076	572,505,610	586,130	597,852	609,809	622,005
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	492,947,422	528,967,329	552,407,076	572,505,610	586,130	597,852	609,809	622,005
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	492,947,422	528,967,329	552,407,076	572,505,610	586,130	597,852	609,809	622,005

PROGRAM ID: **BUF745**
 PROGRAM STRUCTURE: **07010192**
 PROGRAM TITLE: **RETIREMENT BENEFITS - DOE**

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
MEASURES OF EFFECTIVENESS								
1. % RETIREMENT BENEFITS PAYMENTS	100	100	100	100	100	100	100	100
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
NON-REVENUE RECEIPTS	27,268	23,840	24,332	24,818	24,971	25,127	25,127	25,127
TOTAL PROGRAM REVENUES	27,268	23,840	24,332	24,818	24,971	25,127	25,127	25,127
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
GENERAL FUNDS	27,268	23,840	24,332	24,818	24,971	25,127	25,127	25,127
TOTAL PROGRAM REVENUES	27,268	23,840	24,332	24,818	24,971	25,127	25,127	25,127

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 \$23,439,747 in FY 26 and \$43,538,281 in FY 27.

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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OTHER CURRENT EXPENSES	164,473,873	146,542,469	187,755,868	191,510,985	195,341	199,248	203,233	207,298
TOTAL OPERATING COST	164,473,873	146,542,469	187,755,868	191,510,985	195,341	199,248	203,233	207,298
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	164,473,873	146,542,469	187,755,868	191,510,985	195,341	199,248	203,233	207,298
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	164,473,873	146,542,469	187,755,868	191,510,985	195,341	199,248	203,233	207,298

PROGRAM ID: **BUF765**
 PROGRAM STRUCTURE: **07010194**
 PROGRAM TITLE: **HEALTH PREMIUM PAYMENTS - DOE**

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
MEASURES OF EFFECTIVENESS								
1. % HEALTH PREMIUM PAYMENTS	100	100	100	100	100	100	100	100
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
CHARGES FOR CURRENT SERVICES	8,467	7,852	8,009	8,170	6,826	8,500	8,500	8,500
TOTAL PROGRAM REVENUES	8,467	7,852	8,009	8,170	6,826	8,500	8,500	8,500
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
GENERAL FUNDS	8,467	7,852	8,009	8,170	6,826	8,500	8,500	8,500
TOTAL PROGRAM REVENUES	8,467	7,852	8,009	8,170	6,826	8,500	8,500	8,500

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 \$41,213,399 in FY 26 and \$44,968,516 in FY 27.

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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OTHER CURRENT EXPENSES	364,815,291	436,740,072	446,515,250	521,973,994	584,337	638,529	674,122	686,705
TOTAL OPERATING COST	364,815,291	436,740,072	446,515,250	521,973,994	584,337	638,529	674,122	686,705
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	364,815,291	436,740,072	446,515,250	521,973,994	584,337	638,529	674,122	686,705
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	364,815,291	436,740,072	446,515,250	521,973,994	584,337	638,529	674,122	686,705

PROGRAM ID: **BUF725**
PROGRAM STRUCTURE: **07010196**
PROGRAM TITLE: **DEBT SERVICE PAYMENTS - DOE**

	FY	FY	FY	FY	FY	FY	FY	FY	FY
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	

MEASURES OF EFFECTIVENESS

1. NO MEASURES HAVE BEEN DEVELOPED FOR THIS PROGRAM

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 an increase of \$9,775,178 (principal increase of \$6,384,204 and interest increase of \$3,390,974) in debt service costs in FY 26 and an increase of \$85,233,922 (principal decrease of \$50,329,875 and interest increase of \$34,904,047) in debt service costs in FY 27 over the established FY 25 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. 1801, S.D. 1, C.D. 1, SLH 2024). Assumption: projected interest rate of 7.50% and bond sales of \$1.6 billion in FY 25; \$1.5 billion in FY 26; \$1.4 billion in FY 27; and \$1.3 billion in FY 28.

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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OTHER CURRENT EXPENSES	388,981,302	436,874,699	453,835,694	487,534,494	516,502	542,564	561,861	572,765
TOTAL OPERATING COST	388,981,302	436,874,699	453,835,694	487,534,494	516,502	542,564	561,861	572,765
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	388,981,302	436,874,699	453,835,694	487,534,494	516,502	542,564	561,861	572,765
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	388,981,302	436,874,699	453,835,694	487,534,494	516,502	542,564	561,861	572,765

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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OTHER CURRENT EXPENSES	388,981,302	436,874,699	453,835,694	487,534,494	516,502	542,564	561,861	572,765
TOTAL OPERATING COST	388,981,302	436,874,699	453,835,694	487,534,494	516,502	542,564	561,861	572,765
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	388,981,302	436,874,699	453,835,694	487,534,494	516,502	542,564	561,861	572,765
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	388,981,302	436,874,699	453,835,694	487,534,494	516,502	542,564	561,861	572,765

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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OTHER CURRENT EXPENSES	194,134,749	220,436,922	219,919,128	224,317,511	228,804	233,380	238,048	242,808
TOTAL OPERATING COST	194,134,749	220,436,922	219,919,128	224,317,511	228,804	233,380	238,048	242,808
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	194,134,749	220,436,922	219,919,128	224,317,511	228,804	233,380	238,048	242,808
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	194,134,749	220,436,922	219,919,128	224,317,511	228,804	233,380	238,048	242,808

PROGRAM ID: **BUF748**
 PROGRAM STRUCTURE: **07030892**
 PROGRAM TITLE: **RETIREMENT BENEFITS - UH**

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
MEASURES OF EFFECTIVENESS								
1. % RETIREMENT BENEFITS PAYMENTS	100	100	100	100	100	100	100	100
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
NON-REVENUE RECEIPTS	38,958	40,842	41,835	42,671	43,524	44,395	44,395	44,395
TOTAL PROGRAM REVENUES	38,958	40,842	41,835	42,671	43,524	44,395	44,395	44,395
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
GENERAL FUNDS	38,958	40,842	41,835	42,671	43,524	44,395	44,395	44,395
TOTAL PROGRAM REVENUES	38,958	40,842	41,835	42,671	43,524	44,395	44,395	44,395

Program Plan Narrative

BUF748: RETIREMENT BENEFITS - UH

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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 include a decrease of \$517,794 in FY 26 and an increase of \$3,880,589 in FY 27.

