



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

February 12, 2010

The Honorable Calvin K. Y. Say, Speaker
and Members of the House of Representatives
Twenty-Fifth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear Mr. Speaker and Members of the House:

For your information and consideration, I am transmitting herewith two (2) copies of the Governor's reports pursuant to Sections 88, 90, 91, 92, 93, 94, 95, 97, 99, 101, 102, 106, 107, 108, 109, 112, 113, 114, 117, 119, 120, 121, and 131 of Act 162, SLH 2009, the General Appropriations Act of 2009. In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the reports may be viewed electronically at www.hawaii.gov/budget/legreports.

Sincerely,

LINDA LINGLE

Enclosures



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

February 12, 2010

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fifth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

For your information and consideration, I am transmitting herewith two (2) copies of the Governor's reports pursuant to Sections 88, 90, 91, 92, 93, 94, 95, 97, 99, 101, 102, 106, 107, 108, 109, 112, 113, 114, 117, 119, 120, 121, and 131 of Act 162, SLH 2009, the General Appropriations Act of 2009. In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the reports may be viewed electronically at www.hawaii.gov/budget/legreports.

Sincerely,

LINDA LINGLE

Enclosures

**GOVERNOR'S REPORTS TO LEGISLATURE
PURSUANT TO SECTIONS 88, 90, 91, 92, 93, 94, 95, 97, 99, 101, 102, 106, 107, 108,
109, 112, 113, 114, 117, 119, 120, 121, AND 131 OF
ACT 162, SLH 2009, GENERAL APPROPRIATIONS ACT OF 2009**

SECTION 88. Provided that in the event that the authorized appropriations specified for a capital improvement project listed in this Act are insufficient and where the source of funding is designated as special funds, general obligation bond fund with debt service cost to be paid from special funds, revenue bond funds, or revolving funds, the governor may make supplemental allotments from the special fund or revolving fund responsible for cash or debt service payments for the projects, or transfer unrequired balances from other unapsed projects in this Act or prior appropriation acts which authorized the use of special funds, general obligation bond fund with debt service costs to be paid from special funds, revenue bond funds, or revolving funds; provided further that such supplemental allotments shall not be used to increase the scope of the project; provided further that such supplemental allotments shall not impair the ability of the fund to meet the purposes for which it was established; and provided further that the governor shall submit a report to the legislature of all uses of this proviso for the previous twelve month period from December 1 to November 30 no later than twenty days prior to the convening of the 2010 and 2011 regular sessions.

Refer to Attachment A.

SECTION 90. Provided that the governor may supplement funds for any cost element for a capital improvement project authorized under this Act by transferring such sums as may be needed from the funds appropriated for other cost elements of the same project by this Act or any other prior or future act which has not lapsed; provided further that the total expenditure of funds for all cost elements shall not exceed the total appropriations for that project; and provided further that the governor shall submit a report to the legislature of all uses of this proviso for the previous twelve month period from December 1 to November 30 no later than twenty days prior to the convening of the 2010 and 2011 regular sessions.

Refer to Attachment B.

SECTION 91. Provided that after the objectives and purposes of appropriations made in this Act from the general obligation bond fund for capital improvement projects have been met, unrequired balances, except those from University of Hawaii projects, shall be transferred to the project adjustment fund appropriated in part II and described in part IV of this Act, and shall be considered a supplementary appropriation thereto; provided further that all other unrequired allotment balances, unrequired appropriation balances, and unrequired encumbrance balances shall lapse as of June 30, 2012, as provided in section 96 of this Act; and provided further that the governor shall notify the legislature within five days of each use of this proviso and submit a report to the legislature of all uses of this proviso for the previous twelve month period from December 1 to November 30 no later than twenty days prior to the convening of the 2010 and 2011 regular sessions.

No activity to report.

SECTION 92. Provided that in the event that authorized appropriations specified for capital improvement projects listed in this Act or in any other act currently authorized by the legislature are insufficient, and where the source of funding for the project is designated as the general obligation bond fund, the governor may make supplemental allotments from the project adjustment fund appropriated in part II and described in part IV of this Act to supplement any currently authorized capital investment cost elements; provided further that such supplemental allotments from the project adjustment fund shall not be used to increase the scope of the project; and provided further that the governor shall notify the legislature within five days of each use of this proviso and submit a report to the legislature of all uses of this proviso for the previous twelve month period from December 1 to November 30 no later than twenty days prior to the convening of the 2010 and 2011 regular sessions.