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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OTHER CURRENT EXPENSES	59,828,903	54,800,862	68,661,870	70,035,107	71,436	72,865	74,322	75,808
TOTAL OPERATING COST	59,828,903	54,800,862	68,661,870	70,035,107	71,436	72,865	74,322	75,808
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	59,828,903	54,800,862	68,661,870	70,035,107	71,436	72,865	74,322	75,808
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	59,828,903	54,800,862	68,661,870	70,035,107	71,436	72,865	74,322	75,808

PROGRAM ID: **BUF768**
 PROGRAM STRUCTURE: **07030894**
 PROGRAM TITLE: **HEALTH PREMIUM PAYMENTS - UH**

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
MEASURES OF EFFECTIVENESS								
1. % HEALTH PREMIUM PAYMENTS	100	100	100	100	100	100	100	100
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
CHARGES FOR CURRENT SERVICES	14,877	13,743	14,018	14,300	14,585	14,876	14,876	14,876
TOTAL PROGRAM REVENUES	14,877	13,743	14,018	14,300	14,585	14,876	14,876	14,876
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
GENERAL FUNDS	14,877	13,743	14,018	14,300	14,585	14,876	14,876	14,876
TOTAL PROGRAM REVENUES	14,877	13,743	14,018	14,300	14,585	14,876	14,876	14,876

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 \$13,861,008 in FY 26 and \$15,234,245 in FY 27.

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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OTHER CURRENT EXPENSES	135,017,650	161,636,915	165,254,696	193,181,876	216,262	236,319	249,491	254,149
TOTAL OPERATING COST	135,017,650	161,636,915	165,254,696	193,181,876	216,262	236,319	249,491	254,149
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	135,017,650	161,636,915	165,254,696	193,181,876	216,262	236,319	249,491	254,149
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	135,017,650	161,636,915	165,254,696	193,181,876	216,262	236,319	249,491	254,149

PROGRAM ID: **BUF728**
PROGRAM STRUCTURE: **07030896**
PROGRAM TITLE: **DEBT SERVICE PAYMENTS - UH**

	FY	FY	FY	FY	FY	FY	FY	FY	FY
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	

MEASURES OF EFFECTIVENESS

1. NO MEASURES HAVE BEEN DEVELOPED FOR THIS PROGRAM

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 an increase of \$3,617,781 (principal increase of \$2,362,785 and interest increase of \$1,254,996) in debt service costs in FY 26 and an increase of \$31,544,961 (principal increase of \$18,627,019 and interest increase of \$12,917,942) in debt service costs in FY 27 over the established FY 25 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. 1801, S.D. 1, C.D. 1, SLH 2024). Assumption: projected interest rate of 7.50% and bond sales of \$1.6 billion in FY 25; \$1.5 billion in FY 26; \$1.4 billion in FY 27; and \$1.3 billion in FY 28.

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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
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	10,970,596	12,706,923	14,392,001	14,392,001	14,392	14,392	14,392	14,392
OTHER CURRENT EXPENSES	749,848	871,690	745,690	745,690	746	746	746	746
TOTAL OPERATING COST	11,720,444	13,578,613	15,137,691	15,137,691	15,138	15,138	15,138	15,138
BY MEANS OF FINANCING								
	133.50*	133.50*	133.50*	133.50*	133.5*	133.5*	133.5*	133.5*
	**	**	**	**	**	**	**	**
GENERAL FUND	11,720,444	13,578,613	15,137,691	15,137,691	15,138	15,138	15,138	15,138
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	11,720,444	13,578,613	15,137,691	15,137,691	15,138	15,138	15,138	15,138

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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
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	10,970,596	12,706,923	14,392,001	14,392,001	14,392	14,392	14,392	14,392
OTHER CURRENT EXPENSES	749,848	871,690	745,690	745,690	746	746	746	746
TOTAL OPERATING COST	11,720,444	13,578,613	15,137,691	15,137,691	15,138	15,138	15,138	15,138
BY MEANS OF FINANCING								
	133.50*	133.50*	133.50*	133.50*	133.5*	133.5*	133.5*	133.5*
	**	**	**	**	**	**	**	**
GENERAL FUND	11,720,444	13,578,613	15,137,691	15,137,691	15,138	15,138	15,138	15,138
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	11,720,444	13,578,613	15,137,691	15,137,691	15,138	15,138	15,138	15,138

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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
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	10,970,596	12,706,923	14,392,001	14,392,001	14,392	14,392	14,392	14,392
OTHER CURRENT EXPENSES	749,848	871,690	745,690	745,690	746	746	746	746
TOTAL OPERATING COST	11,720,444	13,578,613	15,137,691	15,137,691	15,138	15,138	15,138	15,138
BY MEANS OF FINANCING								
	133.50*	133.50*	133.50*	133.50*	133.5*	133.5*	133.5*	133.5*
	**	**	**	**	**	**	**	**
GENERAL FUND	11,720,444	13,578,613	15,137,691	15,137,691	15,138	15,138	15,138	15,138
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	11,720,444	13,578,613	15,137,691	15,137,691	15,138	15,138	15,138	15,138

PROGRAM ID: **BUF151**
PROGRAM STRUCTURE: **100301**
PROGRAM TITLE: **OFFICE OF THE PUBLIC DEFENDER**

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
MEASURES OF EFFECTIVENESS								
1. % ATTORNY CASELDS EXCEED NATL STD FOR FELONY CASES	0	0	0	0	0	0	0	0
2. % ATTRNY CASELDS EXCEED NATL STD FOR APPEALS CASES	5	5	5	5	5	5	5	5
3. ANNL # TRNG HRS COMPL BY PROF STAFF AS % PLNND HRS	90	90	100	100	100	100	100	100
PROGRAM TARGET GROUPS								
1. INDIGENTS REQUIRING SERVICES FOR FELONY CASES	6134	6134	6500	6500	6500	6500	6500	6500
2. INDIGENTS REQUIRING SERVICES FOR MISDEMEANOR CASES	41855	41855	23000	23000	23000	23000	23000	23000
3. INDIGENTS REQUIRING SERVICES FOR APPEALS CASES	157	157	80	80	80	80	80	80
4. INDIGENTS REQUIRNG SVCS FOR MENTAL COMMITMNT CASES	265	265	400	400	400	400	400	400
5. INDIGENTS REQUIRNG SERVICES FOR FAMILY COURT CASES	8698	8698	2700	2700	2700	2700	2700	2700
6. INDIGENTS REQUIRING SERVICES FOR PRISON CASES	2469	2469	2000	2000	2000	2000	2000	2000
PROGRAM ACTIVITIES								
1. CASES ACCEPTED - FELONY	5495	5495	6000	6000	6000	6000	6000	6000
2. CASES ACCEPTED - MISDEMEANOR	40449	40449	21000	21000	21000	21000	21000	21000
3. CASES ACCEPTED - FAMILY COURT	7214	7214	2300	2300	2300	2300	2300	2300
4. CASES ACCEPTED - APPEAL	157	157	75	75	75	75	75	75
5. CASES ACCEPTED - MENTAL COMMITMENT	265	265	400	400	400	400	400	400

Program Plan Narrative

A. Statement of Program Objectives

To safeguard the rights of individuals by providing constitutionally and statutorily required zealous and effective legal representation in criminal, mental commitment, family and parole cases in compliance with the Hawaii Rules of Professional Conduct. The program will prudently manage deputy public defender and support services resources and caseloads and manage a quality training program for deputy public defender staff.

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

1) Add \$1,653,691 in general funds for both FY 26 and FY 27 for pay increases for all deputy public defenders, to ensure the Office of the Public Defender (OPD) can recruit and retain sufficient staff to meet constitutional and statutory requirements for zealous and effective representation.

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 cases and related proceedings in an efficient and economic manner. The scope of services that must be provided is dictated by the U.S. and Hawaii State constitutions, Hawaii statutes, Hawaii judicial rules, opinions and decisions of the Hawaii appellate courts and the Rules of Professional Conduct.

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. OPD 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

OPD is constitutionally and statutorily mandated to provide legal assistance to all indigent accused persons requesting representation in petty misdemeanor, misdemeanor, family and felony cases. OPD is also statutorily required to represent juveniles in Family Court proceedings, subjects in involuntary civil commitment proceedings and clients in parole matters. Staffing requirements for OPD are dependent not only upon the

Program Plan Narrative

BUF151: OFFICE OF THE PUBLIC DEFENDER

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sheer volume of cases handled by OPD but are also directly related to administrative changes by the Judiciary. When the Judiciary increases the number of judges, courtrooms or implements specialty programs, OPD's workload increases. The Judiciary continues to make organizational and substantive changes in its effort to process greater numbers of criminal prosecutions in a reduced time-period or to implement alternatives to incarceration which, in turn, significantly impacts OPD.

OPD's workload is also significantly impacted by changes in the law which increase the need for representation. This includes creation of new offenses, increasing penalties for current offenses, criminalizing offenses, mandatory sentencing laws and collateral sanctions for offenses such as sex offender registration.

Representation by OPD which fulfills constitutional, statutory and ethical requirements for zealous and effective representation requires that OPD be able to maintain and/or increase staffing levels, such as deputy public defenders and support staff. Maintaining salary parity with other related agencies, such as the Prosecuting Attorneys' offices and the Department of the Attorney General, is critical to ensure that OPD is able to recruit and retain deputy public defenders to maintain case counts that allow OPD to meet the aforementioned requirements for zealous and effective representation.

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, at any time after counsel is appointed, if the court is satisfied that a person 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.

The reimbursement process is employed in those extremely rare instances where a defendant has subsequent ability to pay for counsel. While, in the past, consideration had been given to require some financial contribution from all but the most impecunious of clients, it was concluded that the required costs of collection and accounting would far outweigh any minimal financial benefit to the program.

I. Summary of Analysis Performed

Improvement in future years will be contingent upon expansion of the program which is commensurate with the increase in the size of the program's 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 and implementations of new programs by the Judiciary and Legislative action which create new criminal offenses or increase penalties for existing offenses continue to impose burdens that require relief through maintaining or expanding OPD's staffing. The Judiciary continues to create new specialty court programs which are designed primarily to provide alternatives to incarceration, such as Drug Court, Mental Health Court, Women's Court, the Jail Diversion Program and the Community Outreach Court, all of which require staffing and additional resource expenditures by OPD. The Legislature consistently criminalizes offenses, increases the penalties for existing offenses or creates new offenses, all of which increases OPD's caseload and also requires staffing and additional resource expenditures by OPD. In sum, the State of Hawai'i via OPD is required to ensure that indigent accused persons and others statutorily entitled to representation under Hawai'i Revised Statutes Section 802-1 are provided with constitutionally zealous and effective representation. OPD must be provided with sufficient staffing and financial resources to meet these constitutional and statutory requirements.

J. Further Considerations

None.

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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING COST	254.00*	255.00*	259.00*	259.00*	259.0*	259.0*	259.0*	259.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	35,661,672	38,423,693	39,932,678	40,076,397	40,076	40,076	40,076	40,076
OTHER CURRENT EXPENSES	2,925,616,488	2,717,794,170	3,224,382,507	3,178,293,773	3,269,838	3,355,089	3,419,132	3,456,864
EQUIPMENT	100,900	98,900	101,900	98,900	99	99	99	99
TOTAL OPERATING COST	2,961,379,060	2,756,316,763	3,264,417,085	3,218,469,070	3,310,013	3,395,264	3,459,307	3,497,039
BY MEANS OF FINANCING	67.00*	68.00*	71.00*	71.00*	71.0*	71.0*	71.0*	71.0*
	**	**	**	**	**	**	**	**
GENERAL FUND	2,536,092,437	2,184,799,587	2,203,476,301	2,162,039,064	2,256,408	2,341,659	2,405,702	2,443,434
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
SPECIAL FUND	377,574,992	427,305,000	1,000,000,000	1,000,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
OTHER FEDERAL FUNDS		93,000,000						
	71.00*	71.00*	72.00*	72.00*	72.0*	72.0*	72.0*	72.0*
	**	**	**	**	**	**	**	**
TRUST FUNDS	27,033,806	25,995,888	27,150,927	27,294,646	27,294	27,294	27,294	27,294
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
INTERDEPARTMENTAL TRANSFERS		4,000,000	4,000,000	4,000,000	4,000	4,000	4,000	4,000
	116.00*	116.00*	116.00*	116.00*	116.0*	116.0*	116.0*	116.0*
	**	**	**	**	**	**	**	**
OTHER FUNDS	20,677,825	21,216,288	29,789,857	25,135,360	22,311	22,311	22,311	22,311
TOTAL PERM POSITIONS	254.00*	255.00*	259.00*	259.00*	259.0*	259.0*	259.0*	259.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	2,961,379,060	2,756,316,763	3,264,417,085	3,218,469,070	3,310,013	3,395,264	3,459,307	3,497,039

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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING COST	52.00*	53.00*	53.00*	53.00*	53.0*	53.0*	53.0*	53.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	13,392,385	15,308,598	15,330,822	15,330,822	15,331	15,331	15,331	15,331
OTHER CURRENT EXPENSES	915,966,083	541,070,459	1,007,408,831	1,007,408,831	1,007,408	1,007,408	1,007,408	1,007,408
TOTAL OPERATING COST	929,358,468	556,379,057	1,022,739,653	1,022,739,653	1,022,739	1,022,739	1,022,739	1,022,739
BY MEANS OF FINANCING	52.00*	53.00*	53.00*	53.00*	53.0*	53.0*	53.0*	53.0*
	**	**	**	**	**	**	**	**
GENERAL FUND	551,783,476	36,074,057	22,739,653	22,739,653	22,739	22,739	22,739	22,739
	*	*	*	*	*	*	*	*
SPECIAL FUND	377,574,992	427,305,000	1,000,000,000	1,000,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	*	*	*	*	*	*	*	*
OTHER FEDERAL FUNDS		93,000,000						
	**	**	**	**	**	**	**	**
TOTAL PERM POSITIONS	52.00*	53.00*	53.00*	53.00*	53.0*	53.0*	53.0*	53.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	929,358,468	556,379,057	1,022,739,653	1,022,739,653	1,022,739	1,022,739	1,022,739	1,022,739