No activity to report.

SECTION 93. Provided that after the objectives and the purposes of appropriations made in this Act for capital investment purposes from the state educational facilities improvement special fund have been met, any unrequired balances shall be transferred to the special funded project adjustment fund for state educational facilities appropriated in part II and described further in part IV, and shall be considered a supplementary appropriation thereto; and provided further that the governor shall submit a report to the legislature of all uses of this proviso for the previous twelve month period from December 1 to November 30 no later than twenty days prior to the convening of the 2010 and 2011 regular sessions.

Refer to Attachment C.

SECTION 94. Provided that in the event that currently authorized appropriations specified for capital investment purposes listed in this Act or in any other Act currently authorized by the legislature are insufficient, and where the source of funding for the project is designated as the state educational facilities improvement special fund, the governor may make supplemental allotments from the special funded project adjustment fund for state educational facilities appropriated in part II and described further in part IV; provided further that the supplemental allotments from the special funded project adjustment fund for state educational facilities shall not be used to increase the scope of the project and may only be made to supplement currently authorized capital investment project cost elements; and provided further that the governor shall submit a report to the legislature of all uses of this proviso for the previous twelve month period from December 1 to November 30 no later than twenty days prior to the convening of the 2010 and 2011 regular sessions.

Refer to Attachment C.

SECTION 95. Provided that after the objectives and the purposes of appropriations made in this Act from the general obligation bond fund for capital improvement projects for the University of Hawaii have been met, any unrequired balances shall be transferred to the University of Hawaii project adjustment fund appropriated in part II and described further in part IV, and shall be considered a supplementary appropriation thereto; and provided further that the governor shall submit a report to the legislature of all uses of this proviso for the previous twelve month period from December 1 to November 30 no later than twenty days prior to the convening of the 2010 and 2011 regular sessions.

No activity to report.

SECTION 97. Provided that where it has been determined that changed conditions, such as a reduction in the particular population being served, permit the reduction in the scope of a capital improvement project described in this Act, the governor may authorize such reduction of project scope; and provided further that the governor shall notify the legislature within five days of each use of this proviso and submit a report to the legislature of all uses of this proviso for the previous twelve month period from December 1 to November 30 no later than twenty days prior to the convening of the 2010 and 2011 regular sessions.

No activity to report.

SECTION 99. Provided that with the approval of the governor, designated expending agencies for capital improvement projects authorized in this Act may delegate to other state or county agencies the implementation of projects when it is determined advantageous to do so by both the original expending agency and the agency to which expending authority is to be delegated; and provided further that the governor shall notify the legislature within five days of each use of this proviso and submit a report to the legislature of all uses of this proviso for the previous twelve month period from December 1 to November 30 no later than twenty days prior to the convening of the 2010 and 2011 regular sessions.

Refer to Attachment D.

SECTION 101. Provided that the governor may authorize the expenditure of funds for capital improvement projects not previously authorized in this Act to cope with the effects of natural disasters or unforeseen emergencies, when the effects of the natural disasters or unforeseen emergencies create an urgent need to pursue a course of action that is in the best interest of the State; provided further that no funds shall be expended without a formal declaration of a natural disaster or emergency by the governor; provided further that the governor shall use the project adjustment fund authorized in part II and described in part IV to accomplish the purposes of this section; and provided further that the governor shall notify the legislature within five days of each use of this proviso and submit a report to the legislature of all uses of this proviso for the previous twelve month period from December 1 to November 30 no later than twenty days prior to the convening of the 2010 and 2011 regular sessions.

No activity to report.

SECTION 102. Provided that notwithstanding any provision in part III of this Act, the governor is authorized to transfer savings or unrequired balances as may be available from the appropriated funds of any program in this Act to supplement the appropriation for any other program in this Act to cope with the effects of natural disasters or other unforeseen emergencies; provided further that the effects of such natural disasters or emergencies create an urgent need to pursue a course of action which is in the best interest of the State; provided further that the use of such funds does not conflict with general law; provided further that no funds shall be expended without a formal declaration of a natural disaster or emergency by the governor; and provided further that the governor shall notify the legislature within five days of each use of this proviso and submit a report to the legislature of all uses of this proviso for the previous twelve month period from December 1 to November 30 no later than twenty days prior to the convening of the 2010 and 2011 regular sessions.

No activity to report.