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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING COST	52.00*	53.00*	53.00*	53.00*	53.0*	53.0*	53.0*	53.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	13,392,385	15,308,598	15,330,822	15,330,822	15,331	15,331	15,331	15,331
OTHER CURRENT EXPENSES	915,966,083	541,070,459	1,007,408,831	1,007,408,831	1,007,408	1,007,408	1,007,408	1,007,408
TOTAL OPERATING COST	929,358,468	556,379,057	1,022,739,653	1,022,739,653	1,022,739	1,022,739	1,022,739	1,022,739
BY MEANS OF FINANCING								
	52.00*	53.00*	53.00*	53.00*	53.0*	53.0*	53.0*	53.0*
	**	**	**	**	**	**	**	**
GENERAL FUND	551,783,476	36,074,057	22,739,653	22,739,653	22,739	22,739	22,739	22,739
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
SPECIAL FUND	377,574,992	427,305,000	1,000,000,000	1,000,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
OTHER FEDERAL FUNDS		93,000,000						
TOTAL PERM POSITIONS	52.00*	53.00*	53.00*	53.00*	53.0*	53.0*	53.0*	53.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	929,358,468	556,379,057	1,022,739,653	1,022,739,653	1,022,739	1,022,739	1,022,739	1,022,739

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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING COST	52.00*	53.00*	53.00*	53.00*	53.0*	53.0*	53.0*	53.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	3,692,385	5,608,598	5,630,822	5,630,822	5,631	5,631	5,631	5,631
OTHER CURRENT EXPENSES	915,966,083	541,070,459	1,007,408,831	1,007,408,831	1,007,408	1,007,408	1,007,408	1,007,408
TOTAL OPERATING COST	919,658,468	546,679,057	1,013,039,653	1,013,039,653	1,013,039	1,013,039	1,013,039	1,013,039
BY MEANS OF FINANCING								
	52.00*	53.00*	53.00*	53.00*	53.0*	53.0*	53.0*	53.0*
	**	**	**	**	**	**	**	**
GENERAL FUND	542,083,476	26,374,057	13,039,653	13,039,653	13,039	13,039	13,039	13,039
	*	*	*	*	*	*	*	*
SPECIAL FUND	377,574,992	427,305,000	1,000,000,000	1,000,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	*	*	*	*	*	*	*	*
OTHER FEDERAL FUNDS		93,000,000						
	**	**	**	**	**	**	**	**
TOTAL PERM POSITIONS	52.00*	53.00*	53.00*	53.00*	53.0*	53.0*	53.0*	53.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	919,658,468	546,679,057	1,013,039,653	1,013,039,653	1,013,039	1,013,039	1,013,039	1,013,039

PROGRAM ID: **BUF101**
PROGRAM STRUCTURE: **11010305**
PROGRAM TITLE: **DEPARTMENTAL ADMINISTRATION AND BUDGET DIVISION**

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
MEASURES OF EFFECTIVENESS								
1. % OF VENDOR PAYMENTS MADE WITHIN 30 DAYS	95	95	95	95	95	95	95	95
2. % OF PAYROLL RELATED HRMS TRANSACTION COMPLETED	100	100	100	100	100	100	100	100
3. % OF USER IT ISSUES-TIER 1 SPT WITHIN 1 WORKDAY-IT	100	100	100	100	100	100	100	100
4. % OF LAN ISSUES-TIER 1 SPT WITHIN 1 WORK DAY-IT	100	100	100	100	100	100	100	100
PROGRAM TARGET GROUPS								
1. GOVERNOR AND EXECUTIVE AGENCIES	21	21	21	21	21	21	21	21
2. # OF DEPARTMENTAL DIVISIONS AND ATTACHED AGENCY	7	7	7	7	7	7	7	7
PROGRAM ACTIVITIES								
1. # OF CIP ALLOTMENT REQUESTS REVIEWED BY BPPM	460	460	460	460	460	460	460	460
2. # OF REFERRALS PROCESSED BY BPPM	430	430	430	430	430	430	430	430
3. # OF BILLS PASSED REVIEWED BY BPPM FOR GOV	345	345	345	345	345	345	345	345
4. AVG # OF DELEGATED CLASSIFICATION ACTIONS	56	56	56	56	56	56	56	56
5. # OF NON-ROUTINE HR CONSULTATIVE SERVICES	400	400	400	400	400	400	400	400
6. # OF POSITIONS PROVIDING HR SUPPORT	4	4	4	4	4	4	4	4
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
TAXES	431,175	470,941	500,971	524,567	543,842	565,173	582,188	582,188
REVENUES FROM THE USE OF MONEY AND PROPERTY	34,852	45,066	46,565	48,072	49,624	51,221	51,221	51,221
REVENUE FROM OTHER AGENCIES: FEDERAL	898	18,623	18,623	18,623	18,623	18,623	18,623	18,623
CHARGES FOR CURRENT SERVICES	56,304	58,172	59,690	61,063	62,131	62,131	62,131	62,131
NON-REVENUE RECEIPTS	531,162	26,392	25,146	25,186	25,111	25,111	25,111	25,111
TOTAL PROGRAM REVENUES	1,054,391	619,194	650,995	677,511	699,331	722,259	739,274	739,274
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
GENERAL FUNDS	56,304	58,172	59,690	61,063	62,131	62,131	62,131	62,131
SPECIAL FUNDS	971,123	520,899	551,182	576,325	597,077	620,005	637,020	637,020
ALL OTHER FUNDS	26,964	40,123	40,123	40,123	40,123	40,123	40,123	40,123
TOTAL PROGRAM REVENUES	1,054,391	619,194	650,995	677,511	699,331	722,259	739,274	739,274

Program Plan Narrative

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)

1) Add \$572,695,000 in special funds for both FY 26 and FY 27 to accommodate the Honolulu Authority for Rapid Transportation's request to increase the Mass Transit Special Fund ceiling to \$1 billion, in order to avoid the need for emergency appropriations in the event of higher-than-anticipated general tax and transient accommodations tax collections.

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.

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.

Program Plan Narrative

BUF101: DEPARTMENTAL ADMINISTRATION & BUDGET DIV

11 01 03 05

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: BUF103
 PROGRAM STRUCTURE NO: 11010308
 PROGRAM TITLE: VACATION PAYOUT - STATEWIDE

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
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	9,700,000	9,700,000	9,700,000	9,700,000	9,700	9,700	9,700	9,700
TOTAL OPERATING COST	9,700,000	9,700,000	9,700,000	9,700,000	9,700	9,700	9,700	9,700
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	9,700,000	9,700,000	9,700,000	9,700,000	9,700	9,700	9,700	9,700
TOTAL PERM POSITIONS								
	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS								
	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	9,700,000	9,700,000	9,700,000	9,700,000	9,700	9,700	9,700	9,700

PROGRAM ID: **BUF103**
PROGRAM STRUCTURE: **11010308**
PROGRAM TITLE: **VACATION PAYOUT - STATEWIDE**

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
<u>PROGRAM TARGET GROUPS</u>								
1. STATE EXECUTIVE BRANCH AGENCIES	21	21	21	21	21	21	21	21

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 2025-27.

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

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING COST	24.00*	24.00*	27.00*	27.00*	27.0*	27.0*	27.0*	27.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	1,662,444	2,012,827	2,439,415	2,439,415	2,439	2,439	2,439	2,439
OTHER CURRENT EXPENSES	593,651,646	674,717,365	684,812,411	621,677,303	693,995	756,838	798,112	812,704
EQUIPMENT			3,000					
TOTAL OPERATING COST	595,314,090	676,730,192	687,254,826	624,116,718	696,434	759,277	800,551	815,143
BY MEANS OF FINANCING								
	15.00*	15.00*	18.00*	18.00*	18.0*	18.0*	18.0*	18.0*
	**	**	**	**	**	**	**	**
GENERAL FUND	577,863,829	660,923,711	671,297,196	608,159,088	680,477	743,320	784,594	799,186
	9.00*	9.00*	9.00*	9.00*	9.0*	9.0*	9.0*	9.0*
	**	**	**	**	**	**	**	**
TRUST FUNDS	17,450,261	15,806,481	15,957,630	15,957,630	15,957	15,957	15,957	15,957
TOTAL PERM POSITIONS	24.00*	24.00*	27.00*	27.00*	27.0*	27.0*	27.0*	27.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	595,314,090	676,730,192	687,254,826	624,116,718	696,434	759,277	800,551	815,143

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING COST	24.00*	24.00*	27.00*	27.00*	27.0*	27.0*	27.0*	27.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	1,662,444	2,012,827	2,439,415	2,439,415	2,439	2,439	2,439	2,439
OTHER CURRENT EXPENSES	593,651,646	674,717,365	684,812,411	621,677,303	693,995	756,838	798,112	812,704
EQUIPMENT			3,000					
TOTAL OPERATING COST	595,314,090	676,730,192	687,254,826	624,116,718	696,434	759,277	800,551	815,143
BY MEANS OF FINANCING								
	15.00*	15.00*	18.00*	18.00*	18.0*	18.0*	18.0*	18.0*
	**	**	**	**	**	**	**	**
GENERAL FUND	577,863,829	660,923,711	671,297,196	608,159,088	680,477	743,320	784,594	799,186
	9.00*	9.00*	9.00*	9.00*	9.0*	9.0*	9.0*	9.0*
	**	**	**	**	**	**	**	**
TRUST FUNDS	17,450,261	15,806,481	15,957,630	15,957,630	15,957	15,957	15,957	15,957
TOTAL PERM POSITIONS	24.00*	24.00*	27.00*	27.00*	27.0*	27.0*	27.0*	27.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	595,314,090	676,730,192	687,254,826	624,116,718	696,434	759,277	800,551	815,143

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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING COST	24.00*	24.00*	27.00*	27.00*	27.0*	27.0*	27.0*	27.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	1,662,444	2,012,827	2,439,415	2,439,415	2,439	2,439	2,439	2,439
OTHER CURRENT EXPENSES	17,693,245	16,382,896	16,382,896	16,382,896	16,383	16,383	16,383	16,383
EQUIPMENT			3,000					
TOTAL OPERATING COST	19,355,689	18,395,723	18,825,311	18,822,311	18,822	18,822	18,822	18,822
BY MEANS OF FINANCING								
	15.00*	15.00*	18.00*	18.00*	18.0*	18.0*	18.0*	18.0*
	**	**	**	**	**	**	**	**
GENERAL FUND	1,905,428	2,589,242	2,867,681	2,864,681	2,865	2,865	2,865	2,865
	9.00*	9.00*	9.00*	9.00*	9.0*	9.0*	9.0*	9.0*
	**	**	**	**	**	**	**	**
TRUST FUNDS	17,450,261	15,806,481	15,957,630	15,957,630	15,957	15,957	15,957	15,957
TOTAL PERM POSITIONS	24.00*	24.00*	27.00*	27.00*	27.0*	27.0*	27.0*	27.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	19,355,689	18,395,723	18,825,311	18,822,311	18,822	18,822	18,822	18,822

PROGRAM ID: **BUF115**
PROGRAM STRUCTURE: **11020301**
PROGRAM TITLE: **FINANCIAL ADMINISTRATION**

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
MEASURES OF EFFECTIVENESS								
1. AV ANN RATE OF RETURN ON STATE TREASURY INVSTMTS	2.5	4.7	4.7	4.7	4.7	4.7	4.7	4.7
2. % TREASURY TRANSACTNS UNRECONCILED AFTER 30 DAYS	20	10	20	20	20	20	20	20
3. % INCR IN NEW UNCLAIMED PROP HOLDER REPTS FILED	10	5	3	3	3	3	3	3
4. % INCR IN UNCLAIMED PROPERTY AMOUNTS REPORTED	1	1	3	3	3	3	3	3
5. % INC IN RETURNS OF UNCLMD PROP TO RIGHTFUL OWNERS	5	5	3	3	3	3	3	3
PROGRAM TARGET GROUPS								
1. STATE DEPARTMENTS	21	21	21	21	21	21	21	21
2. STATE INVESTMENT ACCOUNTS	10	10	10	10	10	10	10	10
3. STATE FUND INVESTMENTS (\$ MILLIONS)	9000	9500	12000	12500	12700	12900	13200	13500
4. LOCAL AND MAINLAND FINANCIAL INSTITUTIONS	13	13	15	15	15	15	15	15
5. UNCLAIMED PROPERTY HOLDERS	21000	21500	21700	22000	22300	22500	22500	22500
6. OWNERS OF UNCLAIMED PROPERTY	2100000	2150000	165000	170000	175000	180000	185000	190000
PROGRAM ACTIVITIES								
1. NO. OF STATE BOND ISSUES UNDERTAKEN	10	10	10	10	10	10	10	10
2. AMOUNT OF STATE FUNDS MANAGED (IN MILLIONS)	9500	10000	14000	14500	14800	15000	15300	15500
3. NO. OF STATE AGENCY ACCOUNTS SERVICED	380	390	400	400	400	400	400	400
4. NO. OF UNCLAIMED PROPERTY CLAIMS PAID	15000	13500	13500	13500	13500	13500	13500	13500
5. AMOUNT OF UNCLAIMED PROPERTY CLAIMS PAID (000'S)	15000	11000	15000	15000	15000	15000	15000	15000
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
REVENUES FROM THE USE OF MONEY AND PROPERTY	163,498	11,297	11,297	11,297	11,297	11,297	11,297	11,297
REVENUE FROM OTHER AGENCIES: FEDERAL	2,741	6,902	6,902	6,902	6,902	6,902	6,902	6,902
REVENUE FROM OTHER AGENCIES: ALL OTHER	48,682	27,000	27,000	27,000	27,000	27,000	27,000	27,000
NON-REVENUE RECEIPTS	35,151	25,237	25,237	25,237	25,237	25,237	25,237	25,237
TOTAL PROGRAM REVENUES	250,072	70,436	70,436	70,436	70,436	70,436	70,436	70,436
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
GENERAL FUNDS	201,184	43,434	43,434	43,434	43,434	43,434	43,434	43,434
ALL OTHER FUNDS	48,888	27,002	27,002	27,002	27,002	27,002	27,002	27,002
TOTAL PROGRAM REVENUES	250,072	70,436	70,436	70,436	70,436	70,436	70,436	70,436

Program Plan Narrative

BUF115: FINANCIAL ADMINISTRATION

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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)

1) Add \$272,460 in general funds for FY 26 and \$269,460 in general funds for FY 27 to establish 3.00 permanent Accountant VI positions.