SECTION 106. Provided that in the event that unanticipated federal funding cutbacks diminish or curtail essential, federally-funded state programs, the governor may utilize savings as determined to be available from other state programs for the purpose of maintaining such programs until the next legislative session; and provided further that the governor shall notify the legislature within five days of each use of this proviso and submit a report to the legislature of all uses of this proviso for the previous twelve month period from December 1 to November 30 no later than twenty days prior to the convening of the 2010 and 2011 regular sessions.

No activity to report.

SECTION 107. Provided that the governor may approve the expenditure of federal stimulus funds for operating and capital improvement purposes designated with the letter "V" which are in excess of levels authorized by the legislature; provided further that the governor may allow for an increase in the federal stimulus fund authorization ceiling for the program to accommodate the expenditure of such funds; provided further that prior to the governor's approval to expend these funds, the governor shall submit a report to the legislature; provided further that the report shall include the date the program to receive the federal stimulus funds was first notified that additional federal stimulus funds may be available, the date that additional federal stimulus funds were known to be available, and an explanation of the public benefit; and provided further that the governor shall submit a summary report of all uses of this proviso for the previous twelve month period from December 1 to November 30 no later than twenty days prior to the convening of the 2010 and 2011 regular sessions.

Refer to Attachment E.

SECTION 108. Provided that the governor may approve the expenditure of federal funds designated with the letter "N" for operating and capital improvement purposes which are in excess of levels authorized by the legislature only in the event that the expenditure is made for the benefit of the public; provided further that the governor may allow for an increase in the federal fund authorization ceiling for the program to accommodate the expenditure of such funds; provided further that prior to the governor's approval to expend these funds the governor shall submit a report to the legislature; provided further that the report shall include the date when the program to receive the federal funds was first notified that additional federal funds may be available, the date that additional federal funds were known to be available, and the reasons why additional federal fund appropriations were not sought during the preceding legislative session, and an explanation of the public benefit; provided further that in the event of federal funds received as a result of a natural or manmade disaster, the governor shall submit notification to the legislature within five days after the governor's approval to expend funds has been granted; and provided further that the governor shall submit a summary report of all uses of this proviso for the previous twelve month period from December 1 to November 30 no later than twenty days prior to the convening of the 2010 and 2011 regular sessions.

Refer to Attachment F.

SECTION 109. Provided that where an agency is authorized to secure funds or other property from private organizations or individuals to be expended or utilized in connection with any authorized program, the agency, with the governor's approval, may enter into such undertaking, provided that the provisions of the undertaking comply with applicable State constitutional and statutory requirements; and provided further that the governor shall notify the legislature within five days of each use of this proviso and submit a report to the legislature of all uses of this proviso for the previous twelve month period from December 1 to November 30 no later than twenty days prior to the convening of the 2010 and 2011 regular sessions.

Refer to Attachment G.

SECTION 112. Provided that unless otherwise provided in this Act, the governor is authorized to transfer operating funds between appropriations within the same fund, within an expending agency, for operating purposes; provided further that for each fiscal year the cumulative amount of transfers for a means of financing (MOF) from a program ID shall not exceed ten per cent of the amount appropriated that fiscal year for that MOF of that program ID; provided further that for each fiscal year the cumulative amount of transfers for a MOF to a program ID shall not exceed ten per cent of the amount appropriated that fiscal year for that MOF of that program ID; provided further that the governor shall submit a report to the legislature within five days of each use of this proviso; provided further that the report shall include the date of transfer, the amount of the transfer, the program ID from which funds were transferred, the program ID to which funds were transferred, the impact to the program ID funds are transferred from, and a detailed explanation of the public purposes served by the transfer of resources; and provided further that the governor shall submit to the legislature a summary report containing the aforementioned information for each use of this proviso for the previous twelve month period from December 1 to November 30 no later than twenty days prior to the convening of the 2010 and 2011 regular sessions.

Refer to Attachment H.

SECTION 113. Provided that unless otherwise provided in this Act, section 112 notwithstanding, for the department of health, the department of human services, and the department of public safety, the governor is authorized to transfer operating funds between appropriations within the same fund, within an expending agency, for operating purposes; provided further that the governor shall submit a report to the legislature within five days of each use of this proviso; provided further that the report shall include the date of transfer, the amount of the transfer, the program ID from which funds were transferred, the program ID to which funds were transferred, the impact to the program ID funds are transferred from, and a detailed explanation of the public purposes served by the transfer of resources; and provided further that the governor shall submit to the legislature a summary report containing the aforementioned information for each use of this proviso for the previous twelve month period from December 1 to November 30 no later than twenty days prior to the convening of the 2010 and 2011 regular sessions.