2) Add \$148,504 in trust funds for both FY 26 and FY 27 to accommodate additional fringe benefit costs.

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 HI529 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.

Program Plan Narrative

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. 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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OTHER CURRENT EXPENSES	575,958,401	658,334,469	668,429,515	605,294,407	677,612	740,455	781,729	796,321
TOTAL OPERATING COST	575,958,401	658,334,469	668,429,515	605,294,407	677,612	740,455	781,729	796,321
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	575,958,401	658,334,469	668,429,515	605,294,407	677,612	740,455	781,729	796,321
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	575,958,401	658,334,469	668,429,515	605,294,407	677,612	740,455	781,729	796,321

PROGRAM ID: **BUF721**
PROGRAM STRUCTURE: **11020303**
PROGRAM TITLE: **DEBT SERVICE PAYMENTS -STATE**

	FY	FY	FY	FY	FY	FY	FY	FY	FY
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	

MEASURES OF EFFECTIVENESS

1. NO MEASURES HAVE BEEN DEVELOPED FOR THIS PROGRAM

Program Plan Narrative

BUF721: DEBT SERVICE PAYMENTS - STATE

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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 a net increase of \$10,095,046 (principal increase of \$7,403,285, interest increase of \$3,932,261, and working capital (WC) interest decrease of \$1,240,500) in debt service costs in FY 26; and a net decrease of \$53,040,062 (principal increase of \$58,363,811, interest increase of \$40,475,627, WC principal decrease of \$150,000,000, and WC interest decrease of \$1,879,500) in debt service costs in FY 27 over the established FY 25 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 2024 (currently authorized in the State Bond Bill - House Bill No. 1801, S.D. 1, C.D. 1, SLH 2024). Assumption: projected interest rate of 7.50% and bond sales of \$1.6 billion in FY 25; \$1.5 billion in FY 26; \$1.4 billion in FY 27; and \$1.3 billion in FY 28.

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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING COST	178.00*	178.00*	179.00*	179.00*	179.0*	179.0*	179.0*	179.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	20,606,843	21,102,268	22,162,441	22,306,160	22,306	22,306	22,306	22,306
OTHER CURRENT EXPENSES	1,415,998,759	1,502,006,346	1,532,161,265	1,549,207,639	1,568,435	1,590,843	1,613,612	1,636,752
EQUIPMENT	100,900	98,900	98,900	98,900	99	99	99	99
TOTAL OPERATING COST	1,436,706,502	1,523,207,514	1,554,422,606	1,571,612,699	1,590,840	1,613,248	1,636,017	1,659,157
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	1,406,445,132	1,487,801,819	1,509,439,452	1,531,140,323	1,553,192	1,575,600	1,598,369	1,621,509
	62.00*	62.00*	63.00*	63.00*	63.0*	63.0*	63.0*	63.0*
	**	**	**	**	**	**	**	**
TRUST FUNDS	9,583,545	10,189,407	11,193,297	11,337,016	11,337	11,337	11,337	11,337
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
INTERDEPARTMENTAL TRANSFERS		4,000,000	4,000,000	4,000,000	4,000	4,000	4,000	4,000
	116.00*	116.00*	116.00*	116.00*	116.0*	116.0*	116.0*	116.0*
	**	**	**	**	**	**	**	**
OTHER FUNDS	20,677,825	21,216,288	29,789,857	25,135,360	22,311	22,311	22,311	22,311
TOTAL PERM POSITIONS	178.00*	178.00*	179.00*	179.00*	179.0*	179.0*	179.0*	179.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	1,436,706,502	1,523,207,514	1,554,422,606	1,571,612,699	1,590,840	1,613,248	1,636,017	1,659,157

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING COST	178.00*	178.00*	179.00*	179.00*	179.0*	179.0*	179.0*	179.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	20,606,843	21,102,268	22,162,441	22,306,160	22,306	22,306	22,306	22,306
OTHER CURRENT EXPENSES	1,415,998,759	1,502,006,346	1,532,161,265	1,549,207,639	1,568,435	1,590,843	1,613,612	1,636,752
EQUIPMENT	100,900	98,900	98,900	98,900	99	99	99	99
TOTAL OPERATING COST	1,436,706,502	1,523,207,514	1,554,422,606	1,571,612,699	1,590,840	1,613,248	1,636,017	1,659,157
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	1,406,445,132	1,487,801,819	1,509,439,452	1,531,140,323	1,553,192	1,575,600	1,598,369	1,621,509
	62.00*	62.00*	63.00*	63.00*	63.0*	63.0*	63.0*	63.0*
	**	**	**	**	**	**	**	**
TRUST FUNDS	9,583,545	10,189,407	11,193,297	11,337,016	11,337	11,337	11,337	11,337
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
INTERDEPARTMENTAL TRANSFERS		4,000,000	4,000,000	4,000,000	4,000	4,000	4,000	4,000
	116.00*	116.00*	116.00*	116.00*	116.0*	116.0*	116.0*	116.0*
	**	**	**	**	**	**	**	**
OTHER FUNDS	20,677,825	21,216,288	29,789,857	25,135,360	22,311	22,311	22,311	22,311
TOTAL PERM POSITIONS	178.00*	178.00*	179.00*	179.00*	179.0*	179.0*	179.0*	179.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	1,436,706,502	1,523,207,514	1,554,422,606	1,571,612,699	1,590,840	1,613,248	1,636,017	1,659,157

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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING COST	116.00*	116.00*	116.00*	116.00*	116.0*	116.0*	116.0*	116.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	14,168,515	14,708,078	14,764,361	14,764,361	14,764	14,764	14,764	14,764
OTHER CURRENT EXPENSES	6,408,410	6,409,710	14,926,996	10,272,499	7,448	7,448	7,448	7,448
EQUIPMENT	100,900	98,500	98,500	98,500	99	99	99	99
TOTAL OPERATING COST	20,677,825	21,216,288	29,789,857	25,135,360	22,311	22,311	22,311	22,311
BY MEANS OF FINANCING	116.00*	116.00*	116.00*	116.00*	116.0*	116.0*	116.0*	116.0*
	**	**	**	**	**	**	**	**
OTHER FUNDS	20,677,825	21,216,288	29,789,857	25,135,360	22,311	22,311	22,311	22,311
TOTAL PERM POSITIONS	116.00*	116.00*	116.00*	116.00*	116.0*	116.0*	116.0*	116.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	20,677,825	21,216,288	29,789,857	25,135,360	22,311	22,311	22,311	22,311