Refer to Attachment I.

SECTION 114. Except as otherwise provided in this Act, each department or agency is authorized to transfer positions within its respective authorized position ceiling for the purpose of maximizing the utilization of personnel resources and staff productivity; provided further that all such actions shall be with the prior approval of the governor and shall be consistent with appropriations provided in this Act and with provisions of part II of chapter 37, Hawaii Revised Statutes; provided further that the governor shall submit a report to the legislature within five days of each use of this proviso; provided further that the report shall include the date of the transfer, the position transferred, the program from which the position was transferred, the program to which the position was transferred, responsibilities of the position prior to transfer, the responsibilities of the position after the transfer, and the manner in which the transfer maximizes the utilization of personnel resources and staff productivity; and provided further that the governor shall submit to the legislature a summary report of all uses of this proviso for the previous twelve month period from December 1 to November 30 no later than twenty days prior to the convening of the 2010 and 2011 regular sessions.

No activity to report.

SECTION 117. With the approval of the governor, expending agencies that use appropriations authorized in part II of this Act for plans, land acquisition, design, construction, and equipment for repair and alterations may delegate responsibility and transfer funds to public works – planning, design, and construction (AGS 221) for the implementation of the repair and alterations, when it is determined by the agencies that it is advantageous to do so; and provided further that the governor shall submit to the legislature a summary report of all uses of this proviso for the previous twelve month period from December 1 to November 30 no later than twenty days prior to the convening of the 2010 and 2011 regular sessions.

Refer to Attachment J.

SECTION 119. With the approval of the governor, the Hawaii health systems corporation in the department of health may transfer to the department of human services funds appropriated to the Hawaii health systems corporation for the care and treatment of patients, whenever the department of human services can utilize such funds to match federal funds which may be available to help finance the cost of outpatient, acute hospital, or long-term care of indigents or medical indigents in designated critical access hospitals; and provided further that the governor shall submit a report to the legislature of all uses of this proviso for the previous twelve month period from December 1 to November 30 no later than twenty days prior to the convening of the 2010 and 2011 regular sessions.

No activity to report.

SECTION 120. With the approval of the governor, the department of health may transfer to the department of human services funds appropriated to the department of health for the care and treatment of patients, whenever the department of human services can utilize such funds to match federal funds to finance the cost of outpatient, hospital, or skilled nursing

home care of indigents or medical indigents; and provided further that the governor shall submit a report to the legislature of all uses of this proviso for the previous twelve month period from December 1 to November 30 no later than twenty days prior to the convening of the 2010 and 2011 regular sessions.

No activity to report.

SECTION 121. The department of human services is authorized to enter into agreements with the department of health to furnish outpatient, hospital, and skilled nursing home care of indigents or medical indigents and to pay the department of health for such care; provided that with the approval of the director of finance, the department of health may deposit part of such receipts into the appropriations from which transfers were made as provided elsewhere in this Act; and provided further that the governor shall submit a report to the legislature of all uses of this proviso for the previous twelve month period from December 1 to November 30 no later than twenty days prior to the convening of the 2010 and 2011 regular sessions.

No activity to report.

SECTION 131. The director of finance is authorized to expend general fund, special fund, and revolving fund savings or balances determined to be available from authorized general fund, special fund, and revolving fund program appropriations, up to an aggregate total of \$20,000,000 for fiscal year 2009-2010 and \$20,000,000 for fiscal year 2010-2011, for municipal lease payments under financing agreements entered into pursuant to chapter 37D, Hawaii Revised Statutes, to finance the acquisition of depreciable assets, including, but not limited to, automobiles, computers, printers, and telecommunications equipment; provided further that designated expending agencies (including the department of education and the University of Hawaii) for municipal lease payments and for depreciable assets, including, but not limited to, automobiles, computers, printers, and telecommunications equipment authorized in this Act may delegate to the director of finance the implementation of such acquisitions when it is determined by all involved agencies that it is advantageous to do so; and provided further that the governor shall submit to the legislature a summary report of all uses of this proviso for the previous twelve month period from December 1 to November 30 no later than twenty days prior to the convening of the 2010 and 2011 regular sessions.

No activity to report.