PROGRAM ID: **BUF141**
PROGRAM STRUCTURE: **11030601**
PROGRAM TITLE: **EMPLOYEES' RETIREMENT SYSTEM**

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
MEASURES OF EFFECTIVENESS								
1. AV TIME TO PROC INIT CHECK TO TERMNTG EMPlys (WKS)	7	7	7	7	7	7	7	7
2. % INITIAL MTHLY PENSION PROC W/IN 1 MTH AFTR RETIR	100	100	100	100	100	100	100	100
3. ANNUALIZED RETURN ON INVESTMENTS OVER PAST 5 YEARS	7	7	7	7	7	7	7	7
PROGRAM TARGET GROUPS								
1. ACTIVE MEMBERS	66000	66000	66000	66000	66000	66000	66000	66000
2. RETIRED MEMBERS	57000	58500	60000	61500	61500	61500	61500	61500
3. INACTIVE VESTED MEMBERS	9200	9200	9200	9200	9200	9200	9200	9200
PROGRAM ACTIVITIES								
1. ANNUAL NUMBER OF NEW MEMBERS	4000	4000	4000	4000	4000	4000	4000	4000
2. ANNUAL NUMBER OF MEMBERS COUNSELED	45000	45000	45000	45000	45000	45000	45000	45000
3. ANNUAL NUMBER OF RETIREMENT BENEFIT COMPUTATIONS	4250	4250	4250	4250	4250	4250	4250	4250
4. ANNUAL NUMBER OF NEW RETIREES	2100	2100	2100	2100	2100	2100	2100	2100
5. ANNUAL RETIREMNT BENEFIT PAYMNT AMOUNTS (MILLIONS)	1939	2035	2132	2330	2330	2330	2330	2330
6. ANNUAL NUMBER OF DECEASED MEMBER CLAIMS	800	800	800	800	800	800	800	800
7. ANNUAL NUMBER OF REFUND PAYMENTS	1000	1000	1000	1000	1000	1000	1000	1000
8. ASSETS (BILLIONS OF DOLLARS)	24	25	26	27	27	27	27	27
9. ANNUAL NET INVESTMENT INCOME (MILLIONS)	1600	1692	1776	1862	1862	1862	1862	1862
10. ANNUAL RETURN ON INVESTMENTS	7	7	7	7	7	7	7	7

Program Plan Narrative

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)

1) Add \$6,844,527 in other funds for FY 26 and \$2,823,706 in other funds for FY 27 to migrate the Employees' Retirement System's (ERS) Pension Administration System to a newer version.

3) Add \$505,759 in other funds for FY 26 and \$524,083 in other funds for FY 27 for internal compliance testing services related to employer reporting per Section 88-103.7, HRS.

4) Add \$567,000 in other funds for FY 26 and \$515,000 in other funds for FY 27 for increased anticipated legal and actuarial expenses.

5) Add \$600,000 in other funds for FY 26 to perform imaging and indexing of a backlog of paper documents received from ERS members into an electronic format to improve ERS' operational efficiencies, provide improved customer service to members, protect members' personally identifiable information and improve the ERS disaster recovery capabilities.

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 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 130,004 has increased by approximately 4% 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.

Program Plan Narrative

BUF141: EMPLOYEES' RETIREMENT SYSTEM

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

The PAF also receives funds upon retirement of ERS members when the member's contributions are transferred from the Annuity Savings Fund to the PAF. 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.

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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OPERATING COST	62.00*	62.00*	63.00*	63.00*	63.0*	63.0*	63.0*	63.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	6,438,328	6,394,190	7,398,080	7,541,799	7,542	7,542	7,542	7,542
OTHER CURRENT EXPENSES	3,145,217	3,794,817	3,794,817	3,794,817	3,795	3,795	3,795	3,795
EQUIPMENT		400	400	400				
TOTAL OPERATING COST	9,583,545	10,189,407	11,193,297	11,337,016	11,337	11,337	11,337	11,337
BY MEANS OF FINANCING								
	62.00*	62.00*	63.00*	63.00*	63.0*	63.0*	63.0*	63.0*
	**	**	**	**	**	**	**	**
TRUST FUNDS	9,583,545	10,189,407	11,193,297	11,337,016	11,337	11,337	11,337	11,337
TOTAL PERM POSITIONS	62.00*	62.00*	63.00*	63.00*	63.0*	63.0*	63.0*	63.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	9,583,545	10,189,407	11,193,297	11,337,016	11,337	11,337	11,337	11,337

PROGRAM ID: **BUF143**
PROGRAM STRUCTURE: **11030603**
PROGRAM TITLE: **HAWAII EMPLOYER-UNION TRUST FUND**

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
MEASURES OF EFFECTIVENESS								
1. PERCENTAGE OF DOCUMENTS PROCESSED WITHIN 60 DAYS	90	90	90	90	90	90	90	90
2. AV NO. DAYS REQUIRED TO PROCESS ENROLLMNT TRNSCTNS	15	15	15	15	15	15	15	15
3. PERCENTAGE OF ABANDONED CALLS	5	5	5	5	5	5	5	5
4. PERCENTAGE OF CALLS ANSWERED WITH 30 SECONDS	65	65	65	65	65	65	65	65
5. AMOUNT OF REFUNDS OUTSTANDING GREATER THAN 60 DAYS	13500	13500	13500	13500	13500	13500	13500	13500
6. AMT OF MEDICARE PART B PREMIUM OVERPAYMENTS OS YE	180	180	180	180	180	180	180	180
7. % OF TIME COMPUTER SYSTEM IS AVAILABLE DURING 1 YR	99	99	99	99	99	99	99	99
8. NO. OF MINOR & MAJOR HIPAA VIOLATIONS PER YEAR	3	3	3	3	3	3	3	3
PROGRAM TARGET GROUPS								
1. TOTAL EMPLOYEES - (ACTIVES) FULL-TIME (STATE/CNTY)	65000	65000	65000	65000	65000	65000	65000	65000
2. TOTAL EMPLOYEES - RETIRED	51000	51000	54500	55000	55000	55000	55000	55000
3. TOTAL DEPENDENT BENEFICIARIES	81000	81000	79000	79000	79000	79000	79000	79000
4. MEDICARE PREMIUM REIMBURSEMENT RECIPIENTS	55000	55000	59000	59000	59000	59000	59000	59000
PROGRAM ACTIVITIES								
1. NEW ENROLLMENTS (ADDITIONS)	9300	9300	13000	13000	13000	13000	13000	13000
2. TERMINATIONS (DELETIONS, CANCELLATIONS)	11000	11000	12000	12000	12000	12000	12000	12000
3. ENROLLMNT DATA CHGS (INS PLAN, NAME, ADDRESS, ETC.)	30000	30000	30000	30000	30000	30000	30000	30000
4. COBRA ENROLLMENTS	1127	1127	950	950	950	950	950	950
5. OUTREACH/EDUC BENEFIT BRIEFING SESSIONS CONDUCTED	200	200	200	200	200	200	200	200
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
REVENUES FROM THE USE OF MONEY AND PROPERTY	610,068	488,414	550,916	615,055	680,835	748,291	817,524	888,377
CHARGES FOR CURRENT SERVICES	217,809	42,069						
NON-REVENUE RECEIPTS	2,422,281	2,445,153	2,456,135	2,467,227	2,478,431	2,489,746	2,501,172	2,501,172
TOTAL PROGRAM REVENUES	3,250,158	2,975,636	3,007,051	3,082,282	3,159,266	3,238,037	3,318,696	3,389,549
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
ALL OTHER FUNDS	3,250,158	2,975,636	3,007,051	3,082,282	3,159,266	3,238,037	3,318,696	3,389,549
TOTAL PROGRAM REVENUES	3,250,158	2,975,636	3,007,051	3,082,282	3,159,266	3,238,037	3,318,696	3,389,549

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)

1) Add \$143,719 in trust funds for FY 26 and \$287,438 in trust funds for FY27 to establish an Investment Officer position for the Hawaii Employer-Union Trust Fund (EUTF) Administration.

The EUTF Other Post-Employment Benefits Trust (OPEB) has grown significantly since the passage of Act 268, SLH 2013. Employer contributions and investment returns resulted in growth of the OPEB Trust from \$150.7 million as of June 30, 2011, to approximately \$7.8 billion today. Currently, the EUTF Investment Office is staffed with an EUTF Chief Investment Officer and two EUTF Investment Analysts. The present workload for just the critical functions and maintaining internal control is estimated at about 4.70 full-time equivalents. To ensure the EUTF's staffing level remains adequate to manage the growth of OPEB assets, addition of one EUTF Investment Officer position is necessary.

2) Add \$830,199 in trust funds in both FY 26 and FY 27 to accommodate the change in the approved composite fringe benefits rate from 52.61% to 64.25%.

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 OPEB 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.

Program Plan Narrative

BUF143: HAWAII EMPLOYER-UNION TRUST FUND

11 03 06 03

- Administer enrollment records for qualified beneficiaries eligible under P.L. 99-272. Federal Consolidated Omnibus Budget Reconciliation Act 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 privacy regulations and policies related to health benefit enrollment records.
- Comply with Government Accounting Standards Board Nos. 74, Financial Reporting for Post-Employment Benefit Plans Other than Pension Plans, and 75, Accounting and Financial Reporting for 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 EUTF's 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 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 EUTF. EUTF collects both State and county employer and employee contributions. After processing and reconciling the enrollments and contributions, EUTF remits applicable amounts to insurance carriers or administrators for insurance premiums. 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.

Program Plan Narrative

BUF143: HAWAII EMPLOYER-UNION TRUST FUND

11 03 06 03

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.
- 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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OTHER CURRENT EXPENSES	443,559,688	497,824,254	516,718,644	526,870,219	537,225	547,787	558,559	569,548
TOTAL OPERATING COST	443,559,688	497,824,254	516,718,644	526,870,219	537,225	547,787	558,559	569,548
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	443,559,688	493,824,254	512,718,644	522,870,219	533,225	543,787	554,559	565,548
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
INTERDEPARTMENTAL TRANSFERS		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	443,559,688	497,824,254	516,718,644	526,870,219	537,225	547,787	558,559	569,548

PROGRAM ID: **BUF741**
 PROGRAM STRUCTURE: **11030605**
 PROGRAM TITLE: **RETIREMENT BENEFITS PAYMENTS - STATE**

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
MEASURES OF EFFECTIVENESS								
1. % RETIREMENT BENEFITS PAYMENTS	100	100	100	100	100	100	100	100
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
NON-REVENUE RECEIPTS	203,613	220,882	226,361	230,888	235,505	240,216	240,216	240,216
TOTAL PROGRAM REVENUES	203,613	220,882	226,361	230,888	235,505	240,216	240,216	240,216
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
GENERAL FUNDS	203,613	220,882	226,361	230,888	235,505	240,216	240,216	240,216
TOTAL PROGRAM REVENUES	203,613	220,882	226,361	230,888	235,505	240,216	240,216	240,216

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 \$18,894,390 in FY 26 and \$29,045,965 in FY 27.

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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OTHER CURRENT EXPENSES	140,901,444	126,784,565	158,214,808	161,379,104	164,607	167,899	171,257	174,682
TOTAL OPERATING COST	140,901,444	126,784,565	158,214,808	161,379,104	164,607	167,899	171,257	174,682
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	140,901,444	126,784,565	158,214,808	161,379,104	164,607	167,899	171,257	174,682
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	140,901,444	126,784,565	158,214,808	161,379,104	164,607	167,899	171,257	174,682

PROGRAM ID: **BUF761**
 PROGRAM STRUCTURE: **11030607**
 PROGRAM TITLE: **HEALTH PREMIUM PAYMENTS - STATE**

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
MEASURES OF EFFECTIVENESS								
1. % HEALTH PREMIUM PAYMENTS	100	100	100	100	100	100	100	100
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
CHARGES FOR CURRENT SERVICES	69,841	65,092	66,393	58,281	69,076	70,457	70,457	70,457
TOTAL PROGRAM REVENUES	69,841	65,092	66,393	58,281	69,076	70,457	70,457	70,457
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
GENERAL FUNDS	69,841	65,092	66,393	58,281	69,076	70,457	70,457	70,457
TOTAL PROGRAM REVENUES	69,841	65,092	66,393	58,281	69,076	70,457	70,457	70,457

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 \$31,430,243 in FY 26 and \$34,594,539 in FY 27.

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 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
OTHER CURRENT EXPENSES	821,984,000	867,193,000	838,506,000	846,891,000	855,360	863,914	872,553	881,279
TOTAL OPERATING COST	821,984,000	867,193,000	838,506,000	846,891,000	855,360	863,914	872,553	881,279
BY MEANS OF FINANCING								
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
GENERAL FUND	821,984,000	867,193,000	838,506,000	846,891,000	855,360	863,914	872,553	881,279
TOTAL PERM POSITIONS	*	*	*	*	*	*	*	*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	821,984,000	867,193,000	838,506,000	846,891,000	855,360	863,914	872,553	881,279

PROGRAM ID: **BUF762**
 PROGRAM STRUCTURE: **11030609**
 PROGRAM TITLE: **HEALTH PREMIUM PAYMENTS - ARC**

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
MEASURES OF EFFECTIVENESS								
1. % HEALTH PREMIUM ARC PAYMENTS	100	100	100	100	100	100	100	100
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
CHARGES FOR CURRENT SERVICES	127,408	178,916	184,779	190,596	197,064	203,878	203,878	203,878
TOTAL PROGRAM REVENUES	127,408	178,916	184,779	190,596	197,064	203,878	203,878	203,878
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
GENERAL FUNDS	127,408	178,916	184,779	190,596	197,064	203,878	203,878	203,878
TOTAL PROGRAM REVENUES	127,408	178,916	184,779	190,596	197,064	203,878	203,878	203,878

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 \$28,687,000 (retirees decrease of \$13,103,000 and OPEB pre-funding decrease of \$15,584,000) in FY 26 and an decrease of \$20,302,000 (retirees increase of \$23,969,000 and OPEB pre-funding decrease of \$44,271,000) in FY 27.

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 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. 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 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29		FY 29-30
PROGRAM TOTALS												
		PLANS	2,885	2,885								
		LAND ACQUISITION	1	1								
		DESIGN	2,885	2,885								
		CONSTRUCTION	1,712,400	1,712,400								
		EQUIPMENT	1	1								
COST ELEMENT/MOF		TOTAL	1,718,172	1,718,172								
		G.O. BONDS	1,602,697	1,602,697								
		ARP FUNDS	115,475	115,475								